

FY2022 First Quarter Consolidated Financial Results Appendix

May 13, 2022

Rakuten Group, Inc.





Consolidated Results

Q1/22 Revenue and Operating Income^{*1}

(JPY bn)

	Q1/21	Q1/22	YoY
Core Business^{*2}			
Revenue	332.7	360.2	+8.3%
Operating Income	35.9	42.3	+17.7%
Non-recurring / Investments^{*3}			
Revenue	37.4	35.4	-5.4%
Operating Income	37.7	2.5	-93.2%
Future Growth Investments^{*4}			
Revenue	62.3	88.7	+42.5%
Operating Income	-105.1	-139.1	-34.1
Adjustments			
Revenue	-40.8	-47.1	-6.3
Operating Income	-0.1	-4.0	-3.9
Consolidated			
Revenue	391.5	437.1	+11.7%
Non-GAAP Operating Income	-31.6	-98.3	-66.7
IFRS Operating Income	-37.3	-112.6	-75.3

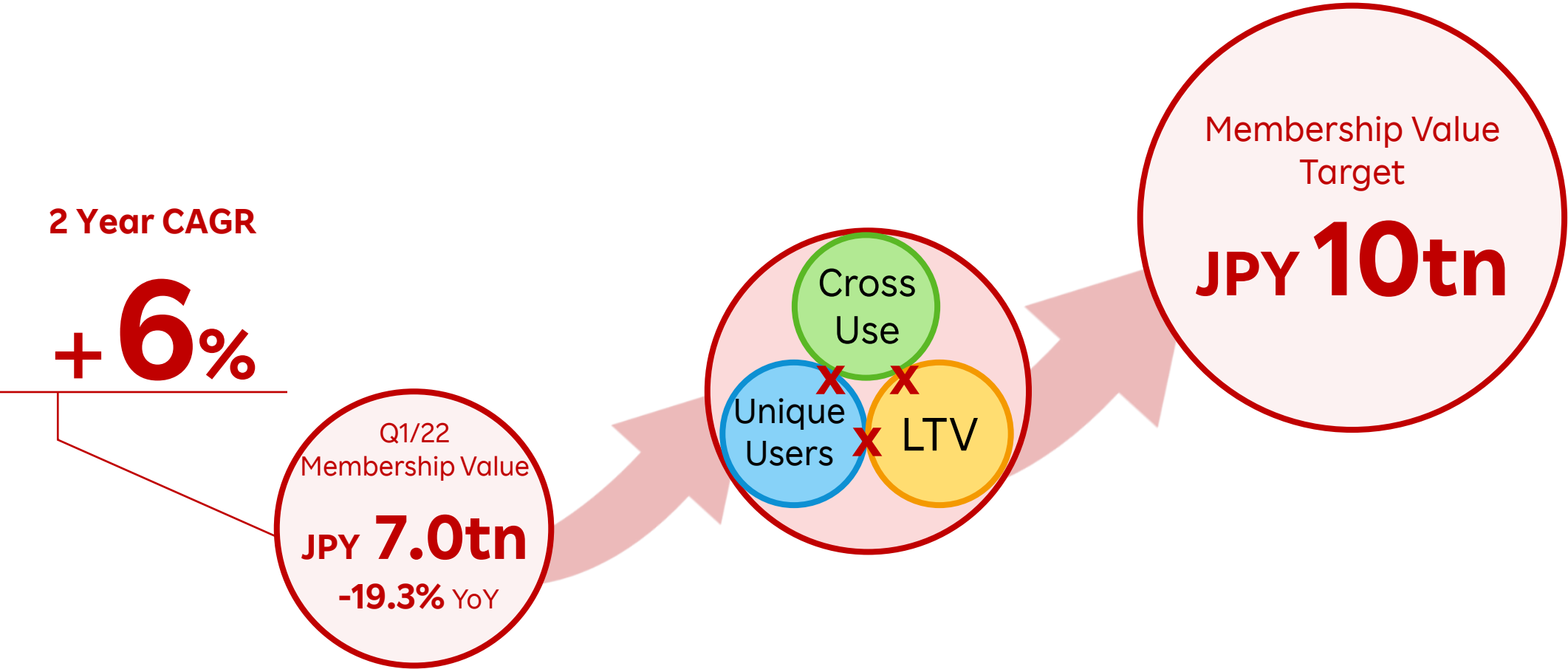
^{*1} From Q2/21, businesses included in “Core Businesses”, “Non-recurring Investments”, and “Future Growth Investments” have been revised as follows due to segment changes.

^{*2} Includes all the businesses other than “Non-recurring Investments” and “Future Growth Investments”.

^{*3} Includes Securities, General Insurance and Minority Investment.

^{*4} Includes Logistic Business and all the businesses in Mobile segment.

Massive Expansion of the Rakuten Ecosystem*

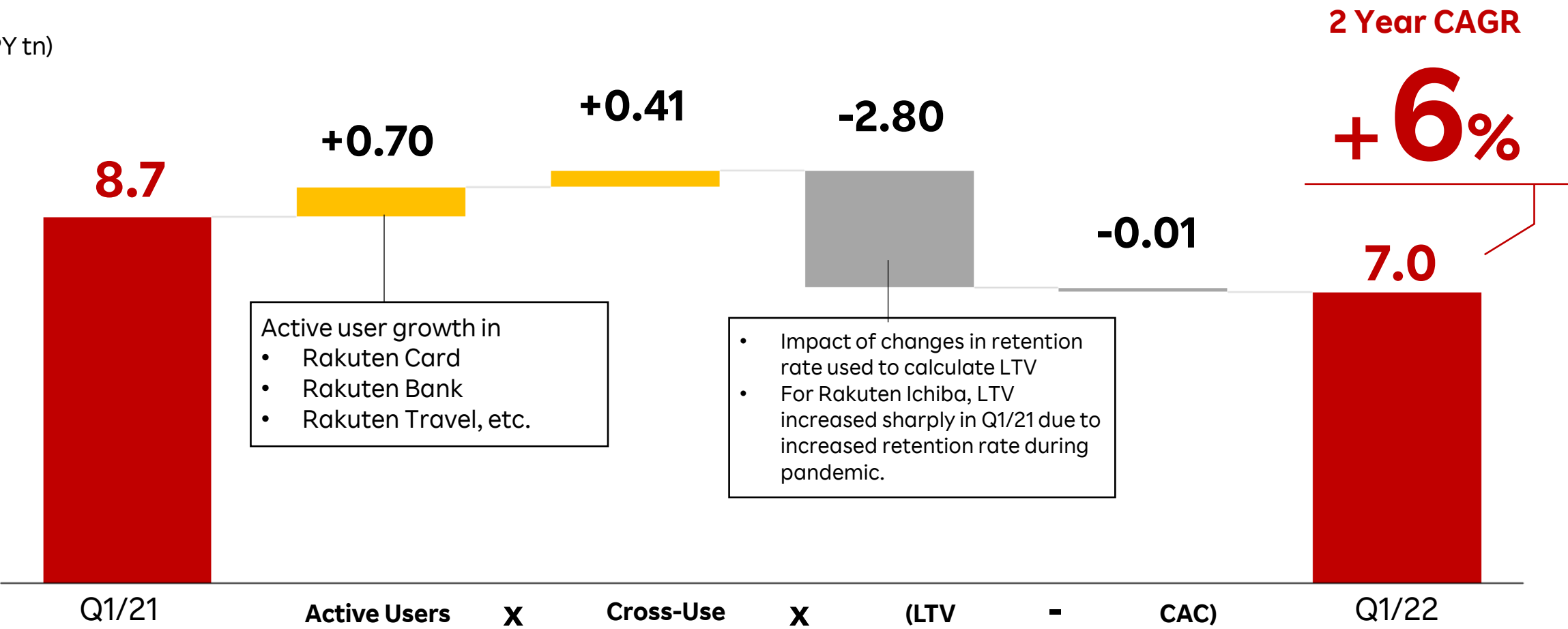


* Mobile business is not included in the above calculation.

Rakuten Ecosystem Membership Value

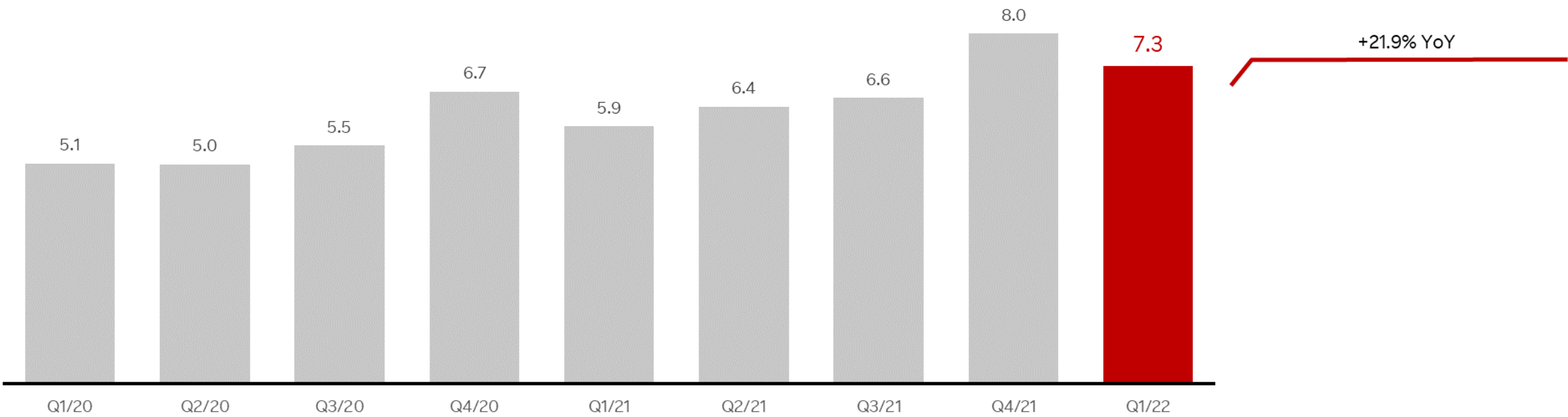
While the number of active users increased, centered on FinTech and Rakuten Travel, and cross-use within the Rakuten Ecosystem remained strong, Rakuten Ichiba's LTV decreased due to a sharp increase in LTV due to a rise in retention rate amid the pandemic last year. 2 Year CAGR for membership value steadily increased to + 6%.

(JPY tn)



Total Global GTV*1*2

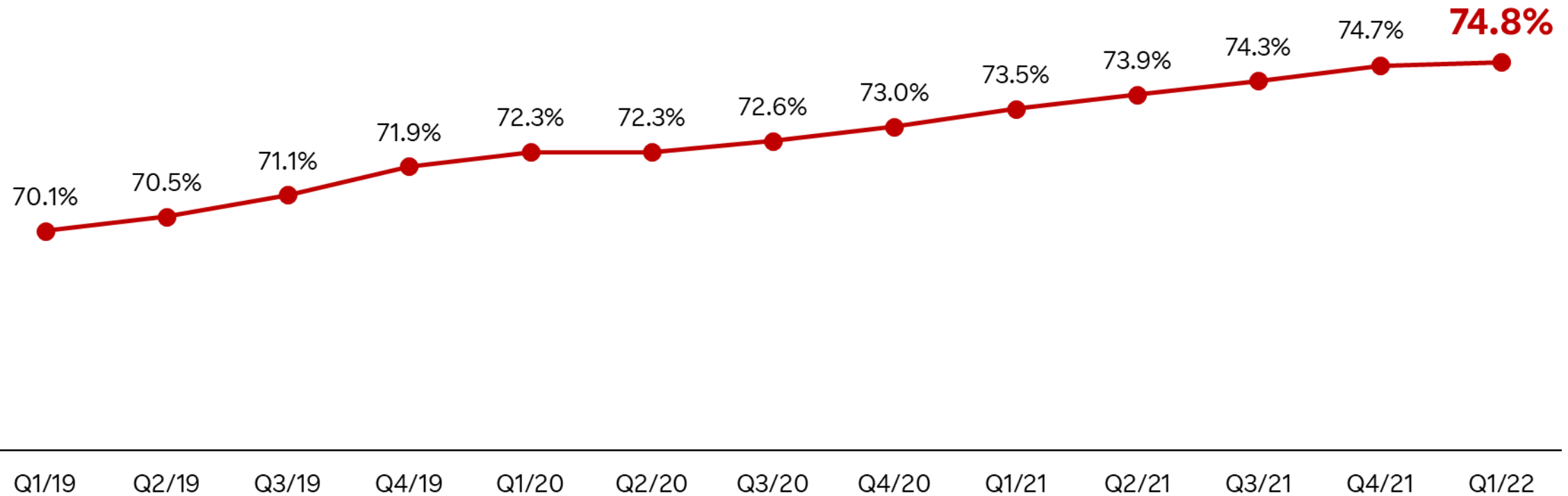
(JPY tn)



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

*2 Including intercompany transactions for settlement and affiliate services

Expansion of Service Cross-Use Ratio*



* Number of Rakuten members who have utilized two or more Rakuten services during the past 12 months of the listed month (As of September 30, 2021)
(Applicable services limited to those which can earn Rakuten Points.)

Q1/22 Consolidated Results Summary

(JPY bn)

	Q1/21	Q1/22	YoY
Revenue	391.5	437.1	+11.7%
Non-GAAP Operating Income	-31.6	-98.3	-66.7
Non-GAAP Operating Income excluding Mobile segment, Logistics business and Minority investment	42.3	42.0	-0.7%
IFRS Operating Income	-37.3	-112.6	-75.3

Q1/22 Revenue and Operating Income*

(JPY bn)

		Q1/21	Q1/22	YoY
	Domestic E-Commerce			
	Revenue	163.1	182.5	+11.9%
	Operating Income	12.1	21.5	+77.3%
	Others			
	Revenue	61.8	63.3	+2.4%
	Operating Income	29.4	-3.5	-32.9
Internet Services Segment				
	Revenue	224.9	245.8	+9.3%
	Operating Income	41.6	18.0	-56.7%
FinTech Segment				
	Revenue	151.6	158.1	+4.3%
	Operating Income	24.5	22.8	-7.3%
Mobile Segment				
	Revenue	55.8	80.4	+44.0%
	Operating Income	-97.6	-135.0	-37.4
Adjustments				
	Revenue	-40.8	-47.1	-6.3
	Operating Income	-0.1	-4.0	-3.9
Consolidated				
	Revenue	391.5	437.1	+11.7%
	Non-GAAP Operating Income	-31.6	-98.3	-66.7
	IFRS Operating Income	-37.3	-112.6	-75.3

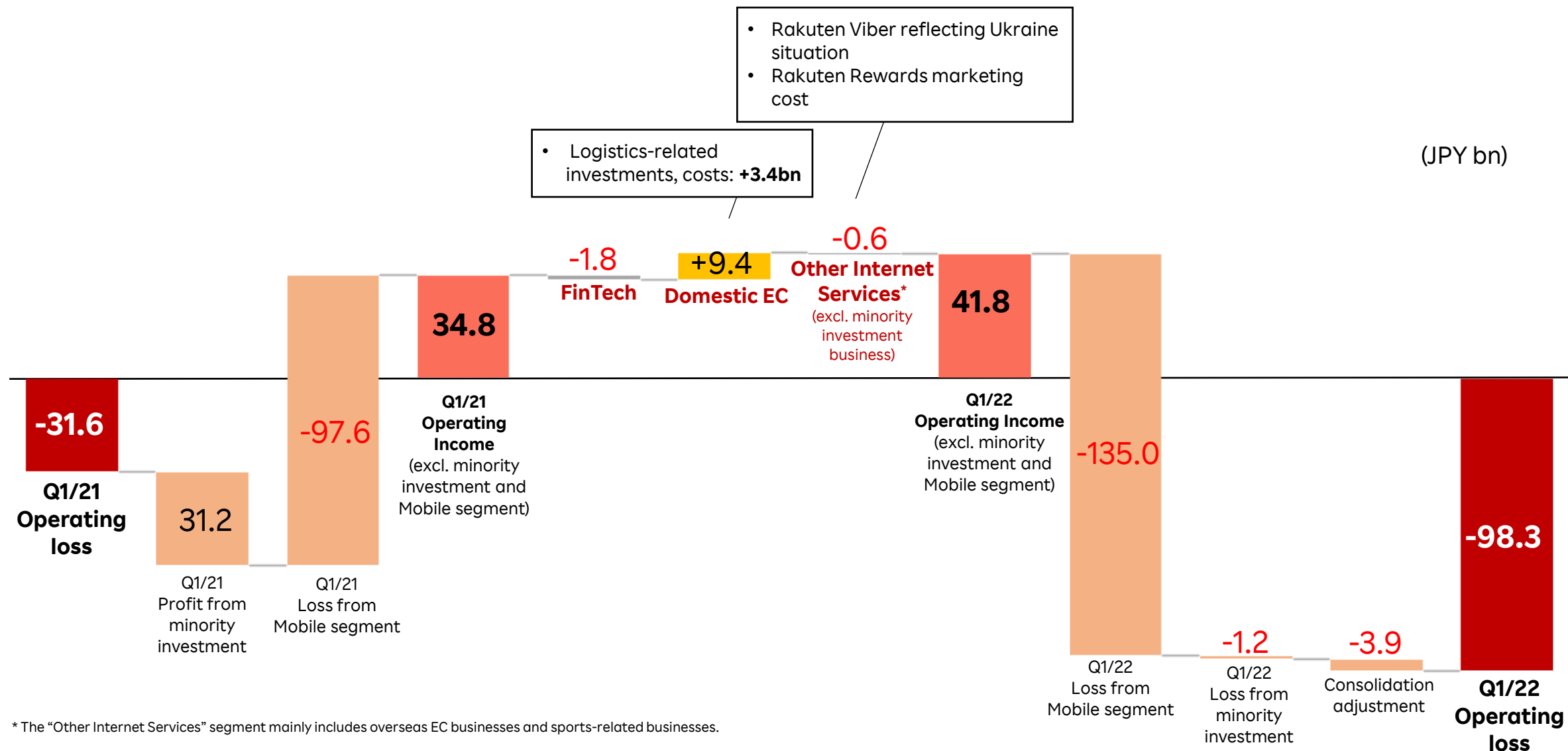
* From Q4/20, Contents related businesses were transferred from the Internet Services segment to the Mobile segment. In addition to this, from Q2/21, some businesses providing digital content sites in North America and Viber were transferred from the Mobile segment to the Internet Services segment. From 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. Past figures have also been retroactively adjusted.

Q1/22 Non-GAAP Operating Income Reconciliation

(JPY bn)

	Q1/21	Q1/22	YoY
Non-GAAP Operating Income	-31.6	-98.3	-66.7
Amotization of Intangible Assets (PPA)	-2.6	-2.2	+0.4
Stock Based Compensation	-3.2	-3.5	-0.3
One-off items	0.0	-8.6	-8.6
IFRS Operating Income	-37.3	-112.6	-75.3

Q1/22 Non-GAAP Operating Income Breakdown



Consolidated and Major Subsidiaries Balance Sheet (1) As of March 31, 2022^{*1*2*3}

(JPY bn)

Cash and cash equivalents 4,333.0	Bonds and borrowings 3,734.4
Financial assets for securities biz 3,368.2	Financial liabilities for securities biz 3,323.2
Investment securities and loans for banking biz 3,660.0	Deposits for banking biz 7,323.3
Loans for credit card biz 2,259.7	
Other assets 4,364.8	Other liabilities 2,324.9
	Total net assets 1,054.3

Total Assets 17,985.7

Consolidated

Cash and cash equivalents 207.6	Bonds and borrowings 957.1
Other assets 2,976.5	Other liabilities 899.2
	Subordinated bonds 225.7
	Total net assets 1,102.0

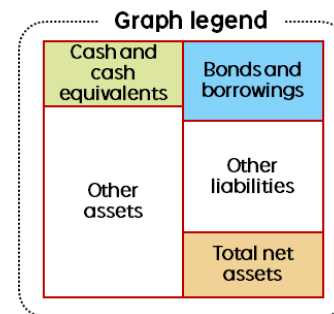
Total Assets 3,184.1

Rakuten Group, Inc.

Fixed assets 839.5	Bonds and borrowings 530.5	Lease liabilities 258.5
Intangible assets 145.4	Other liabilities 361.1	
Other assets 532.3	Subordinated bonds 225.7	
	Total net assets 367.2	

Total Assets 1,517.2

Rakuten Mobile, Inc.

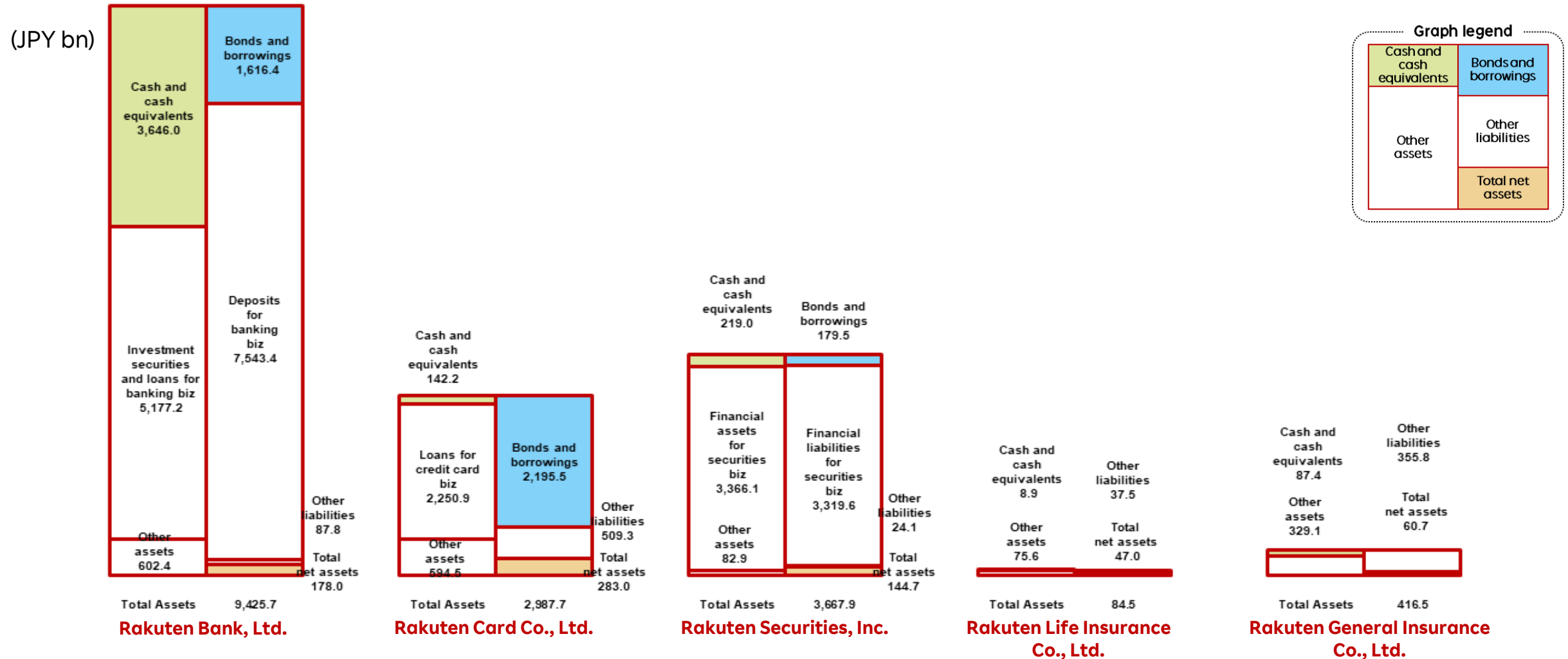


^{*1} Rakuten Group, Inc., Rakuten Bank, Ltd., Rakuten Card Co., Ltd., Rakuten Securities, Inc., Rakuten Life Insurance Co., Ltd., Rakuten General Insurance Co., Ltd. and Rakuten Mobile, Inc. are based on IFRS non-consolidated balance sheets.

^{*2} Bonds and borrowings = Straight corporate bonds + CP + Bank borrowings etc.

^{*3} Non-consolidated Balance Sheets include internal transactions

Consolidated and Major Subsidiaries Balance Sheet (2) As of March 31, 2022^{*1*2*3}

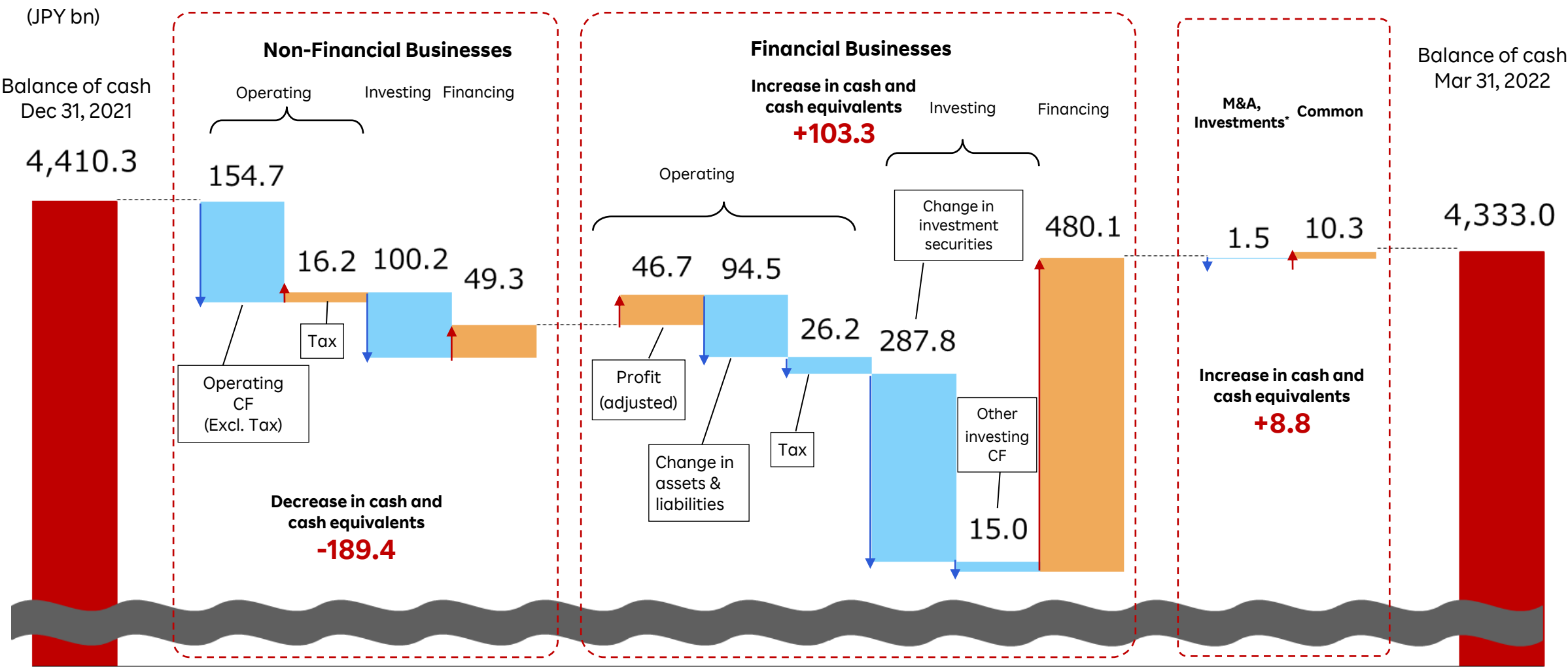


^{*1} Rakuten Group, Inc., Rakuten Bank, Ltd., Rakuten Card Co., Ltd., Rakuten Securities, Inc., Rakuten Life Insurance Co., Ltd., Rakuten General Insurance Co., Ltd. and Rakuten Mobile, Inc. are based on IFRS non-consolidated balance sheets.

^{*2} Bonds and borrowings = Straight corporate bonds + CP + Bank borrowings etc.

^{*3} Non-consolidated Balance Sheets include internal transactions

Cash Flow Breakdown: Jan-Mar, 2022

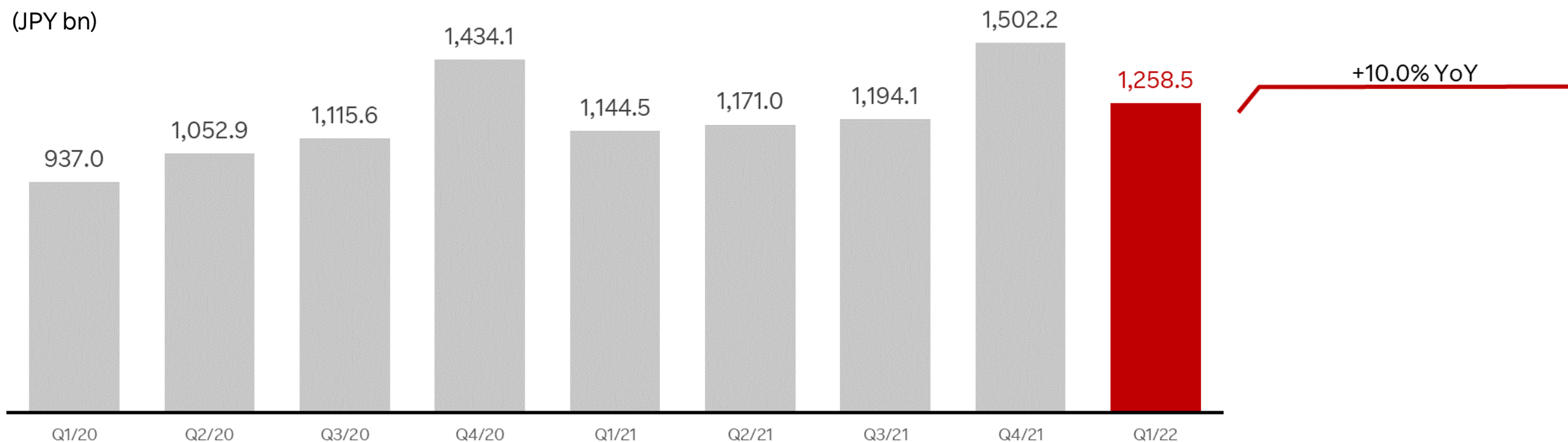


* “M&A and investments” includes “Purchase of investment securities” and “Proceeds from sales and redemption of investment securities” of Non-Financial activities in addition to “Acquisition of subsidiaries” and “Acquisition of investments in associates and joint ventures”



Internet Services Segment

Domestic E-Commerce GMS^{*1*2}



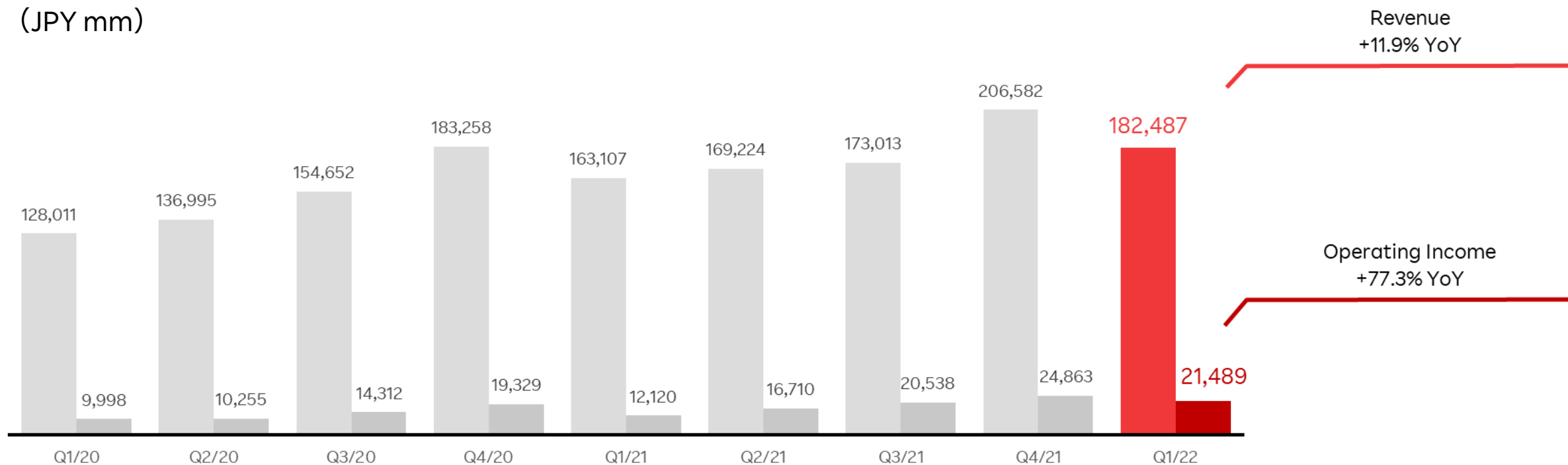
^{*1} Domestic e-commerce GMS is the combined transaction amount for Rakuten Ichiba, Rakuten Travel (GTV on checkout basis), Rakuten Books, Rakuten Books network, Rakuten Kobo (domestic), golf business, Rakuten Fashion, Rakuten Dream businesses, Rakuten Beauty, Rakuten Delivery, Rakuten 24 and other first-party daily necessities shops, auto business, Rakuma, Rakuten Rebates, Rakuten Seiyu Netsuper, cross border trading, etc. (*Excludes some tax-exempt businesses, includes consumption tax.)

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

Domestic E-Commerce Results^{*1*2}

The continued growth of Rakuten's e-commerce businesses, centered on Rakuten Ichiba, led to strong growth in both revenue and operating income.

(JPY mm)

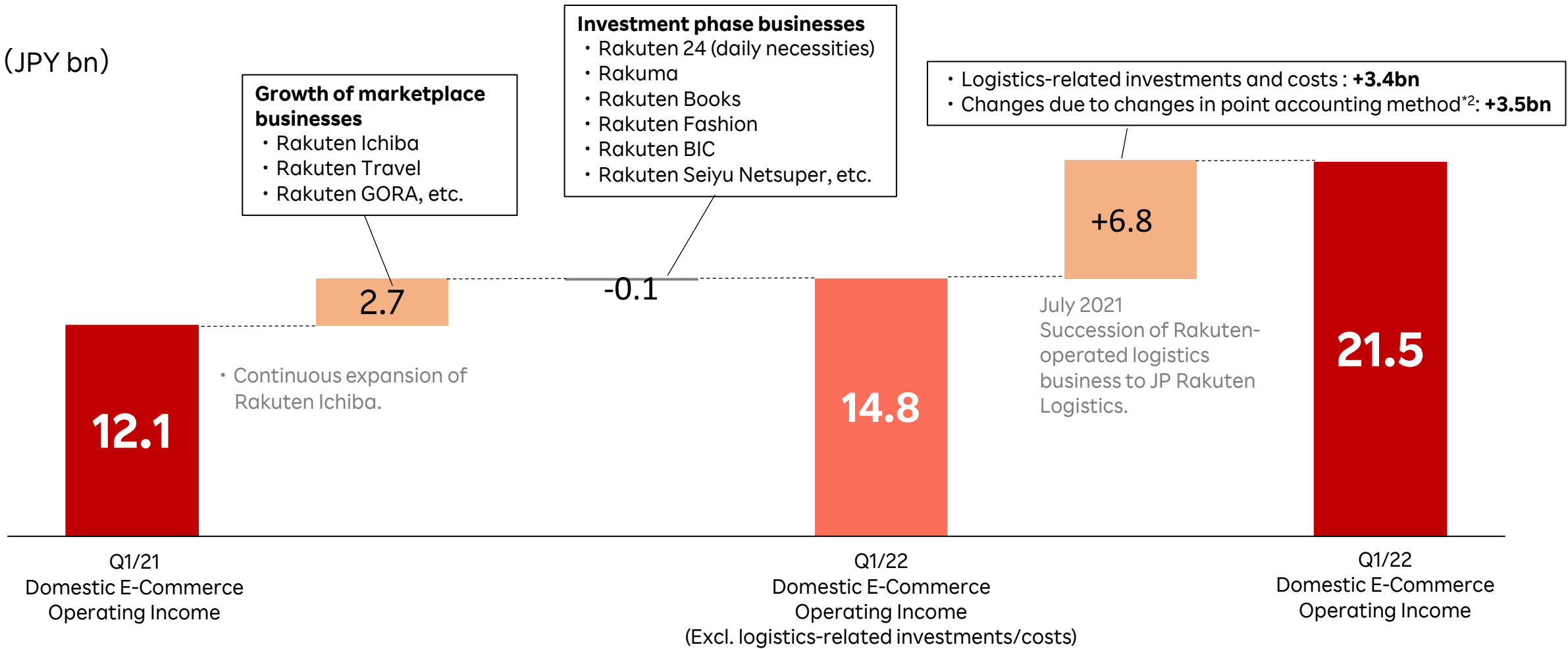


^{*1} Domestic e-commerce = Rakuten Ichiba, Rakuten Travel, Rakuten Books, Rakuten Books network, Rakuten Kobo (domestic), golf business, Rakuten Fashion, Rakuten Dream businesses, Rakuten Beauty, Rakuten 24 and other direct daily necessities shops, Logistics, auto business, Rakuma, Rakuten Rebates, Rakuten Seiyu Netsuper, cross border trading, etc.

^{*2} 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.

Domestic E-Commerce Operating Income Breakdown*1

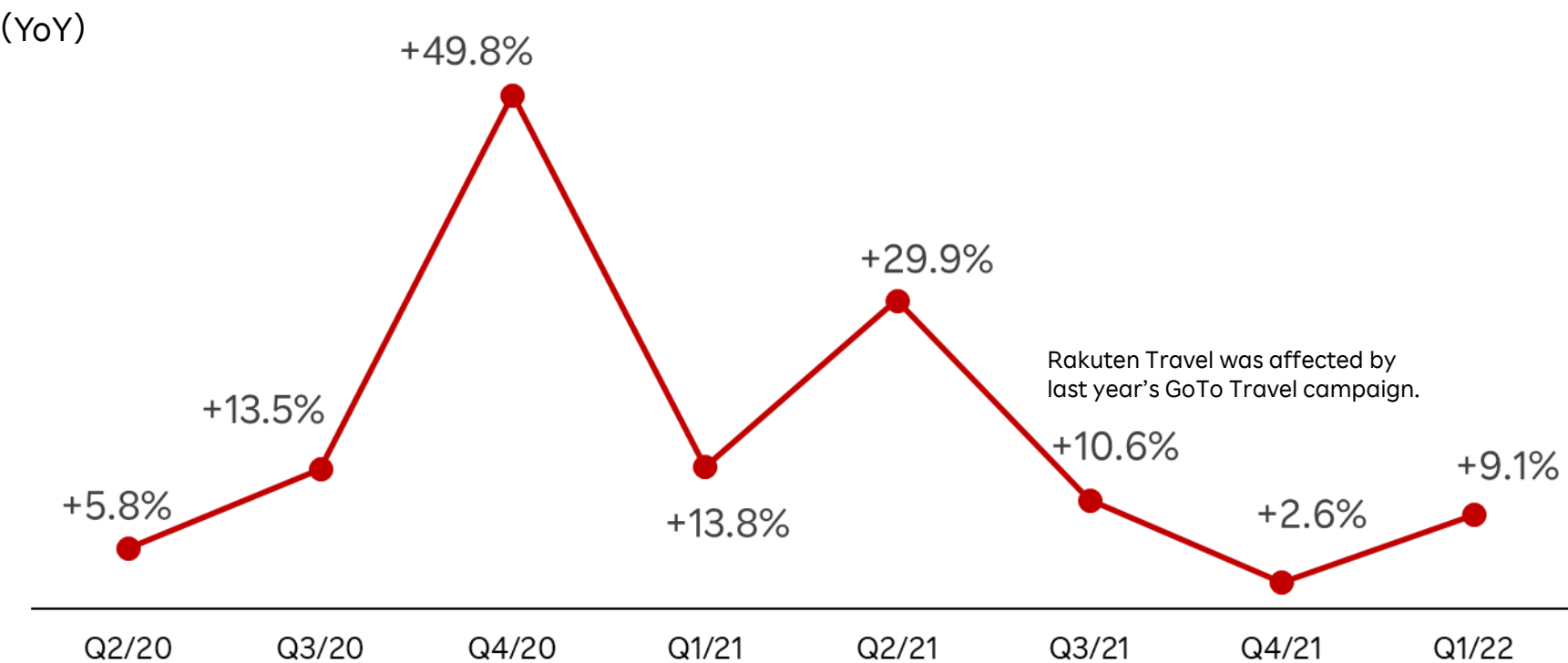
(JPY bn)



*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.

Domestic EC Marketplace businesses* Operating Income



* Marketplace businesses comprises Ichiba, Travel, Golf, Dream businesses, etc.

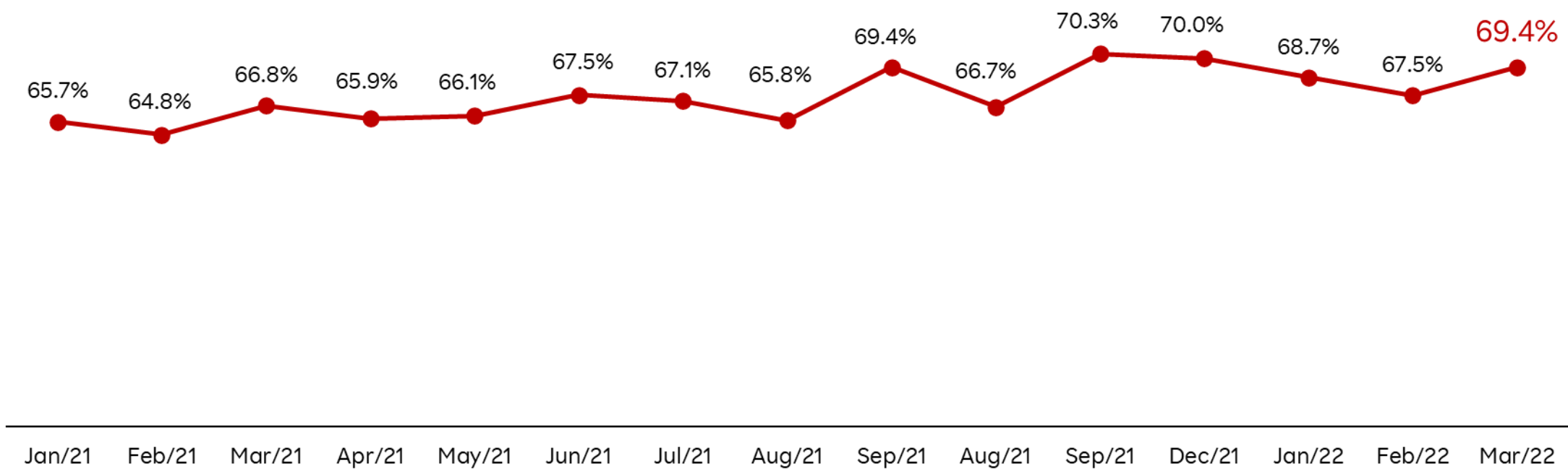
Q1/22 Rakuten Ichiba Mobile GMS Ratio*

81.1%

Up 2.8 Points YoY

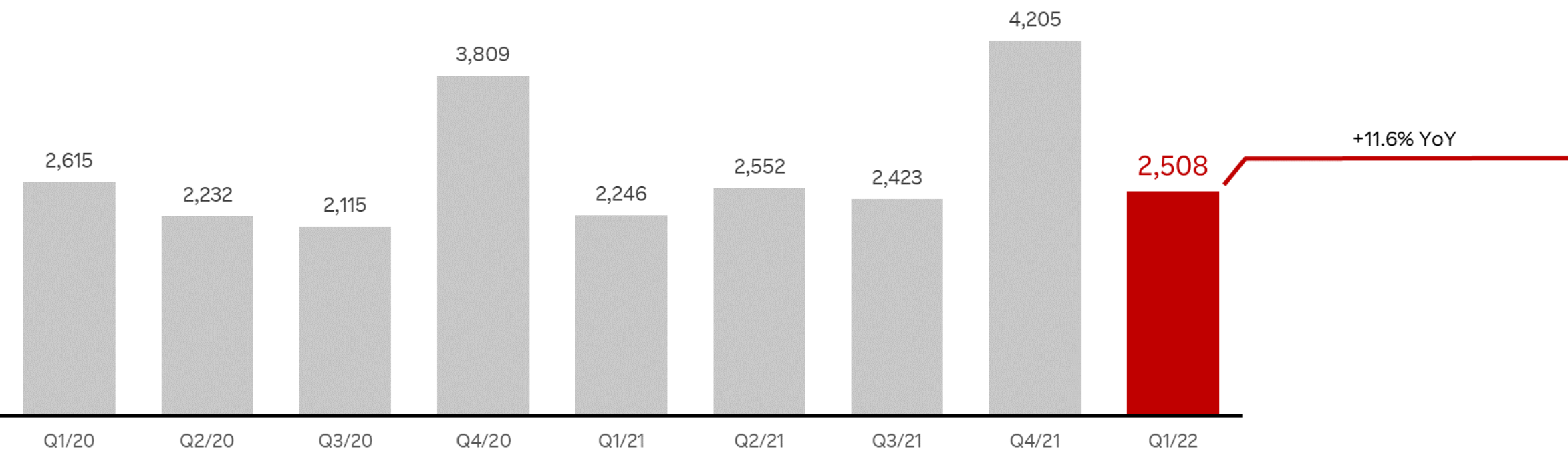
* Mobile GMS Ratio = Ichiba mobile GMS / Total Ichiba GMS (includes smartphones and tablets)

Rakuten Card Share of Rakuten Ichiba GMS

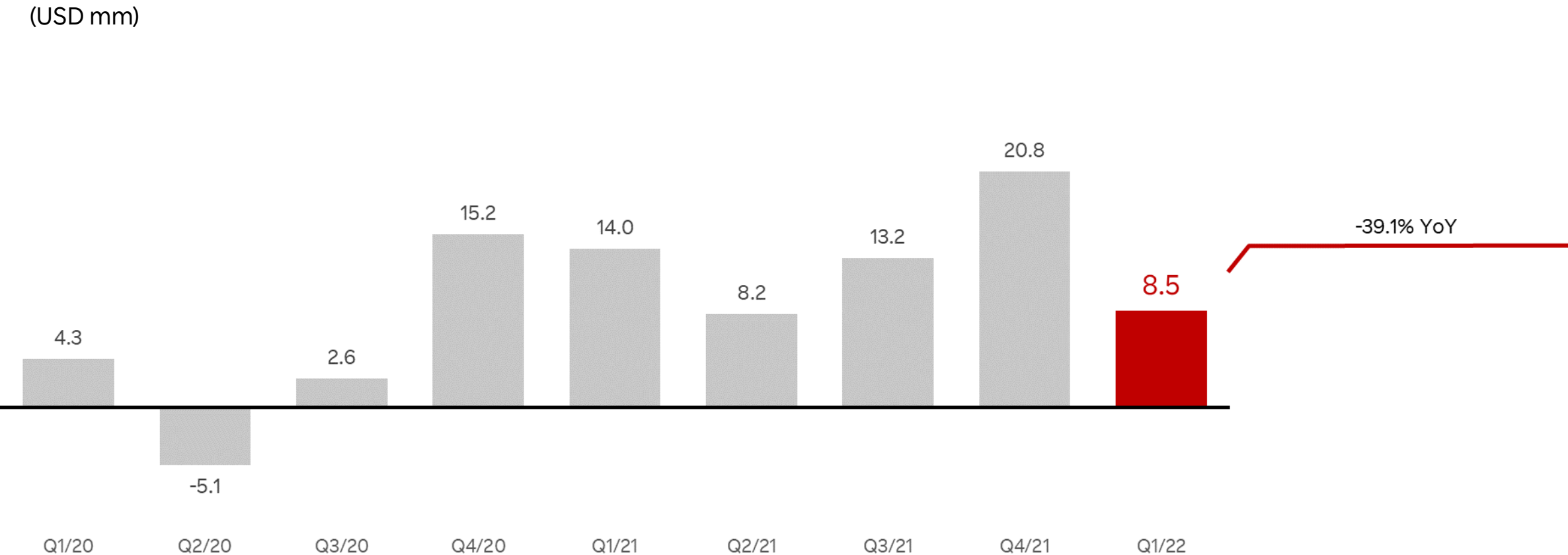


Rakuten Rewards (Ebates) GMS

(USD mm)



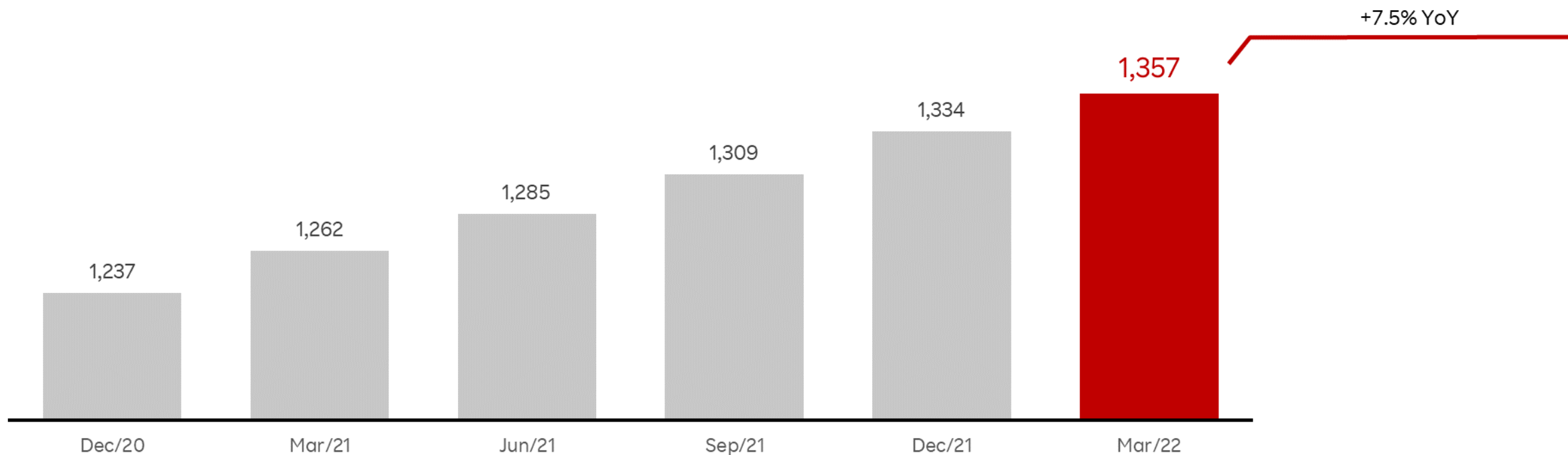
Rakuten Rewards (Ebates) Operating Income^{*1*2}



^{*1} Excludes rebranding cost of USD 5.2 million (Q1/20) ,USD 5.1 million (Q2/20) and USD 6.3 million (Q3/20), USD 2.5 million (Q4/20).
^{*2} Operating income has changed due to change in method of internal cost allocation. Past figures have been retroactively adjusted.

Viber Unique IDs^{*1*2}

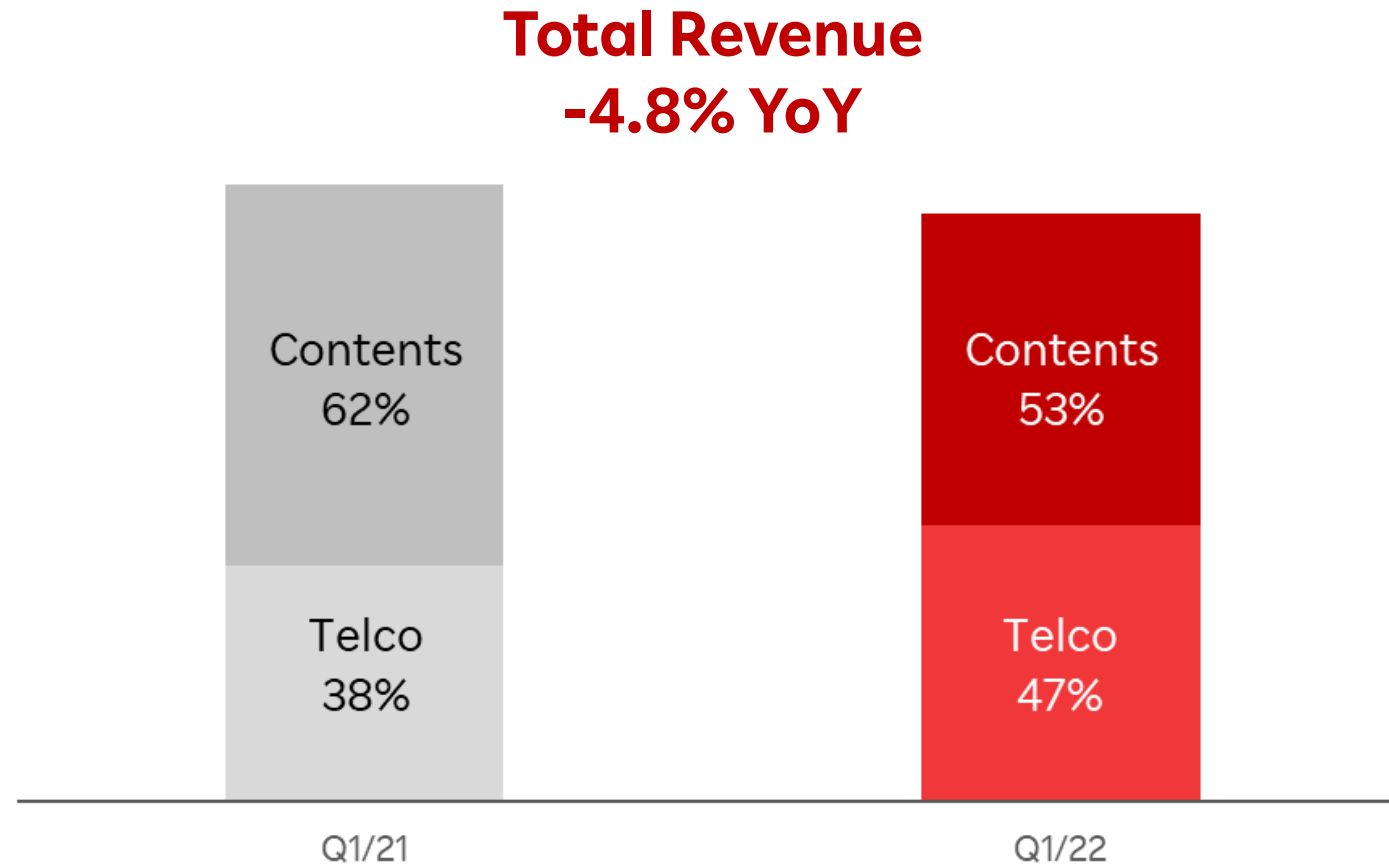
(million IDs)



^{*1} Unique IDs: Unique phone numbers excluding deactivations

^{*2} From Q2/21, Viber was transferred from the Mobile segment to the Internet Services segment.

Viber Revenue^{*1*2}

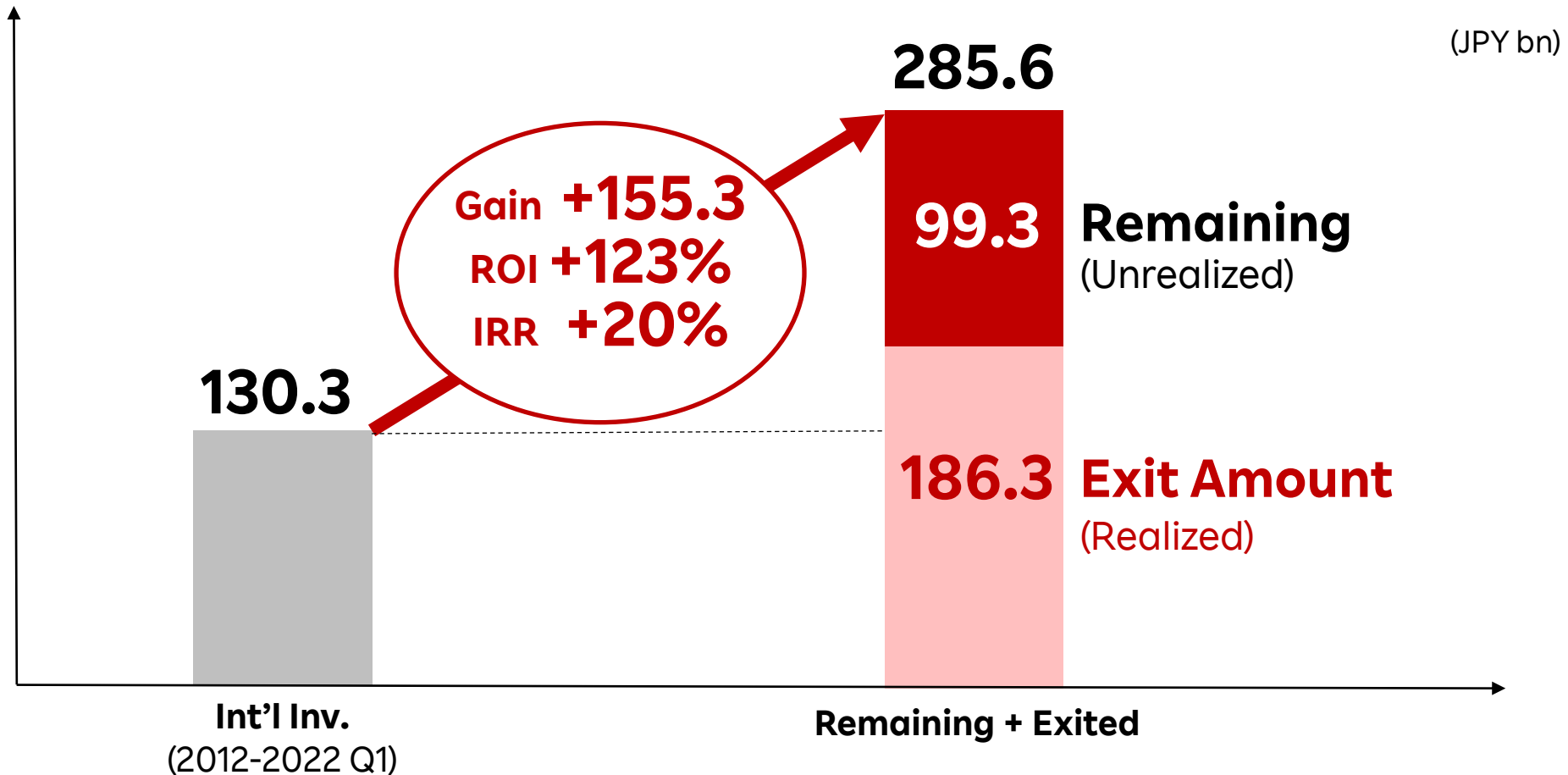


^{*1} Telco: Viber Out, Viber In, SMS. Content: Service messages, ads, stickers, etc.

^{*2} From Q2/21, Viber was transferred from the Mobile segment to the Internet Services segment.

Rakuten Capital*¹ Investment Performance

Rakuten Capital Investment Performance (as of Mar 31, 2022)*²



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

*² Non Rakuten Capital investments, such as Lyft and Rakuten Medical, are excluded.

Minority Investment Portfolio

	Remaining	Exited* ¹	Non R-Capital* ²
Number of Investments* ³ :	37	34	2
<u>Internet</u>	<u>Ride Sharing</u>	<u>Healthcare</u>	
		 	
		 	 (Partial)
	<u>Fintech</u>	Genesis Healthcare	 (Affiliated Company)
		<u>Others</u>	
	<u>Mobile / AI</u>	 CARIUMA	
		 BASE FOOD	
			

*¹ Exit since 2015. Exit number does not include partial exit.

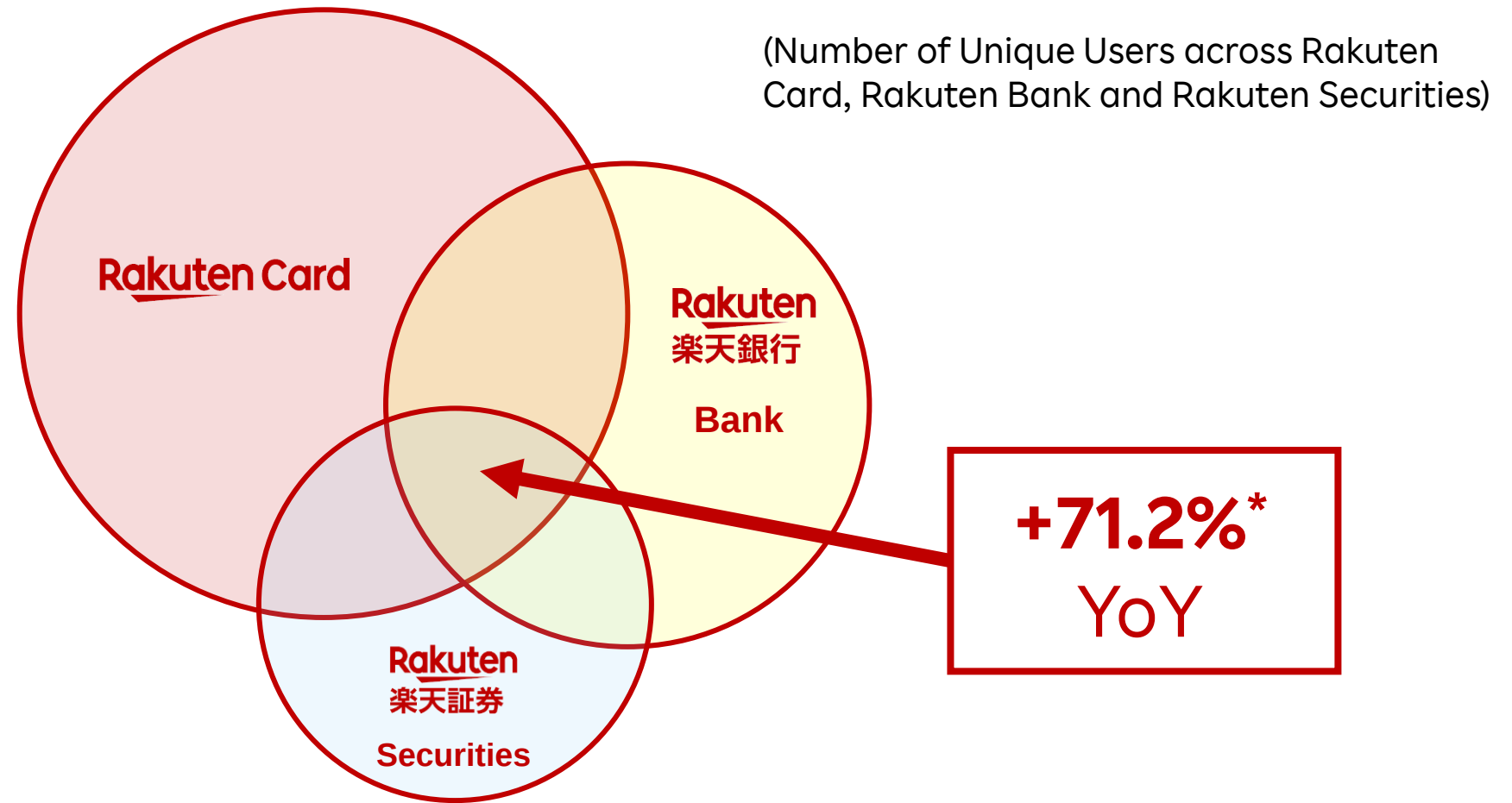
*² Lyft and Rakuten Medical have been transferred from Rakuten Capital to other businesses

*³ Numbers are related to R-Capital investment only as of Q1/22.



FinTech Segment

Cross-Use Example of FinTech Businesses



* As of March 2022

Q1/22 FinTech Results Summary^{*1*2*3}

(JPY bn)

Q1/22	Revenue	YoY	Operating Income	YoY
Card	72.2	+8.3%	11.1	+0.9%
Bank	26.1	+1.4%	7.5	+2.8%
Insurance	24.3	-4.1%	2.2	+12.7%
Payment	10.6	+20.7%	-0.8	+0.4
Others	1.6	+16.8%	-0.9	-0.1
FinTech Total excl.Securities	134.7	+5.4%	19.1	+4.8%
Securities	23.4	-1.5%	3.6	-42.3%
FinTech Total	158.1	+4.3%	22.8	-7.3%

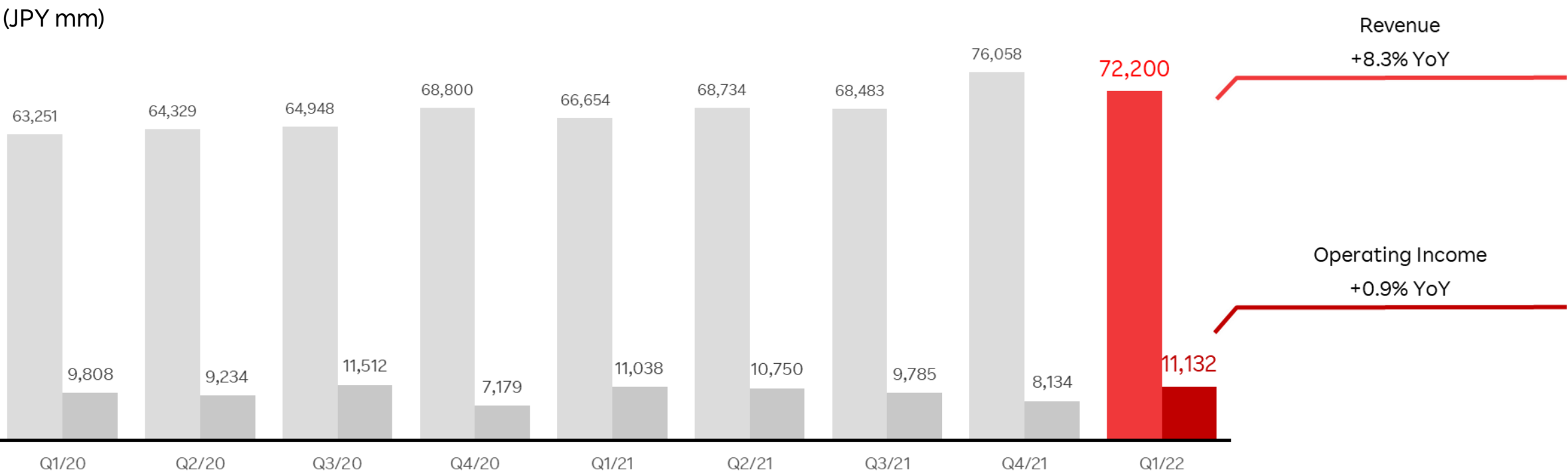
^{*1}Insurance includes Life Insurance, General Insurance, Pet Insurance and Insurance Agency. Detailed data is shown in the Appendix.

^{*2}Payment = Rakuten Pay, Rakuten Edy, Point Partner, etc.

^{*3}Bank: Joint venture in Taiwan (RAKUTEN INTERNATIONAL COMMERCIAL BANK CO., LTD.) became a consolidated subsidiary in Q2/20, which is not included in the figures above.

Rakuten Card Results

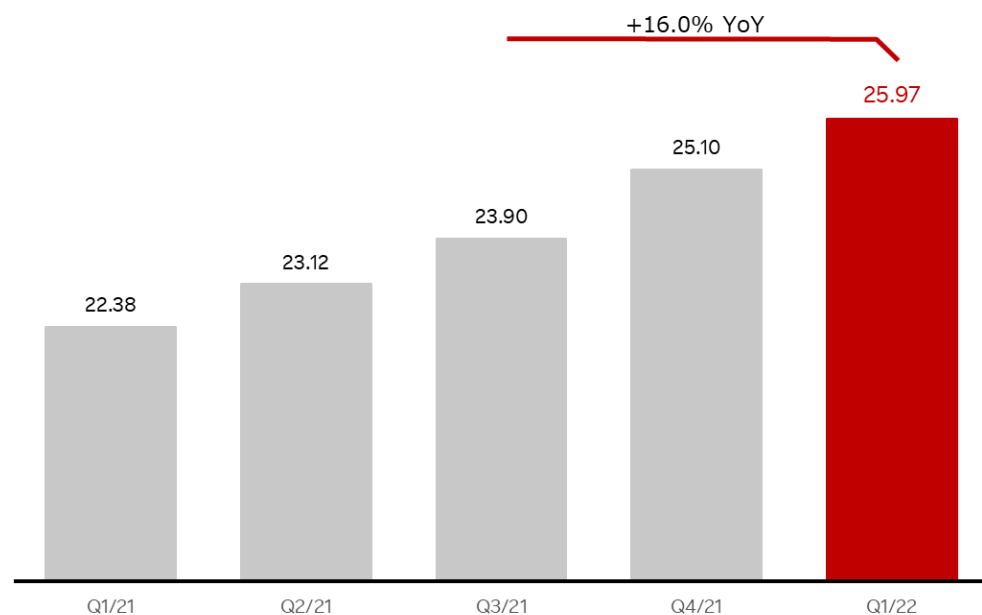
As a result of growth in the number of members, occupancy rate, and unit price per customer, shopping transaction volume also increased. Increased merchant fee revenue and drove sales growth



Rakuten Card KPIs (1)

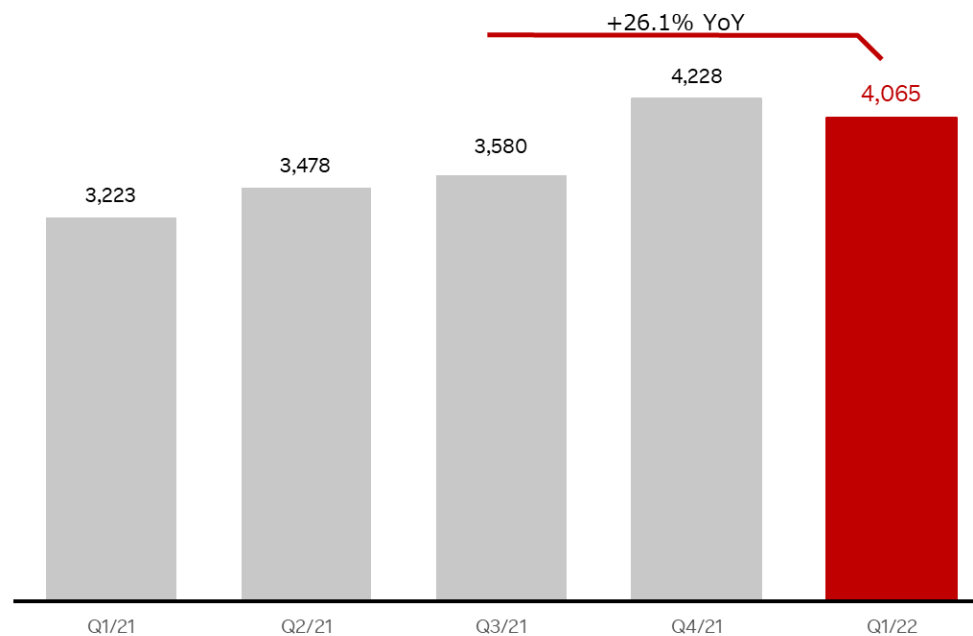
Number of Card Issued*1

(mm)



Card Shopping Transaction Volume*2

(JPY bn)



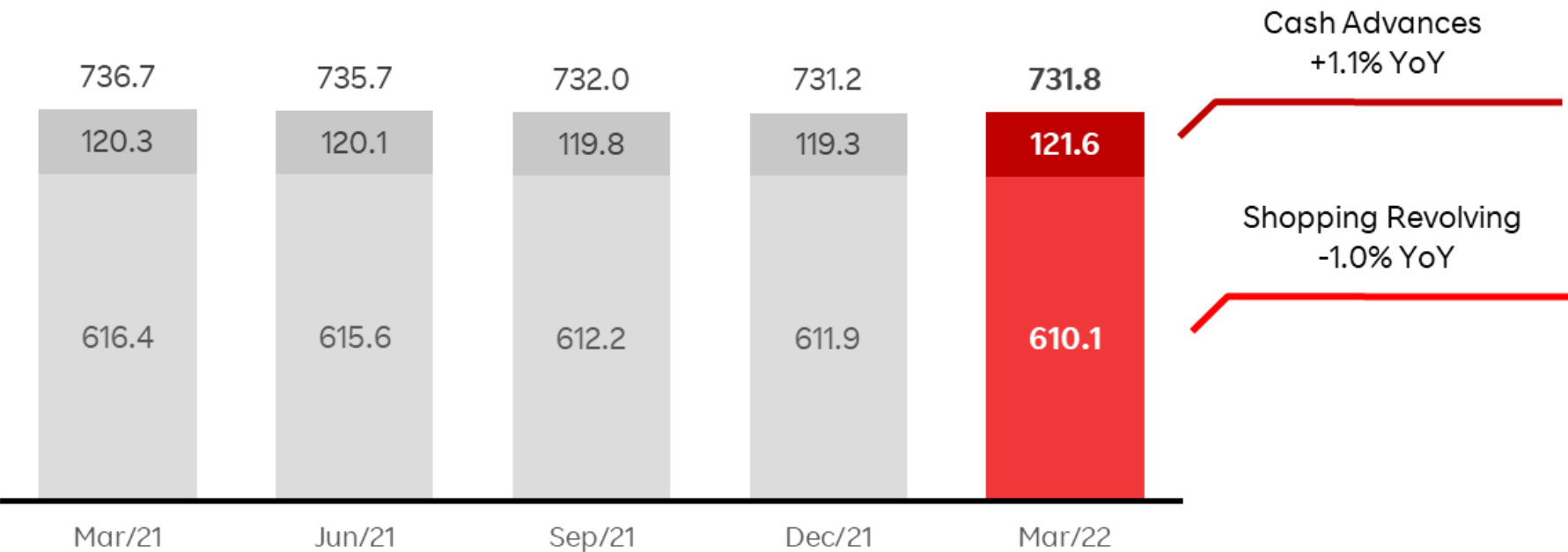
*1 Includes the issuance of a second Rakuten card per cardholder, which began full scale in June 2021.

*2 Calculated on a managerial accounting basis, using different definitions from data in Supplemental Data.

Rakuten Card KPIs* (2)

Shopping Revolving and Cash Advance Balances

(JPY bn)



* Calculated on a managerial accounting basis, using different definitions from data in Supplemental Data. Revolving balance is calculated on a principal basis

Rakuten Card Allowance for Doubtful Accounts

(JPY mm)

	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	YoY
Expenses related to doubtful accounts	8,950	11,789	8,383	9,046	9,110	12,135	7,644	-8.8%
Ratio of expenses related to doubtful accounts ^{*1}	1.63%	2.03%	1.40%	1.53%	1.52%	1.88%	1.14%	—

	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	YoY
Rakuten Card	1,839,869	2,097,002	2,010,882	2,052,112	2,093,338	2,449,854	2,321,916	+15.5%
Stage 1 (Normal)	1,750,887	2,008,991	1,919,540	1,957,075	1,994,727	2,349,481	2,219,197	+15.6%
Stage 2 (1-2 months delinquent)	11,633	12,414	13,554	13,333	14,102	14,512	14,443	+6.6%
Stage 3 (3 months-and-over-delinquent/Restructured Loans)	77,349	75,597	77,788	81,703	84,509	85,860	88,276	+13.5%
Rakuten Bank Super Loans	359,857	347,727	337,924	325,777	315,559	304,827	296,879	-12.1%
Stage 1 (Normal/Credit guarantees ^{*2})	323,023	312,551	303,559	291,724	281,938	272,555	265,169	-12.6%
Stage 2 (30 days-and-over-delinquent/Credit guarantees ^{*2})	127	114	49	76	100	57	92	+86.9%
Stage 3 (Foreclosed credit guarantees)	36,707	35,062	34,315	33,977	33,522	32,215	31,618	-7.9%
Others	934	902	866	825	803	743	712	-17.8%
Total balance of loan receivables	2,200,660	2,445,632	2,349,672	2,378,714	2,409,699	2,755,423	2,619,507	+11.5%
Allowance for doubtful accounts^{*3}	96,898	94,890	94,047	94,470	95,185	95,560	94,228	+0.2%
Write-off for bad debt^{*4}	11,561	13,801	9,229	8,625	8,399	11,761	8,977	-2.7%

^{*1}Ratio of expenses related to doubtful accounts = (Expenses related to doubtful accounts) / (average of total balance of loan receivables at beginning and end of the period) × 4

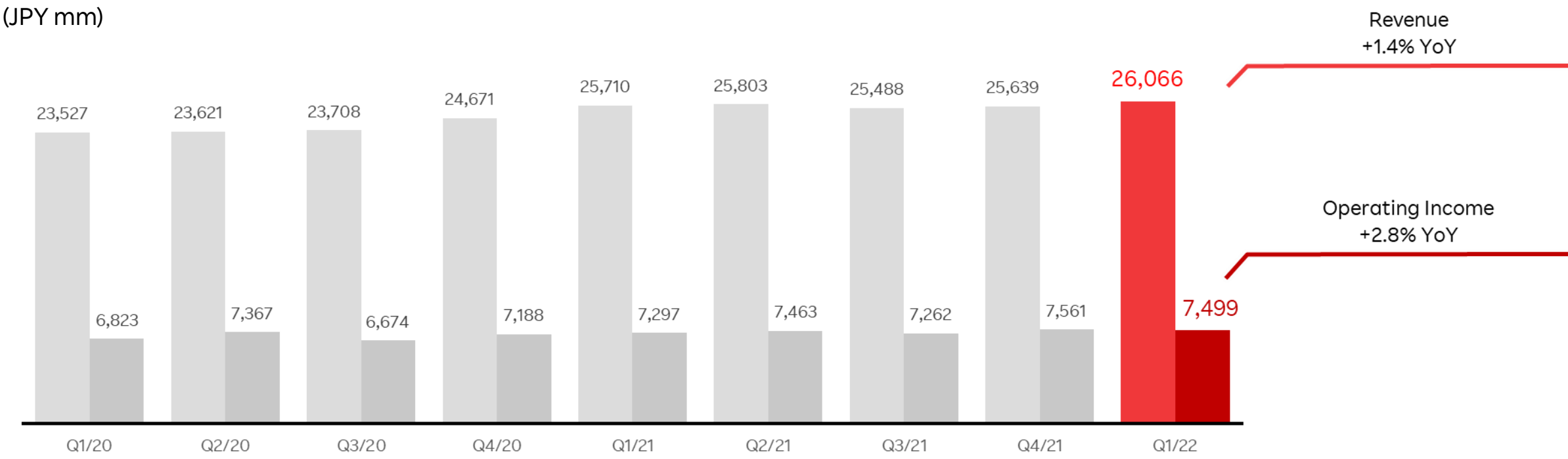
^{*2}Balance of Rakuten Bank Super Loans guaranteed by Rakuten Card

^{*3}Including allowance for credit guarantees

^{*4}Write-off for bad debt includes loss on transfer of loan receivables

Rakuten Bank Results*

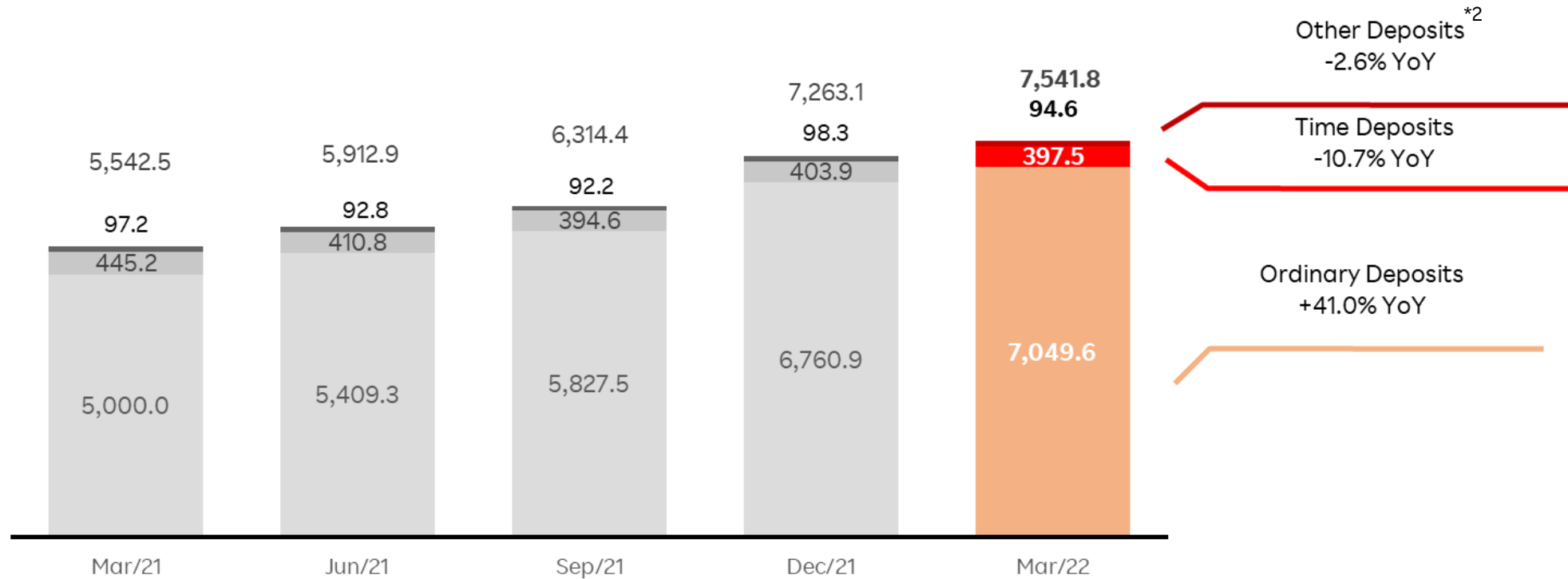
Transaction fee from growing number of new accounts, ATM receipt fees and increase in interest and dividends on securities, etc. contributed to strong revenue and profits



* Joint venture in Taiwan (RAKUTEN INTERNATIONAL COMMERCIAL BANK CO., LTD.), a consolidated subsidiary from Q2/20, is not included in the figures above.

Rakuten Bank Deposits*1

(JPY bn)

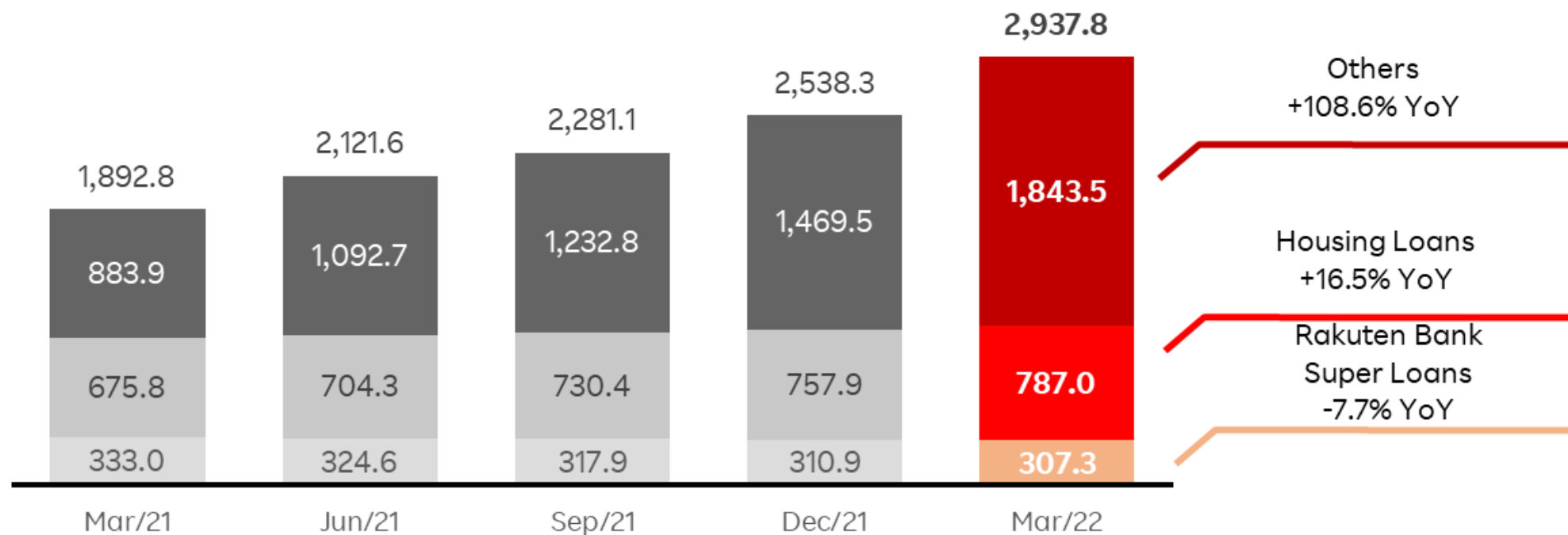


*1 Based on IFRS which includes derivatives in structured term deposits. Rakuten Bank consolidated basis.

*2 Other deposits include deposits in foreign currencies and others.

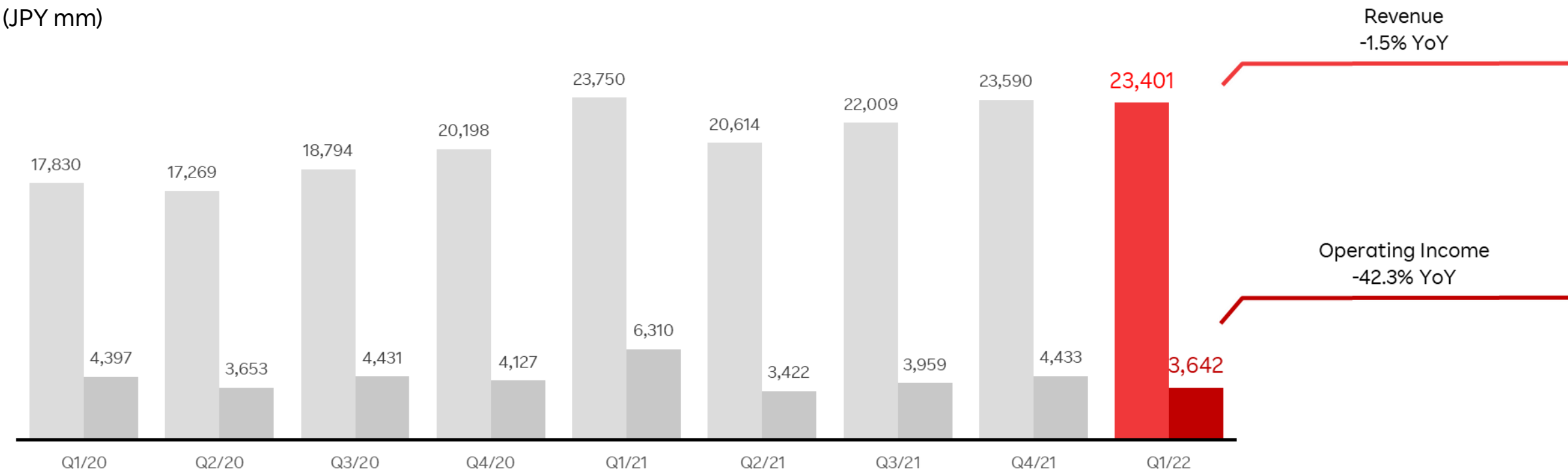
Rakuten Bank Loan Receivables Balance

(JPY bn)



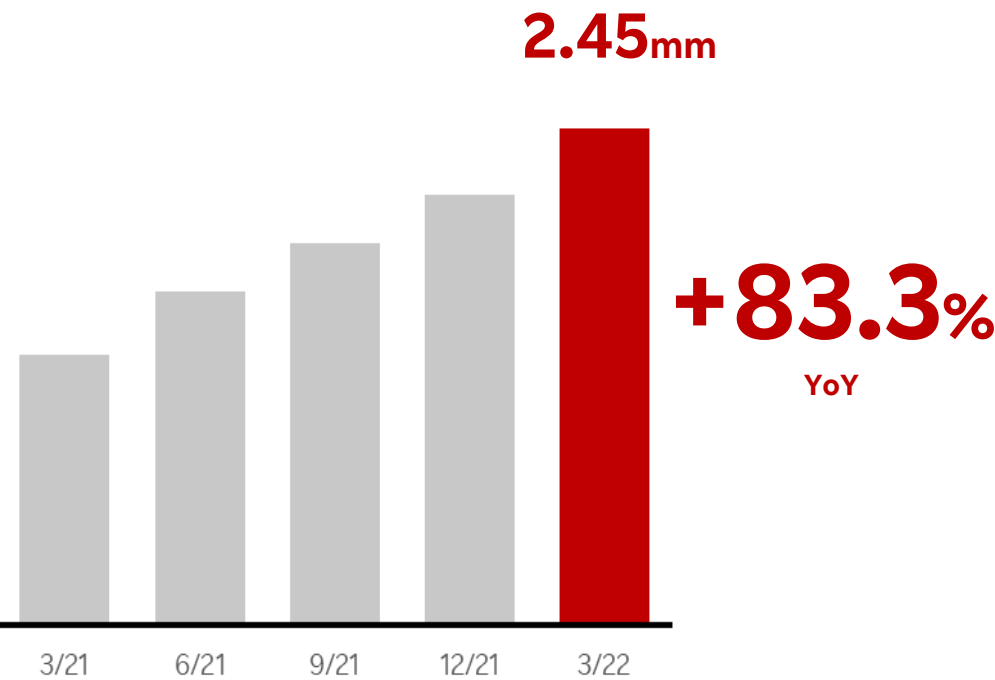
Rakuten Securities Results

While domestic stock transaction volume reached a record high and customers became more engaged, sales and profits declined due to the impact of a decrease in commission fees

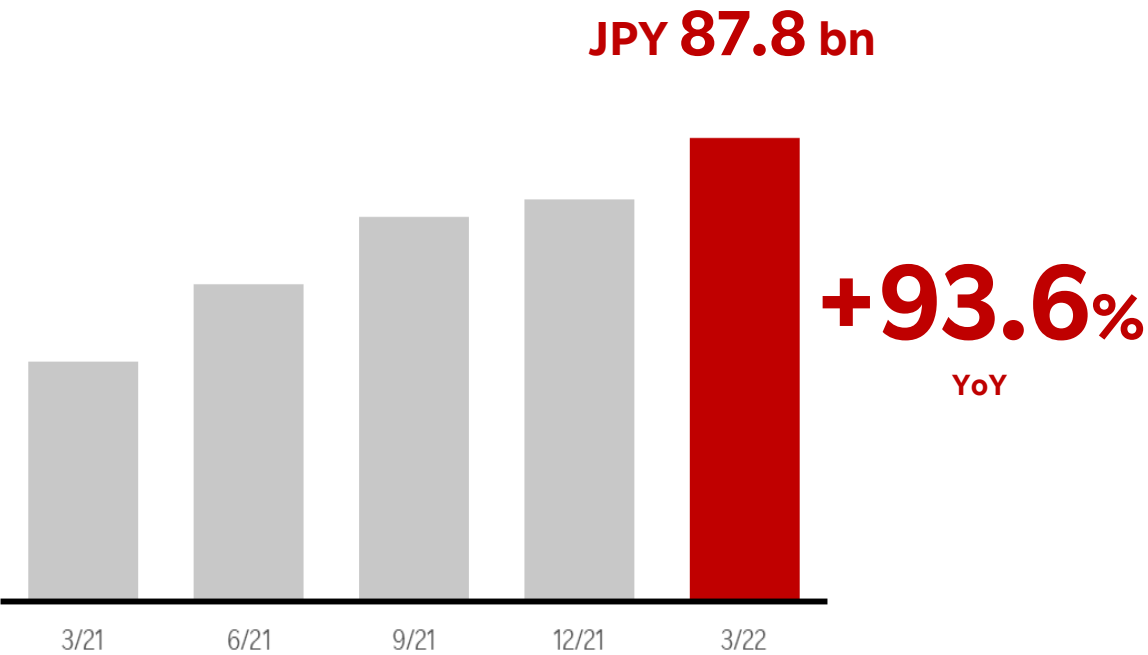


Rakuten Securities Accumulation-type Investment Trust Accounts and Amounts

Number of accumulation-type investment trust accounts



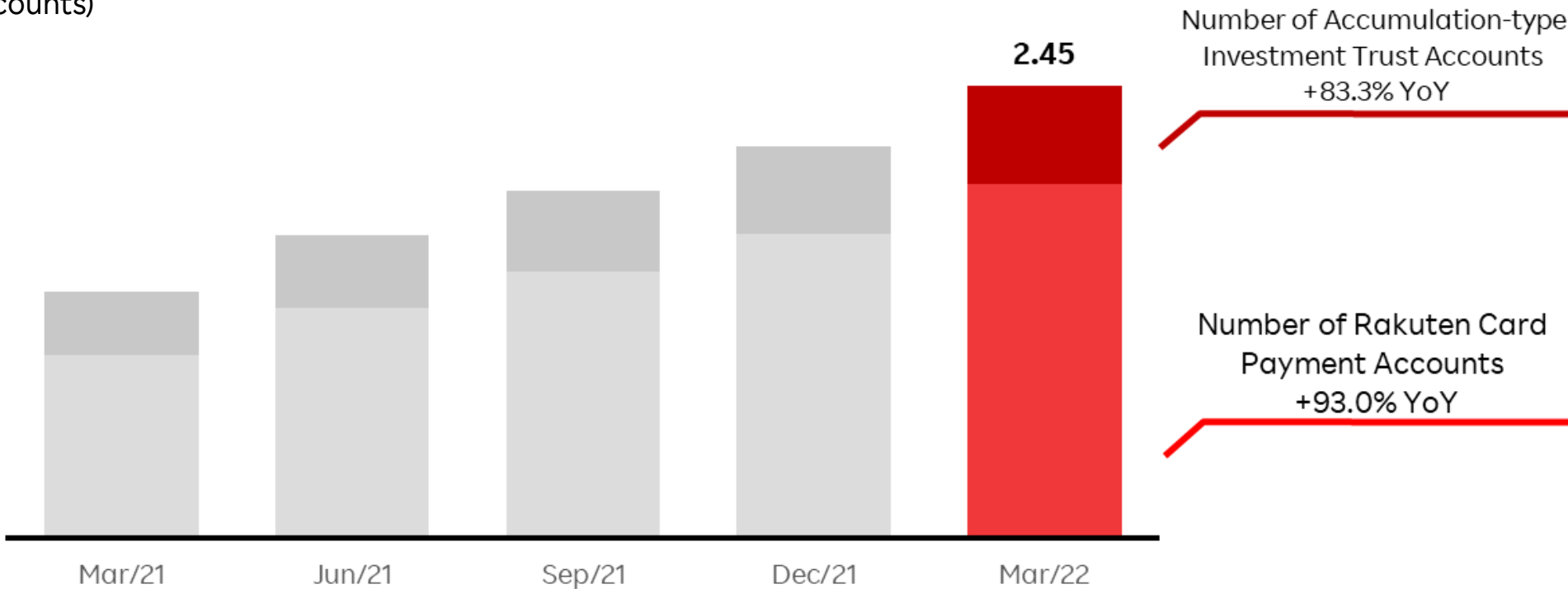
Accumulation-type investment trusts: Amount setting



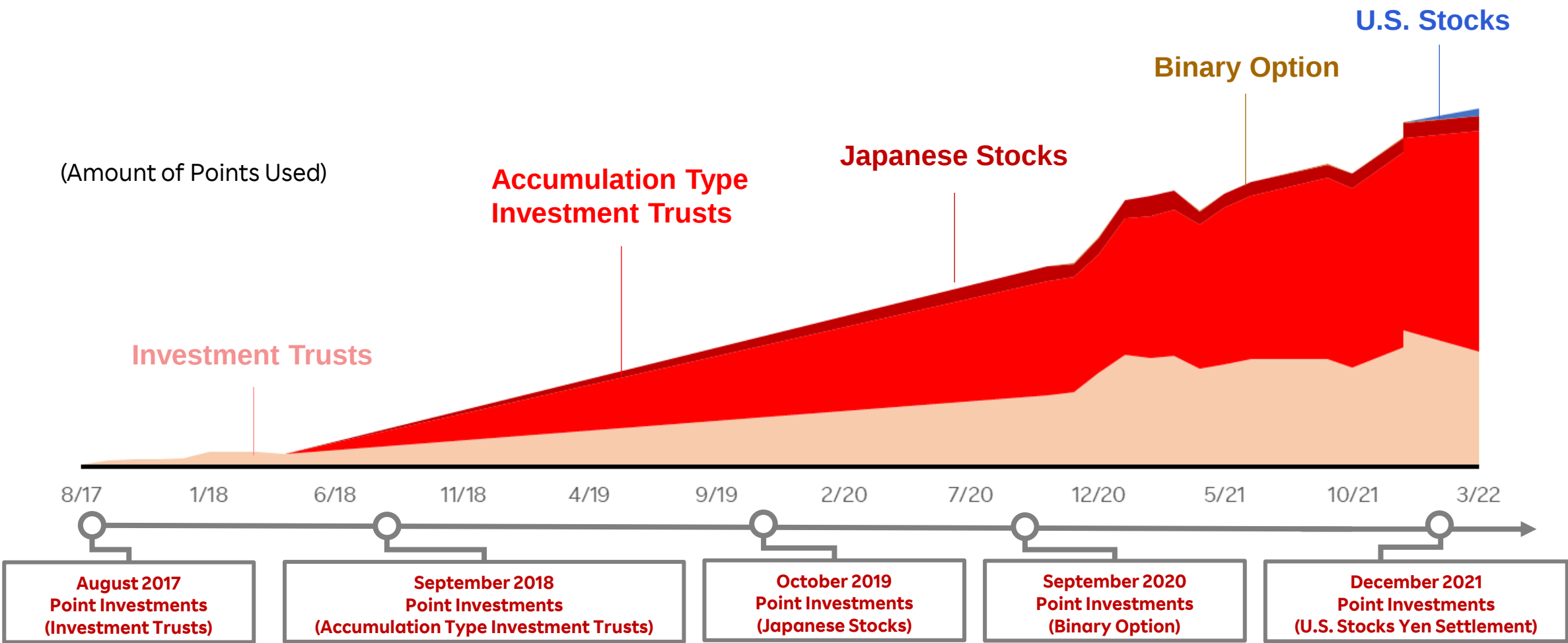
Rakuten Securities Accumulation-type Investment Trust Accounts

Number of accumulation-type investment trust accounts and Rakuten Card payment accounts increased due to Tsumitate NISA, Rakuten Card Payment and Point-Investments

(Millions of Accounts)



Rakuten Securities Point Investments

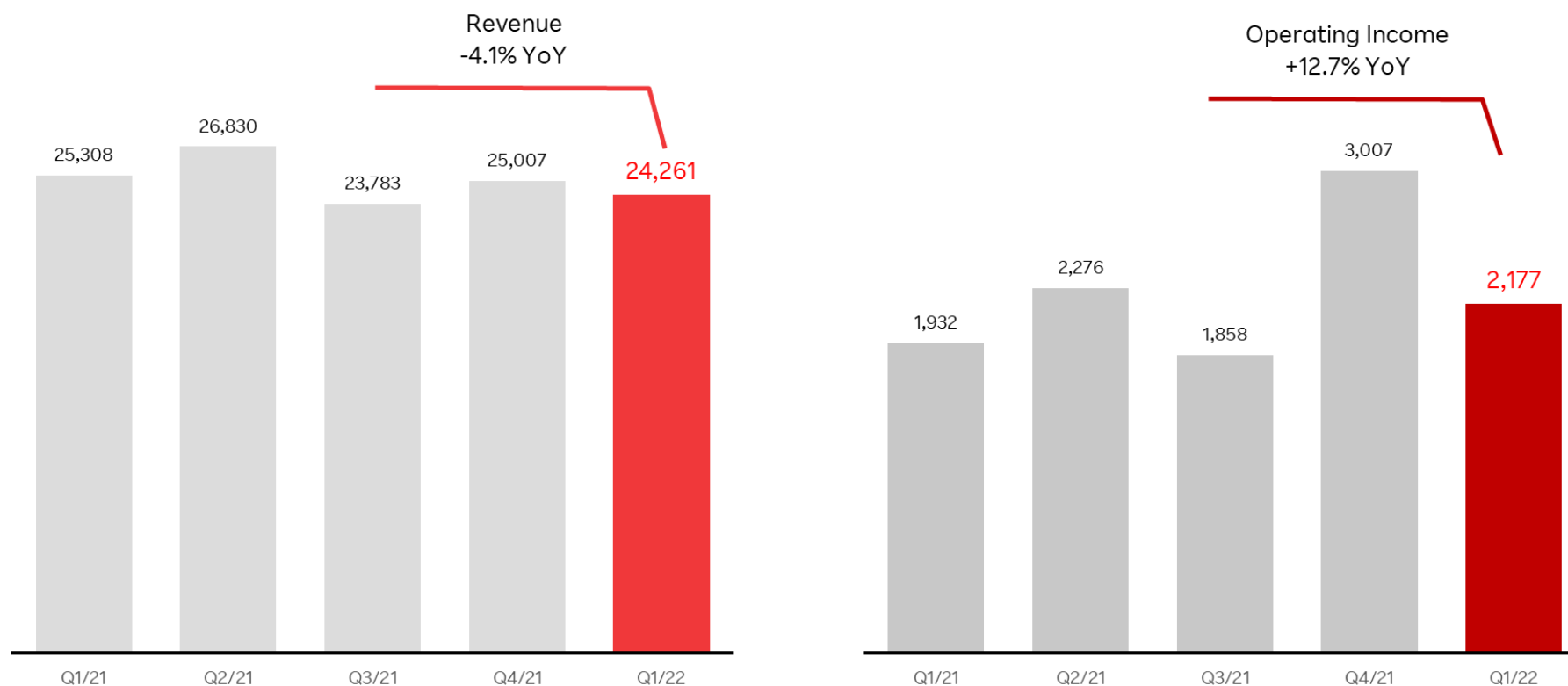


Insurance Business Results*

Revenue decreased due to reduction in reinsurance by improvement in loss ratio along with optimization of underwriting standards for general insurance

Operating income increased YoY due to improved insurance underwriting income and cost reductions

(JPY mm)



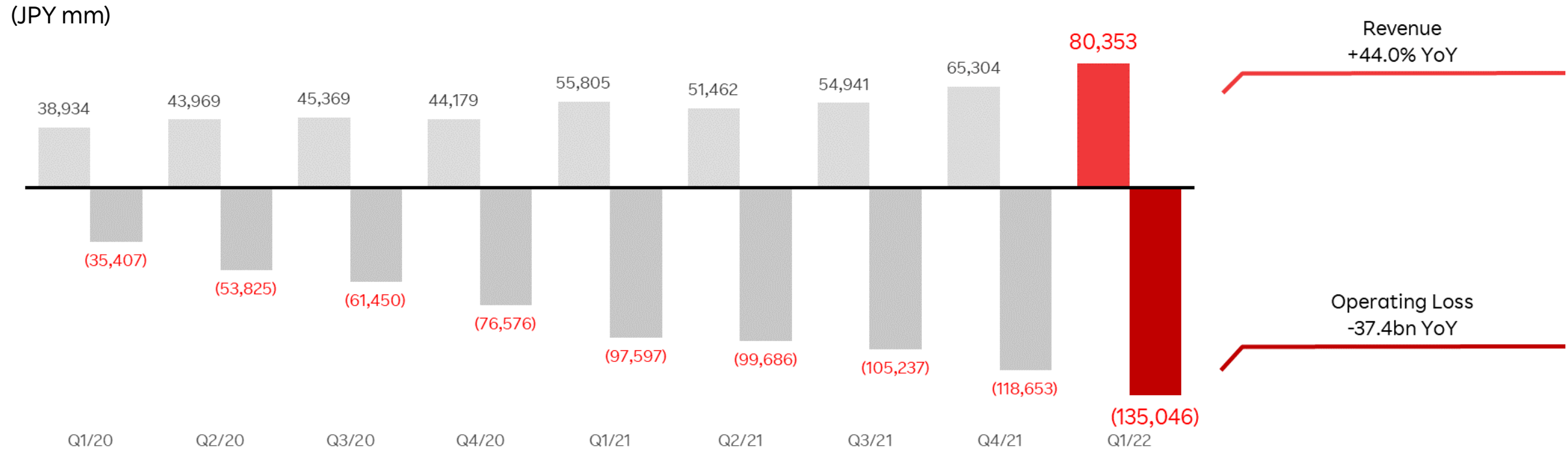


Mobile Segment

Mobile Segment^{*1*2} Results

QoQ revenue increased as more MNO users became paying users, device sales increased.

Depreciation expenses and network related costs increased due to progress of network construction



^{*1} Mobile segment includes Rakuten Communications, MNO business, MVNE & O businesses, Energy businesses, and contents businesses.

^{*2} Rakuten Kobo, Rakuten Viki, Rakuten Viber, and others moved from mobile segment to internet service segment from Q2/21.

Steady Expansion of subscribers

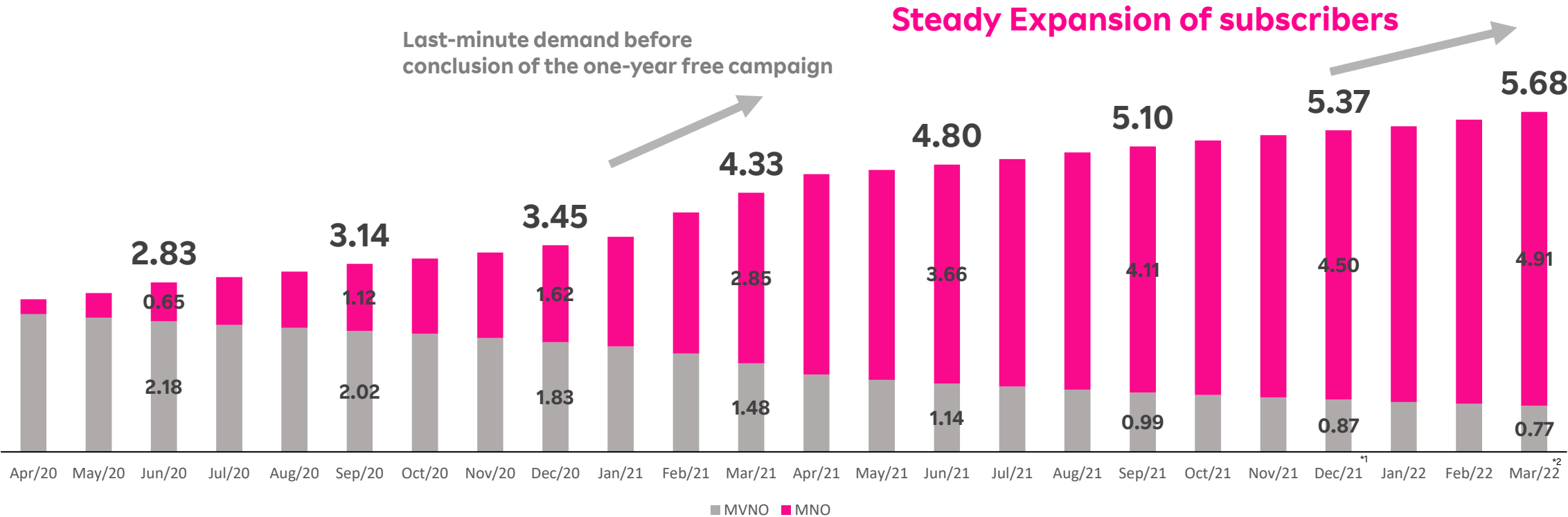
Number of MNO subscribers exceeds

5mm

(as of Apr, 2022)

Number of MNO and MVNO subscribers

(million subscribers)



^{*1} Number of subscribers in Dec/21 are confirmed figure.
^{*2} Number of subscribers in Mar/22 are preliminary figures.

Rakuten Mobile Balance Sheet

(JPY mm)

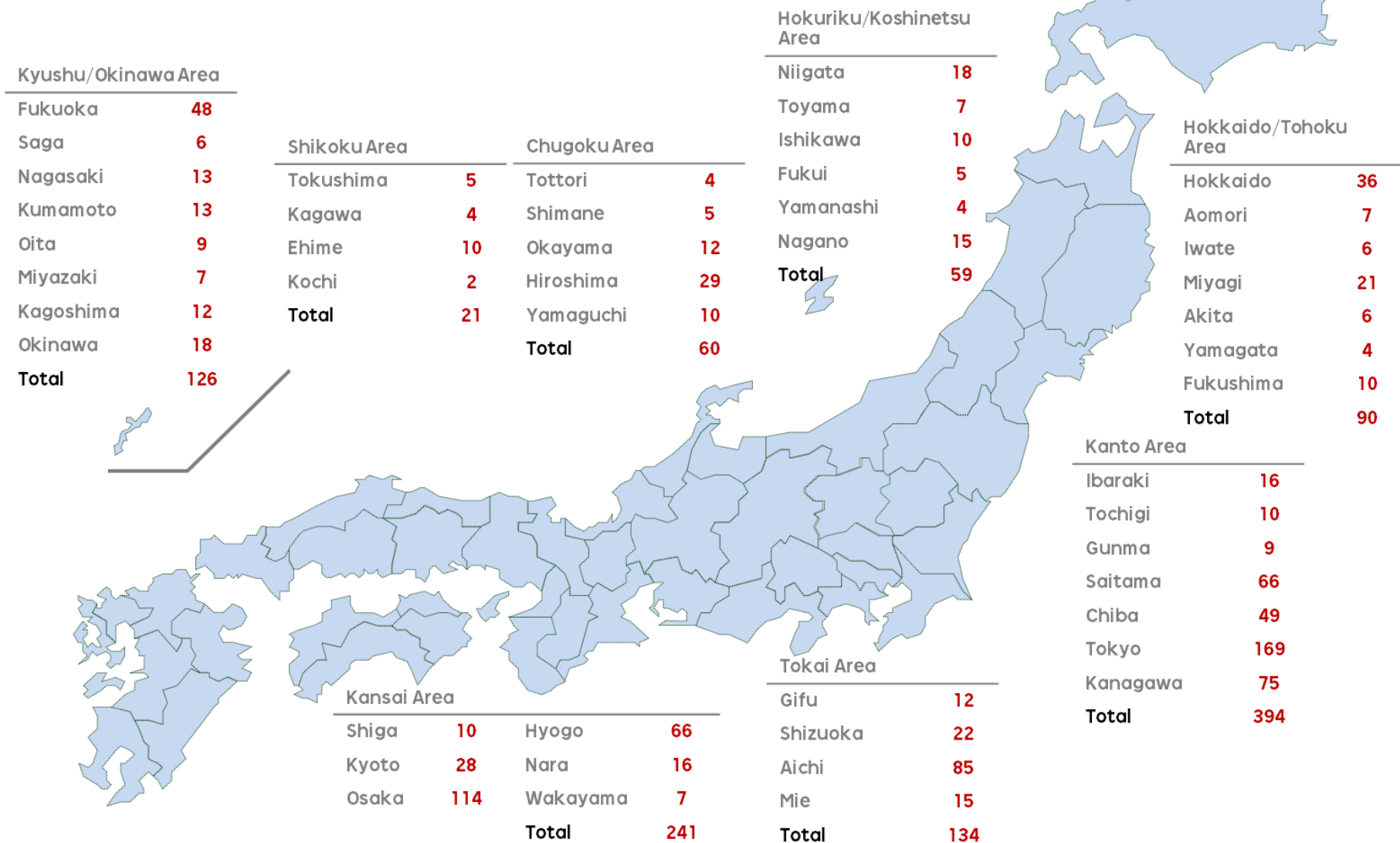
IFRS貸借対照表, Balance Sheet (IFRS)	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22
資産, Assets									
有形固定資産, Fixed assets	229,251	268,954	339,757	415,270	485,176	569,409	660,352	763,602	839,526
無形資産, Intangible assets	36,669	44,096	52,781	58,024	60,305	110,118	124,744	138,508	145,387
その他の資産, Other assets	118,401	155,852	184,374	187,648	179,718	225,300	271,182	498,430	532,314
資産合計, Total Assets	384,321	468,902	576,911	660,942	725,198	904,827	1,056,278	1,400,540	1,517,227
負債及び資本, Liabilities and net assets									
借入金, Borrowings *	19,018	99,330	209,952	228,333	328,430	387,563	487,688	681,056	530,501
* 主にリースファイナンス及び親会社からの借り入れによる負債が計上されています * Borrowings are liabilities from lease financing and Loans from Rakuten Group, Inc.									
リース負債, Lease liabilities *	70,780	79,875	91,667	111,473	127,282	154,224	195,267	237,109	258,474
* 主にIFRS16による賃借料等の将来に渡る見込債務が計上されています * Lease liabilities are capitalized costs under IFRS16 such as rent expenses									
その他の負債, Other liabilities	82,615	110,104	131,199	140,479	165,432	198,179	220,371	373,000	361,097
負債合計, Total liabilities	172,413	289,309	432,817	480,285	621,144	739,966	903,326	1,291,165	1,150,072
資本合計, Total net assets	211,908	179,594	144,094	180,657	104,054	164,861	152,952	109,375	367,155
負債及び資本合計, Total liabilities and net assets	384,321	468,902	576,911	660,942	725,198	904,827	1,056,278	1,400,540	1,517,227

Number of base stations on-air 42,769, Number of sites with contract signed : 12,355 (As of end of March 2022)



Mobile Shop Network

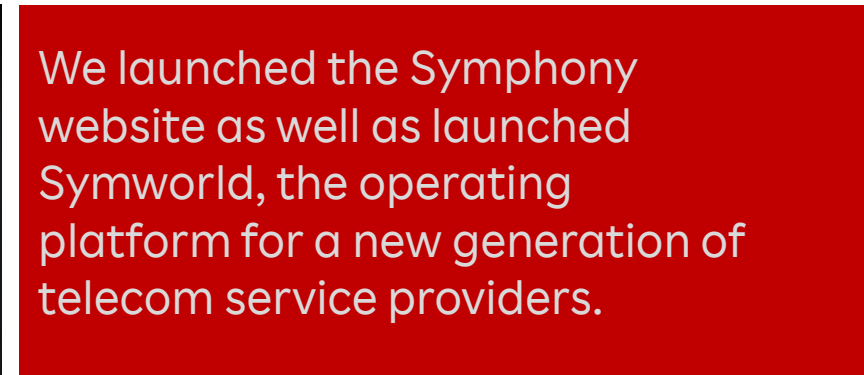
1,125 shops as of April 2022 (of which, "Rakuten Mobile Post Office shops": 285)





Rakuten Symphony

Recent Announcements and Awards



Acquisition of



For Symcloud offering
Edge cloud acquisition
for private edge cloud
deployment

Collaboration with

AT&T

AT&T and Rakuten
Symphony Collaborate
to Enhance Network
Design and Build
Solutions for Operators

MoU with



Joint sales and GTM
framework: Cisco to OEM
ORAN and OSS. Rakuten
exploring OEM of Cisco
converged packet core

MoU with



Three-country
Open RAN trial

Partnership with



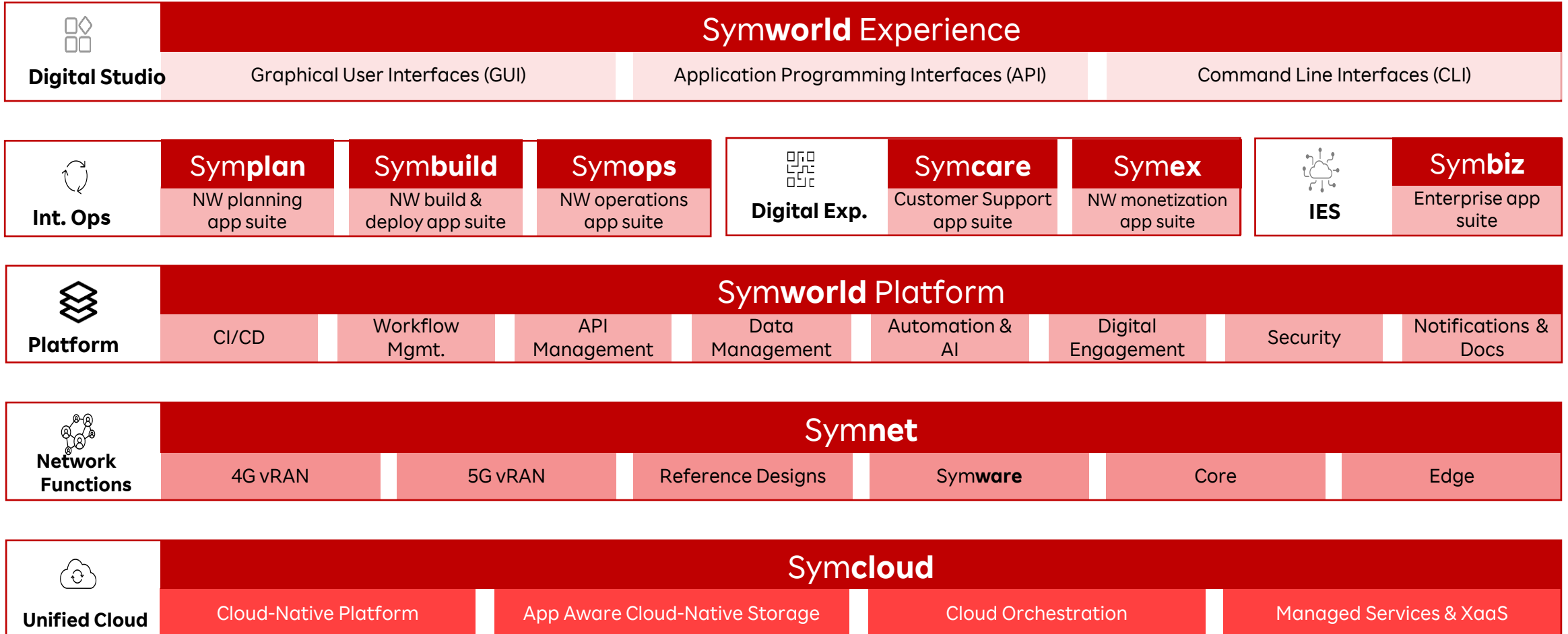
All of Nokia's cloud-
native core software
will be available on the
SymWorld

Ajit Pai Joining Board



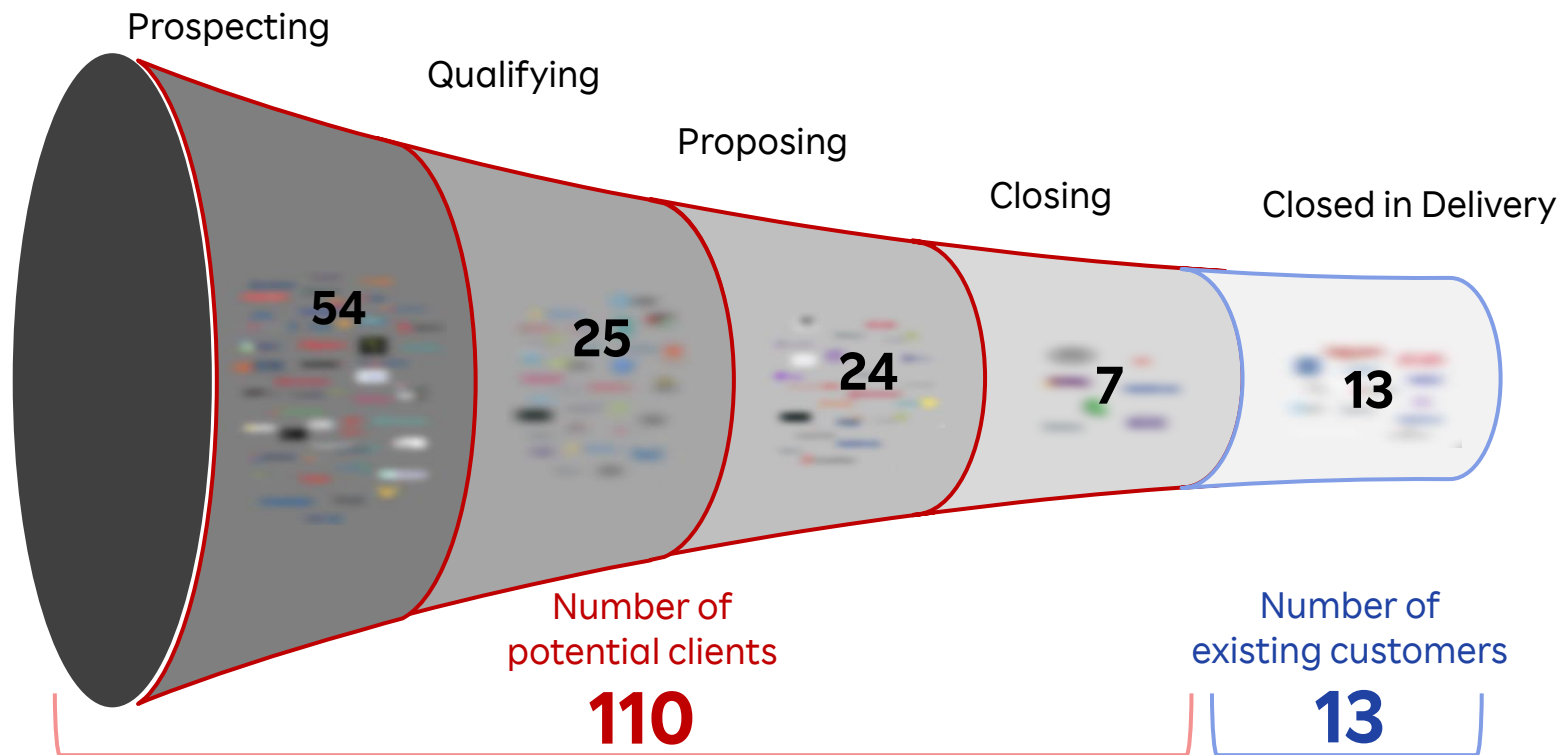
Former Federal
Communications
Commission Chairman
Ajit Pai to Join Rakuten
Symphony Board of
Directors

Rakuten Symphony is the **Cloud-based network lifecycle management platform** enabling the transformation of the telecom industry



- Recent acquisition of Robin has strengthened our Unified Cloud

Rakuten Symphony Pipeline by Stage



Total Number of Pipeline

123

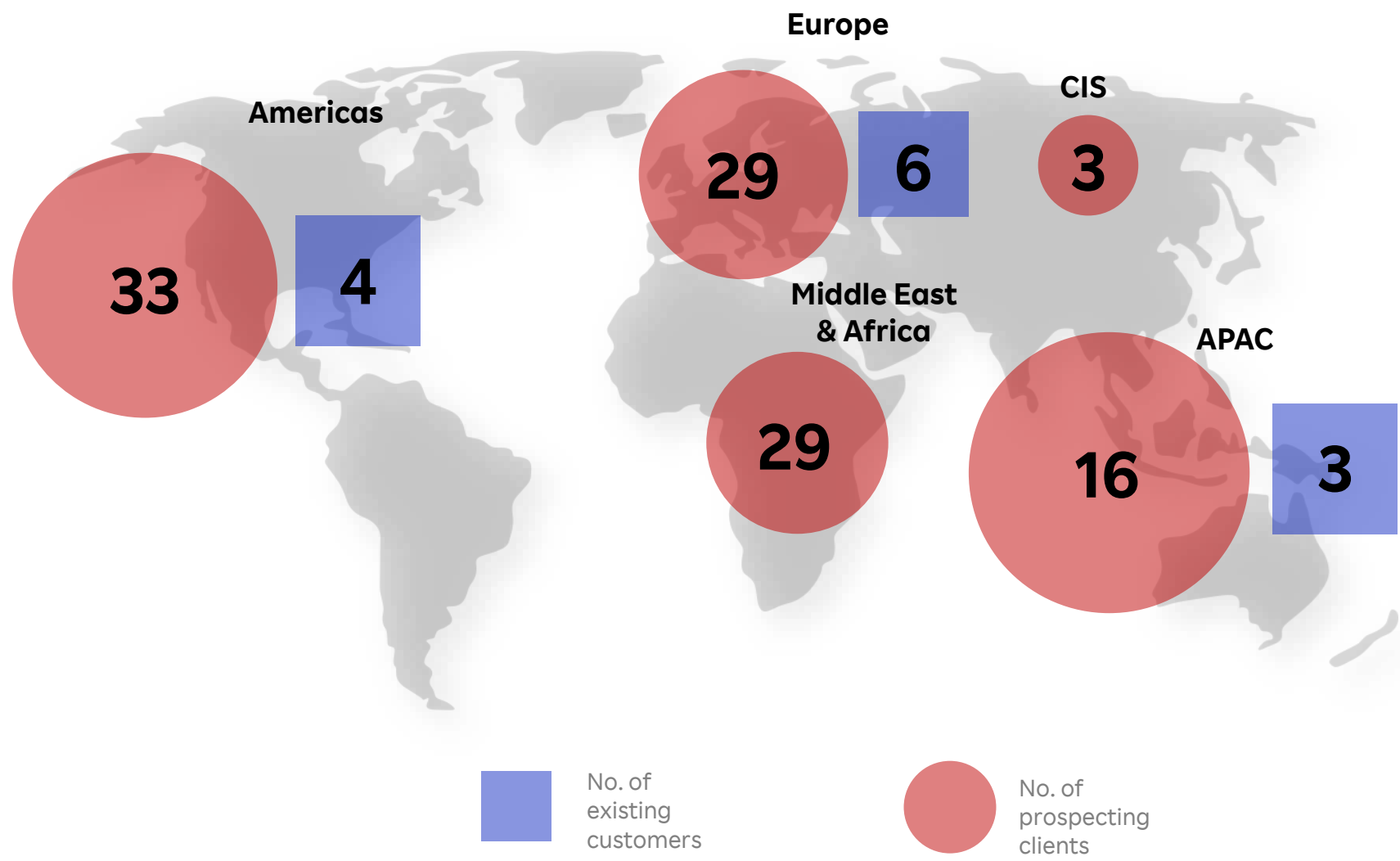
50% of Pipeline is vRAN Opportunities

20% of Pipeline is Int. Ops Opportunities

19% of Pipeline is E2E Opportunities

9% of Pipeline is Int. Ops + vRAN Opportunities

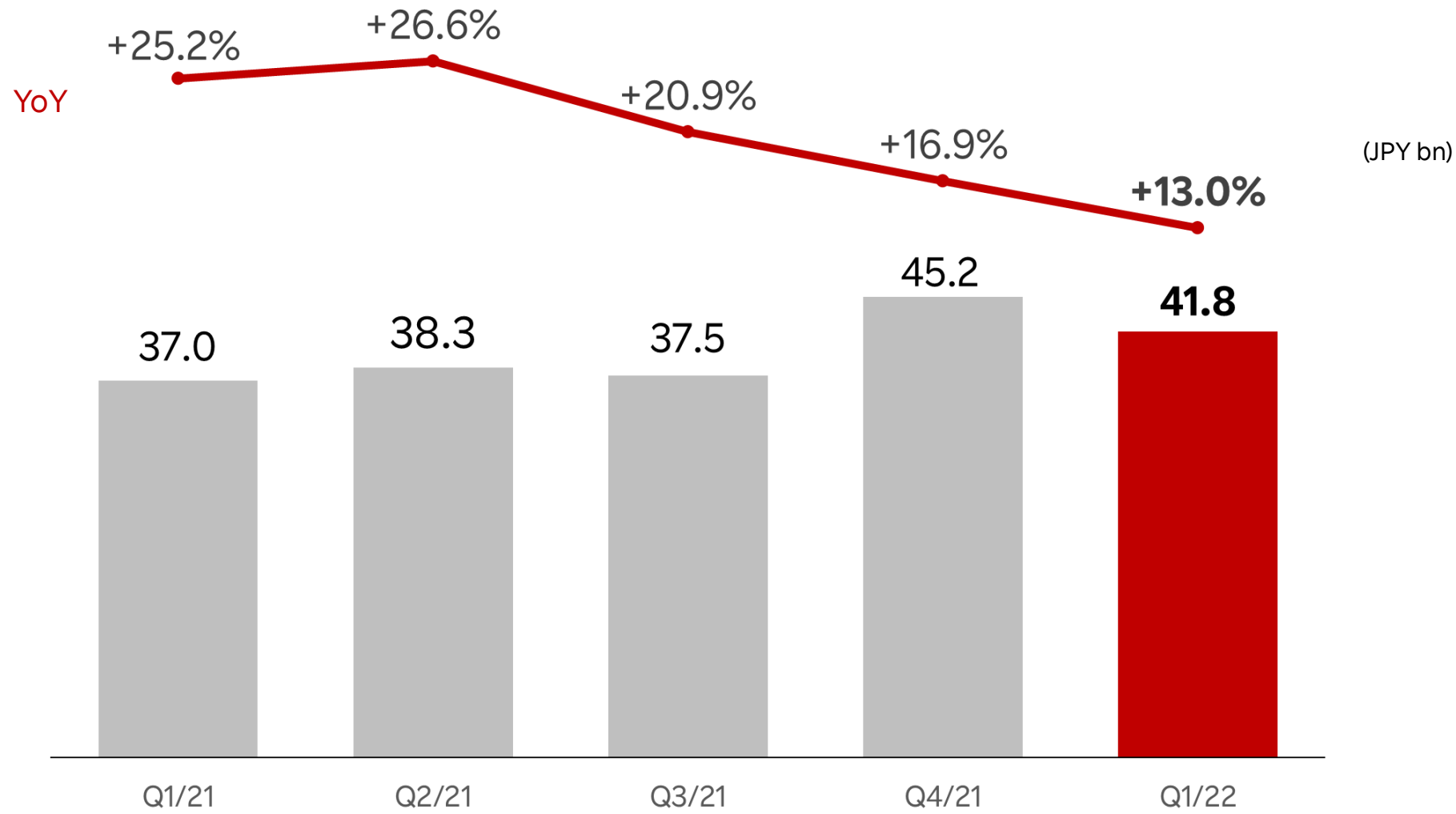
Rakuten Symphony Existing Customers and Pipeline by Region





Ad Business

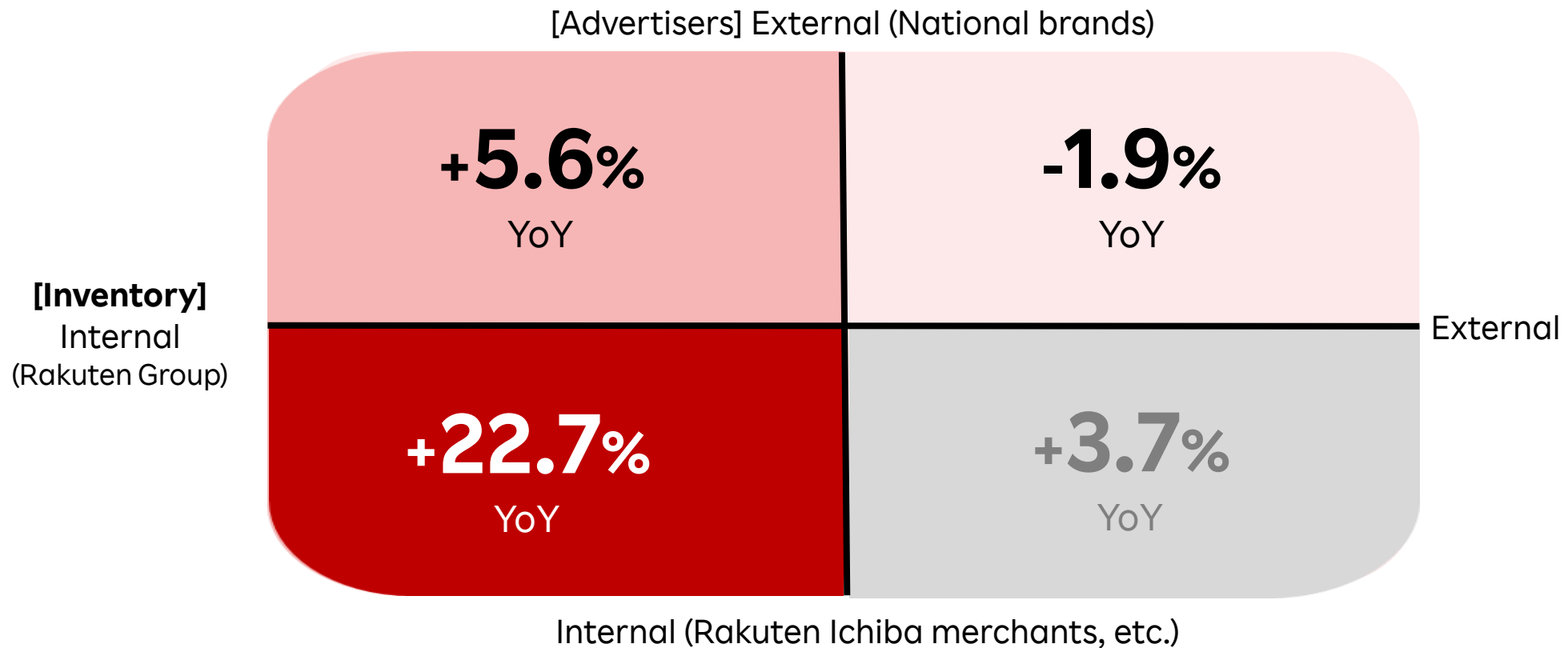
Ad Business Revenue*



* Revenue includes internal transactions.

Ad Business Q1/22 Growth Analysis

Due to strong e-commerce business performance, ad revenue on Rakuten Ichiba and other Rakuten Group services grew significantly.



Rakuten

The Rakuten logo is displayed in a bold, red, sans-serif font. A red swoosh underline is positioned beneath the letters 'a', 'k', and 'u'.

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