

# **FY2022 Second Quarter Consolidated Financial Results CEO Group Strategy**

August 10, 2022

Rakuten Group, Inc.



# Agenda

## **1 Q2/22 Highlights**

## **2 Business Update**

- ◆ **Internet Services**
- ◆ **FinTech**
- ◆ **Mobile**
- ◆ **Rakuten Symphony**
- ◆ **Overseas and Contents Businesses**
- ◆ **ESG**



# **1 Q2/22 Highlights**



# Q2/22 Highlights

## Domestic E-Commerce

- **Domestic E-Commerce GMS: +12.3% YoY. Despite global E-Commerce companies struggling, Rakuten Ichiba users have become repeaters, and Rakuten Travel GTV has returned to pre-COVID levels in 2019.**

## Global

- **Global GTV: +23.9% YoY. Rakuten Rewards GMS growth driven by a recovery of the travel industry.**

## FinTech

- **Number of members and accounts at FinTech companies such as Rakuten Card, Rakuten Bank, and Rakuten Securities increased.**
- **Card shopping GTV: +28.8% YoY. Offline consumption returned.**

## Mobile

- **Aiming to be the No. 1 mobile company** through a highly efficient cost structure, customer acquisition utilizing the Rakuten ecosystem, and improved network quality.



## Q2/22 Key KPIs

### Global GTV

**+23.9%** YoY  
JPY 8.0 tn



### Domestic EC GMS

**+12.3%** YoY  
JPY 1.3 tn



### Consolidated Revenue

**+13.5%** YoY  
JPY 456.5 bn



### Non-GAAP Operating Income

(Excluding Mobile)

**+12.6%** YoY  
JPY 45.2 bn



### Rakuten Card Shopping GTV

**+28.8%** YoY  
JPY 4.5 tn



### Rakuten Cards Issued

**26.69** mm  
+15.5% YoY



### Rakuten Securities General Accounts

**8.05** mm  
+29.0% YoY



### Rakuten Bank Accounts

**12.68** mm  
+15.4% YoY

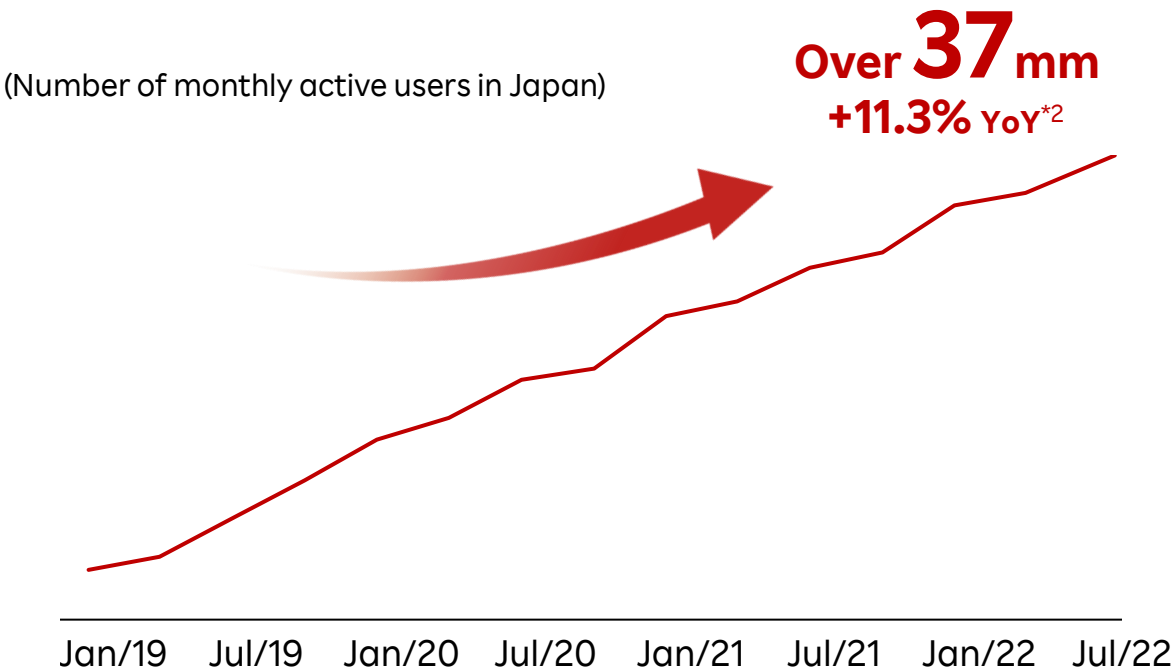




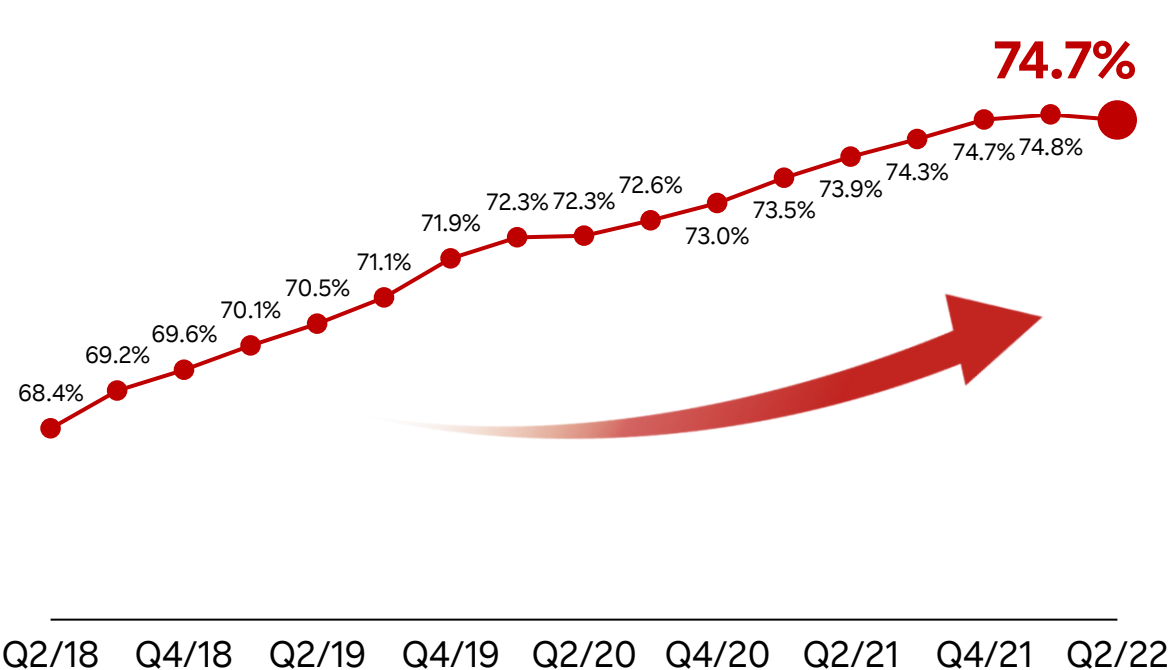
# Rakuten Ecosystem Supports Growth of Rakuten Group

The number of Rakuten Group **monthly active users\*1 in Japan** keeps growing while **cross-use ratio** steadily increases.

## Monthly active user growth in Japan



## Ratio of users of two or more services\*3



\*1 Rakuten members who received at least 1 point in the applicable month

\*2 Comparison of average monthly active users during end of April- end of June 2022 versus end of April- end of June 2021.

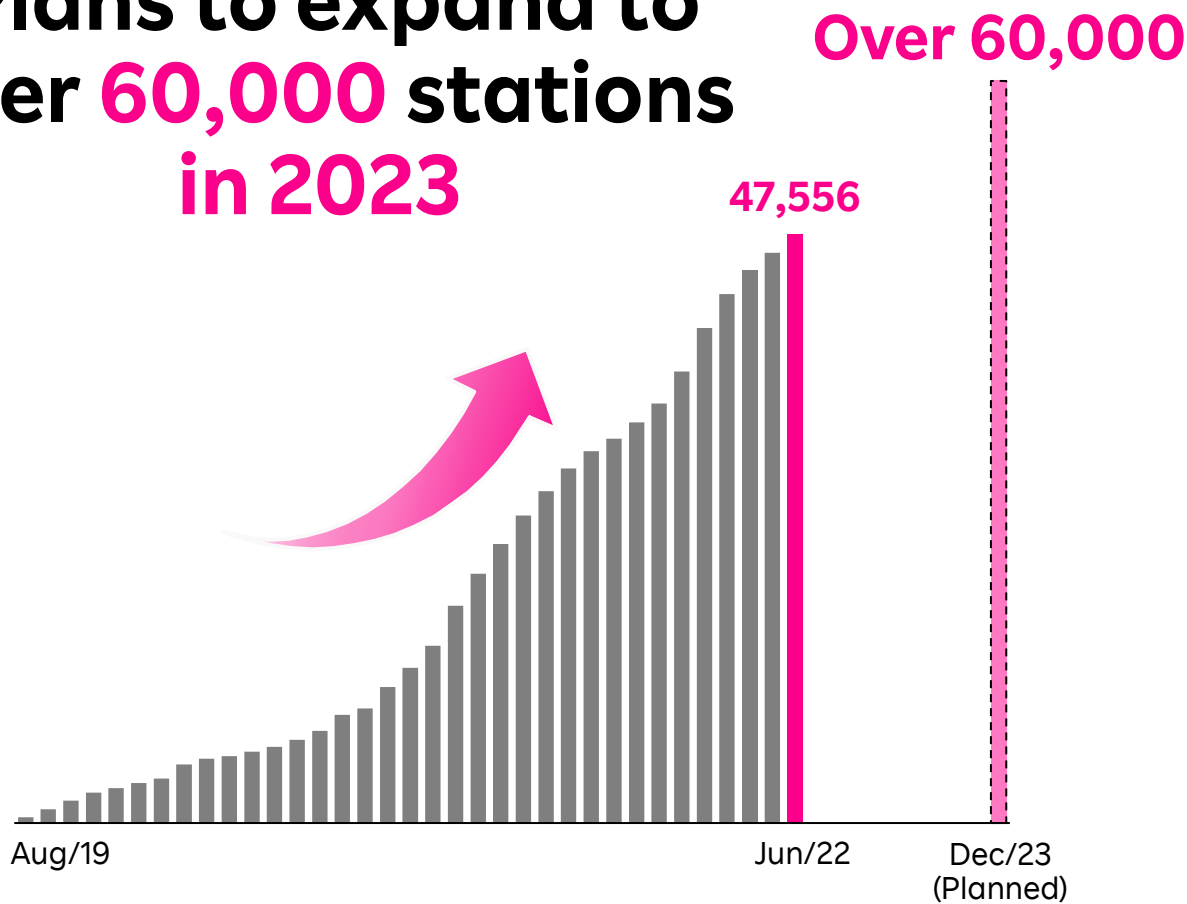
\*3 Percentage calculated by dividing the number of users of two or more services in the past 12 months by the number of users of all services in the past 12 months (as of the end of June 2022).  
(Limited to the use of services that can earn Rakuten Points.)



# Expansion of Network Coverage

Number of 4G base stations on-air

Plans to expand to over **60,000** stations in 2023





# Rakuten Mobile's Resilience Principles

## Open RAN architecture allows superior resilience

## Our unique network architecture enables automated recovery with minimal service impact

1

## Redundancy

Active replicas of network functions that can be used to provide service continuity in the event of a failure

2

## Observability

Near-real time visibility of  
hundreds of thousands of  
physical and logical  
components in the network

# 3

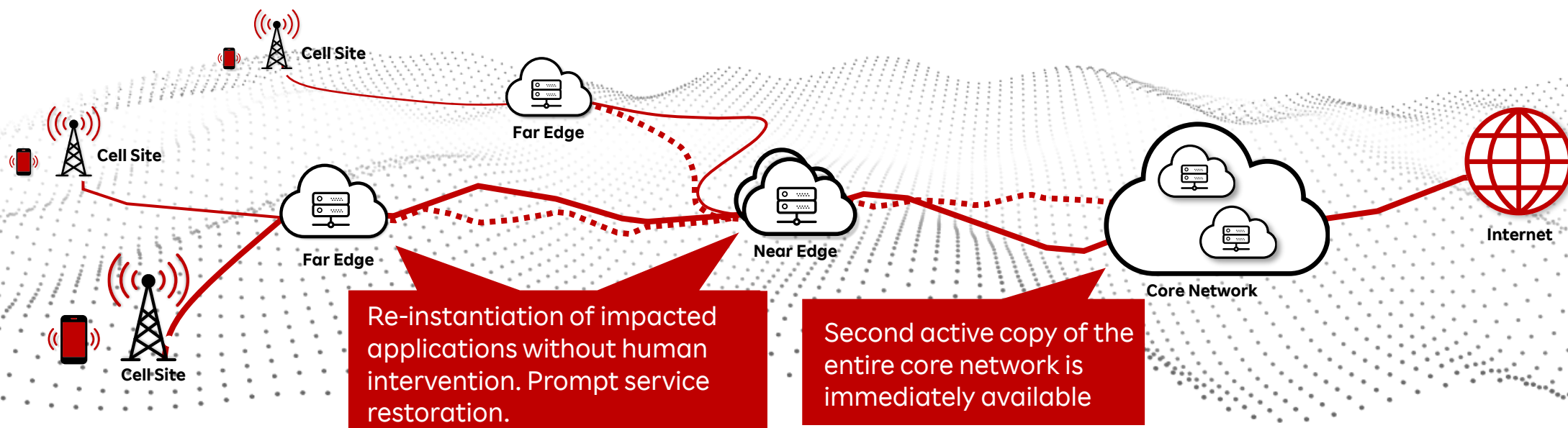
# Virtualization

All network functions run as software applications in the network, allowing flexibility in how they are managed

4

## Automation

No direct human intervention on the network is required to execute orchestration and management actions

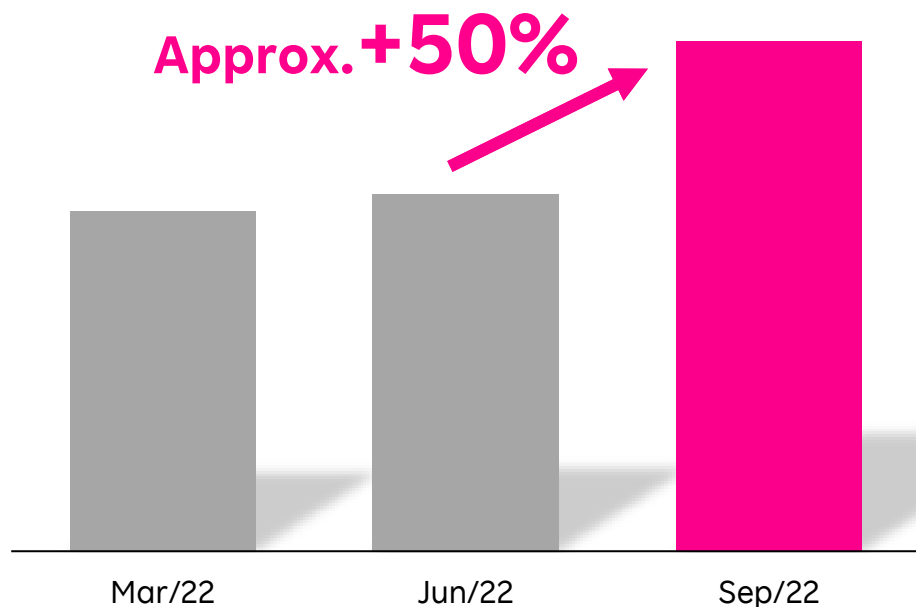




# ARPU Forecast and Initiatives to Increase ARPU

## Data ARPU outlook

**ARPU is expected to increase due to the ending of the free plan on Sep. 1**  
(point back measures end on Nov. 1)



## Initiatives to further increase ARPU

### ① Expansion of option plan

Unlimited  
15 min  
calls

Fault and  
Loss  
Compensation

Guidance  
Support

Etc.

### ② Expansion of content service



Rakuten Magazine



Rakuten Music



NBA Rakuten



Pacific League  
Special

Etc.



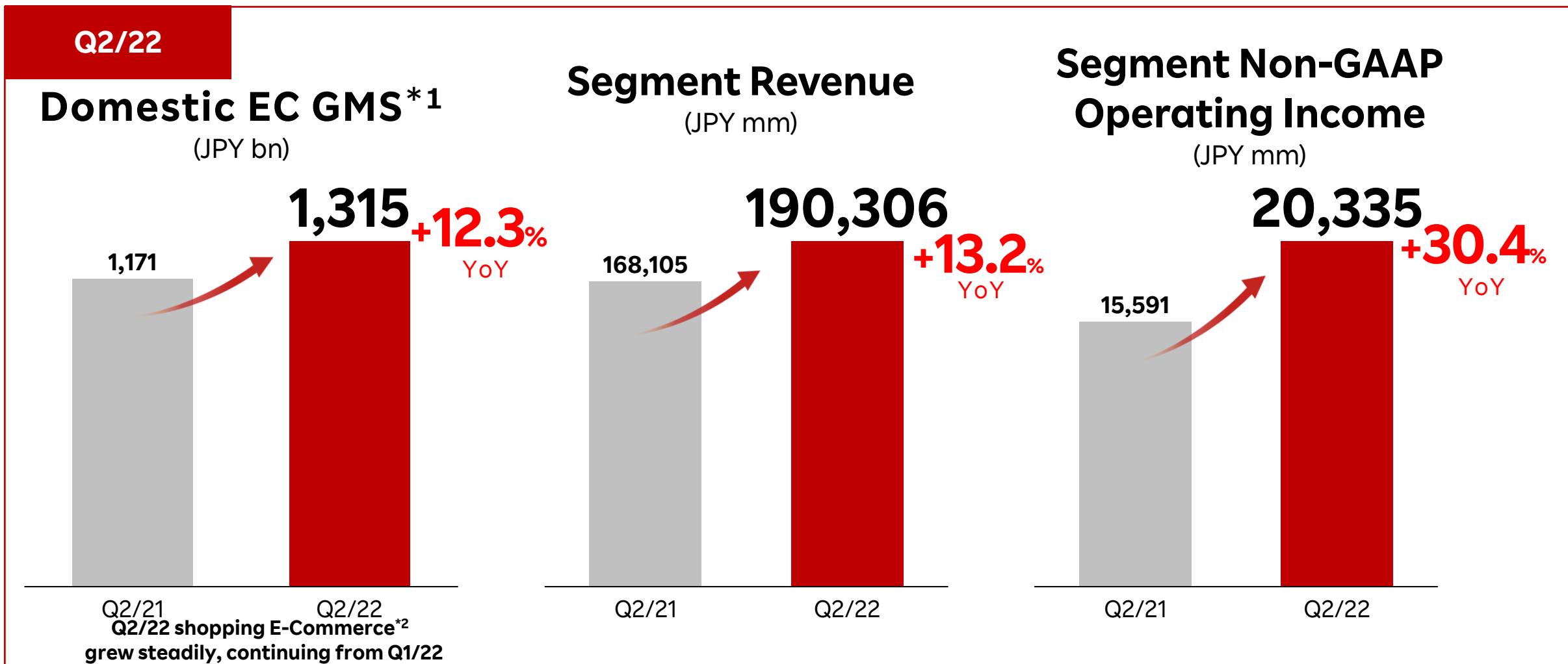
## **2 Business Update**



## **Internet Services**



# Domestic E-Commerce Financial Highlights



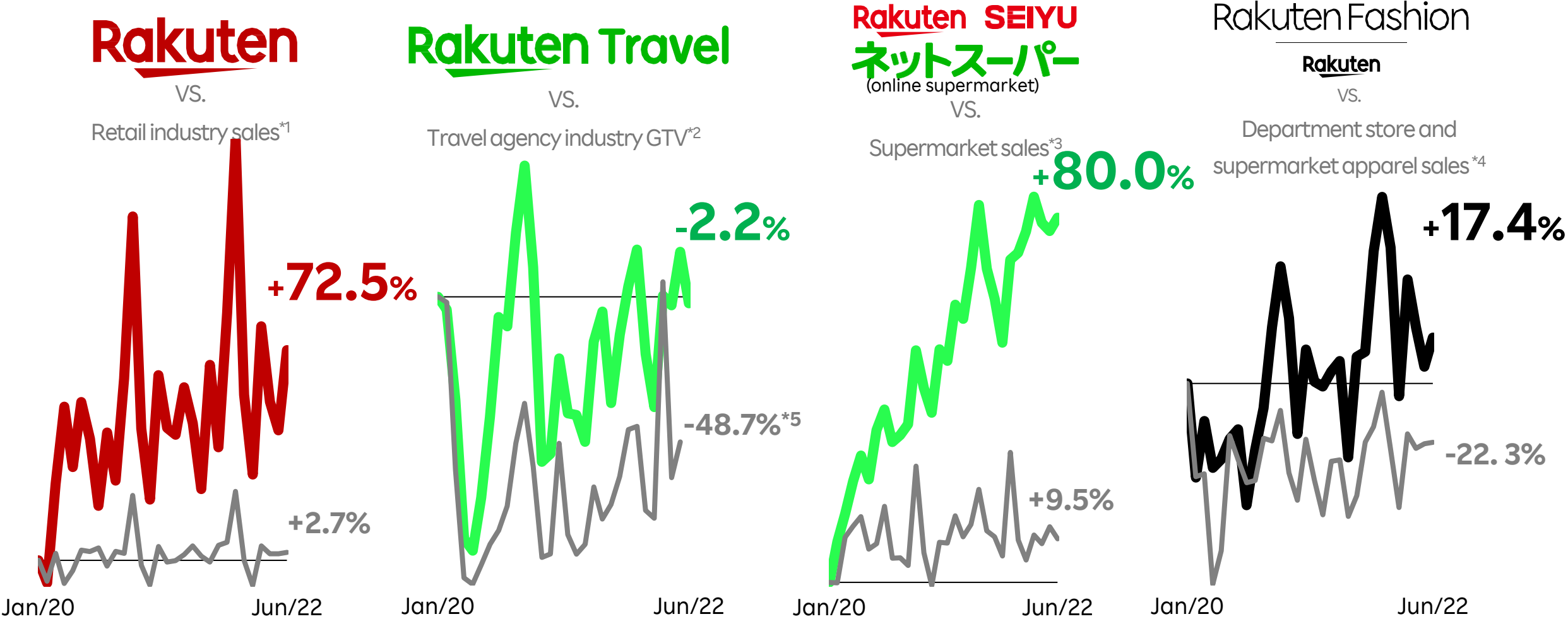
\*1 Domestic e-commerce GMS (Excludes some tax-exempt businesses, includes consumption tax.) is the combined transaction amount for Rakuten Ichiba, Rakuten Travel (GTV on checkout basis), Rakuten Books, Books Network, Kobo (domestic), golf business, Rakuten Fashion, Rakuten Dream businesses, Rakuten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

\*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.



# Rakuten E-Commerce Services GMS Growth Exceeds Industry Average

(Jan 2020-June 2022 growth rates)

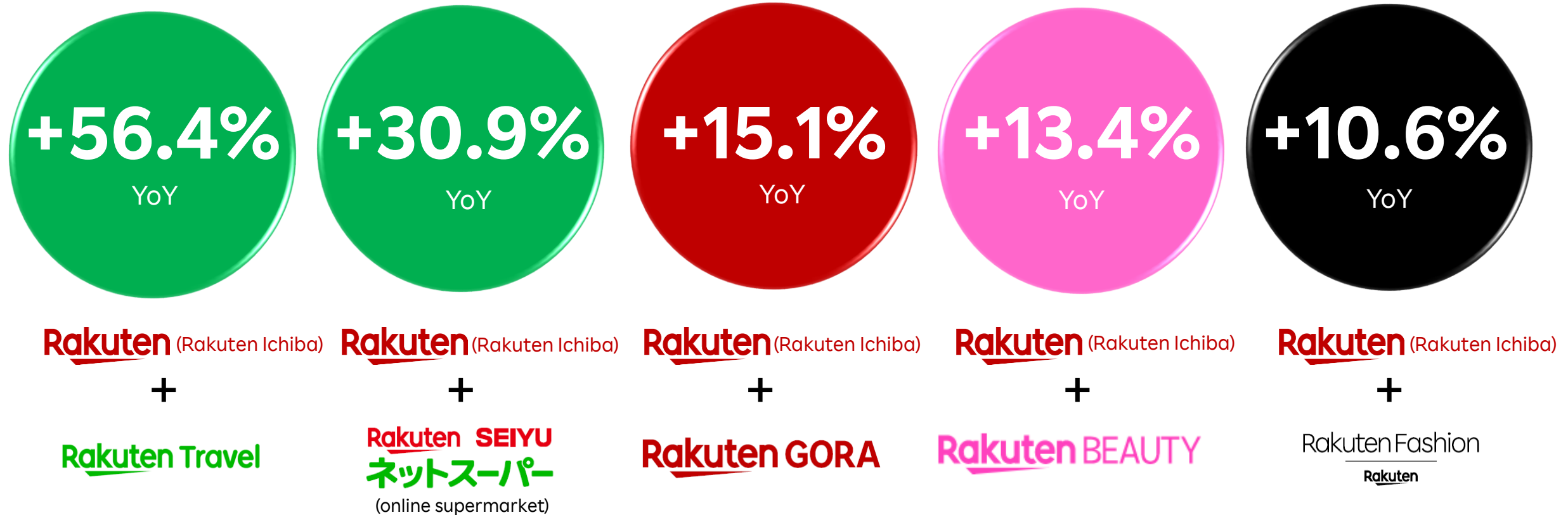


<sup>\*1</sup> METI, Commercial Sales Value by Type of Business and Value from Same Month/Period of the Previous Year.  
<sup>\*2</sup> Japan Tourism Agency, Flash Report on Major Travel Agency Transaction Amounts.  
<sup>\*3</sup> National Supermarket Association of Japan, Supermarket Sales Statistics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



# Cross-Use Improvements between Rakuten Ichiba and Other E-Commerce Services

Q2/22 Rakuten Ichiba + Other E-Commerce Services Users YoY Cross-Use Growth





# Rakuten Travel: Recovering to Pre-Covid Levels

- Due to the slower pace of COVID-19's spread and policies to revive the tourism industry, reservations, mainly as a result of leisure demand during Golden Week, recovered +14.0% compared to 2019.
- In addition, gradually resumed not only domestic but also overseas tours, especially to the U.S. and some parts of Asia, following the easing of immigration restrictions

Q2/22 Reservation GMS

Share of Domestic Travel Nights

With the penetration of online bookings,

**+14.0%**

vs Q2/19

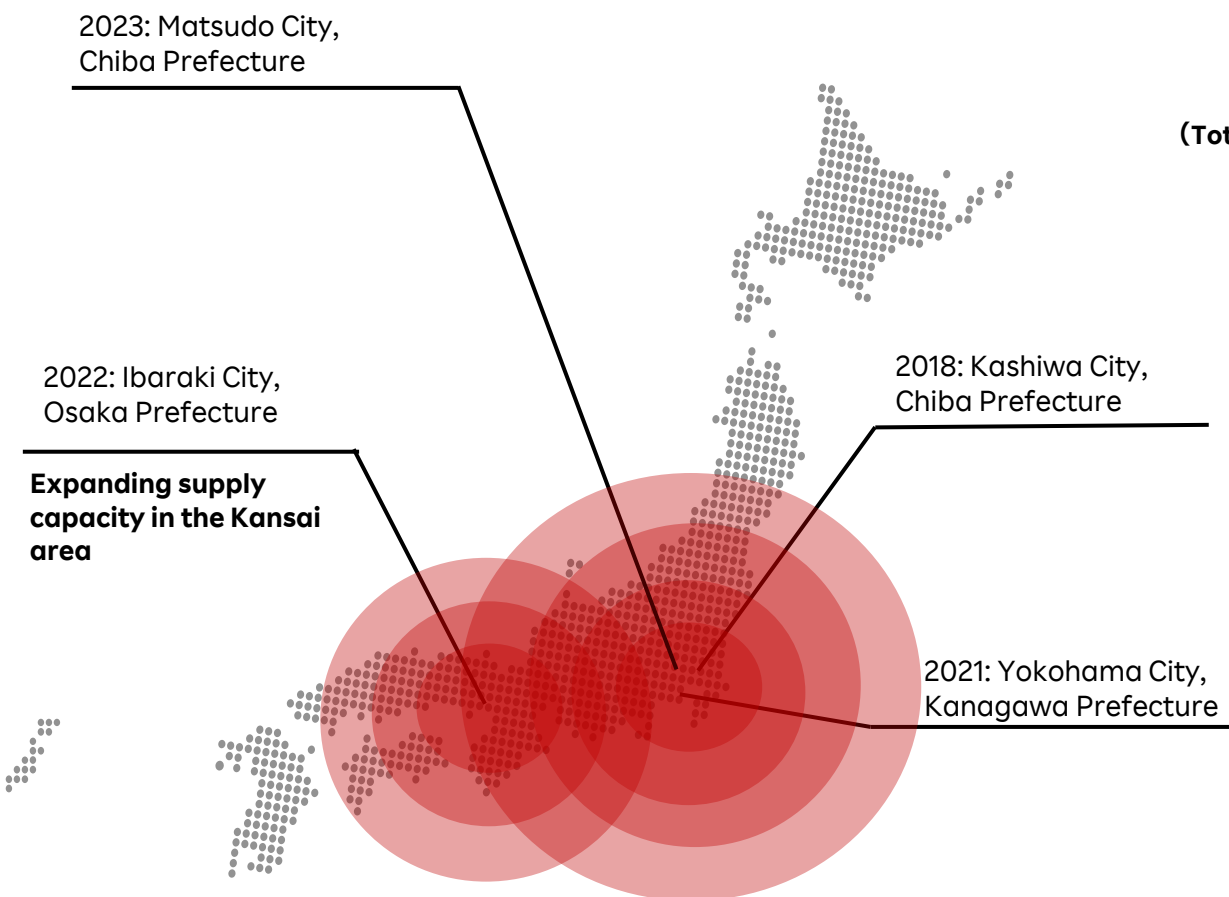
maintained at  
**Over 20%**

## ■ Q3/22 outlook

- Recovery in the number of reservations to pre-Covid levels
- Promoting bookings, especially for leisure activities, while keeping a close eye on the 7th wave of COVID-19



# Rakuten Seiyu Netsuper: New Distribution Centers Driving Growth



**Q2/22 GMS**  
(Total of Store Shipments + Distribution Center Shipments)

**Q2/22 GMS Shipped From  
Distribution Centers**

**+14.6%**

YoY

**+43.6%**

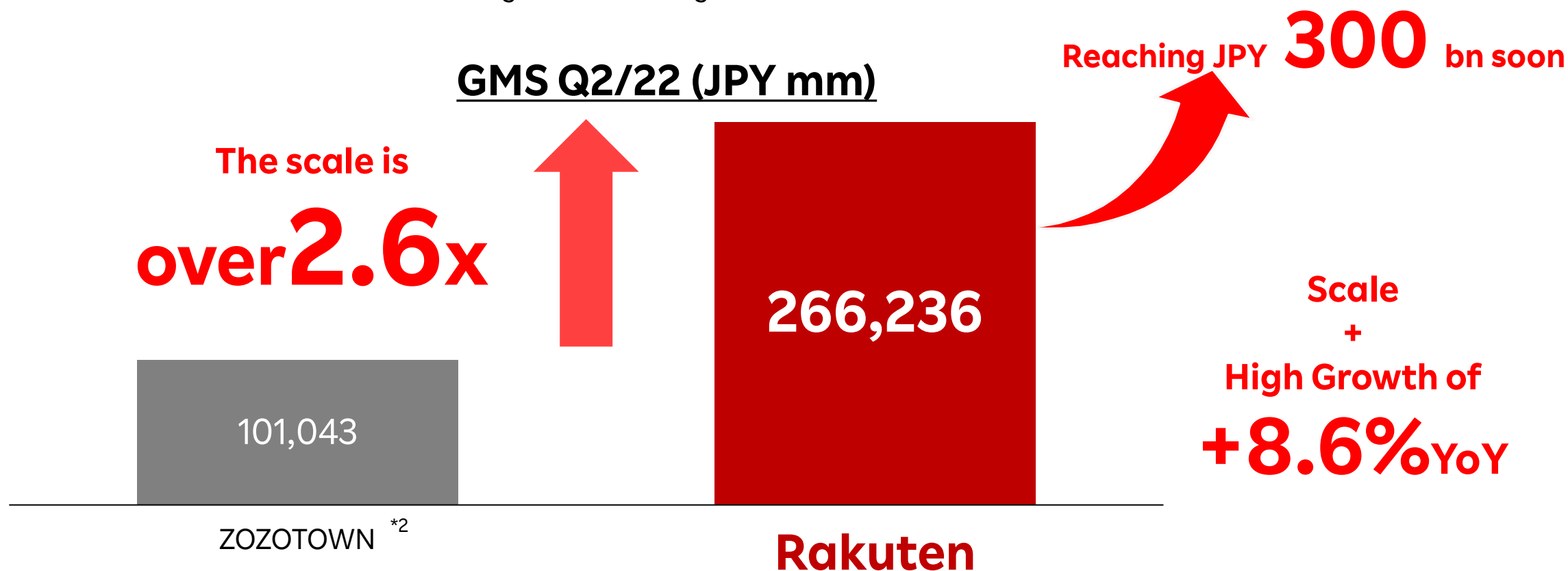
YoY

**Moving towards JPY 100bn GMS in 2025**



# Fashion business at Rakuten\*1: Dominant Presence in the Japanese Market

- The scale of Rakuten's fashion business\*1 is one of the largest in terms of GMS in the Japanese e-commerce industry.
- Not only one of the largest in terms of scale, but it has also achieved 8.6% growth YoY. Growth is expected to continue in the future while maintaining overwhelming scale.



\*1 Total of fashion-related genres (fashion, clothing accessories, sports, beauty, etc.) in Rakuten Ichiba and Rakuten Fashion

\*2 GMS of ZOZOTOWN business in FY23/Q3 mentioned in the "First Quarter Financial Results for the Fiscal Year Ending March 31, 2023" released by ZOZO on July 29, 2022.



# Rakuten Super Logistics: Further Expansion and Improving Delivery Efficiency

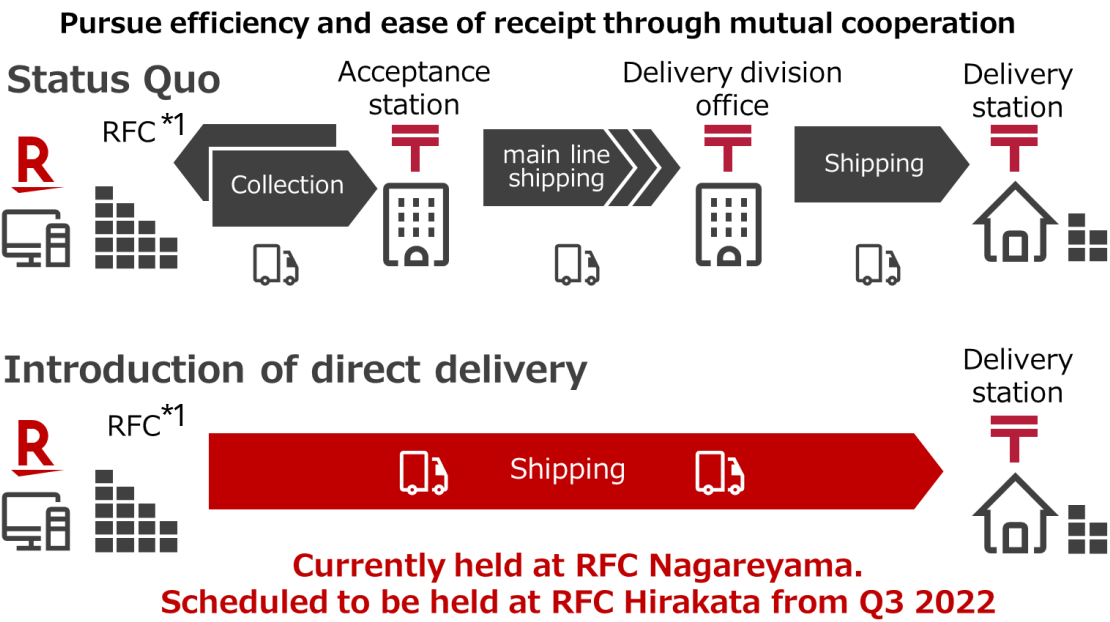
- By providing high-quality logistics services such as 365-day shipping and super-sale shipping processing at competitive prices, the number of contracted merchants has steadily increased, surpassing 5,000 merchants.
- By seamlessly incorporating distribution centers into Japan Post's delivery network, it has become possible to improve the efficiency of delivery routes, realizing "shortening of delivery lead times" and "reduction of delivery costs".

## Number of Contracted Merchants for Rakuten Super Logistics



\*1 Rakuten Fulfillment Center (Operated by JP Rakuten Logistics)

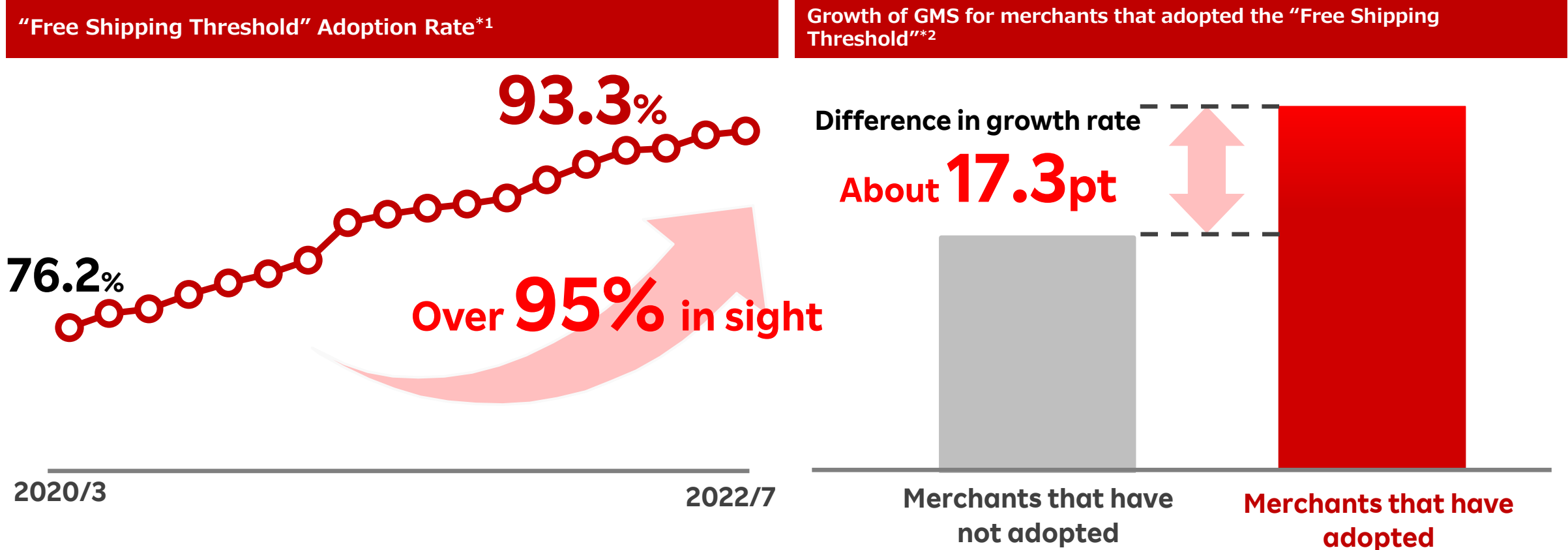
## Improved Efficiency in Delivery Methods





# Rise in “Free Shipping Threshold” Adoption Rate

- The “free shipping threshold”, which has been in place for two and a half years, has been adopted by 93.3% of merchants, and we are aiming to go over 95%.



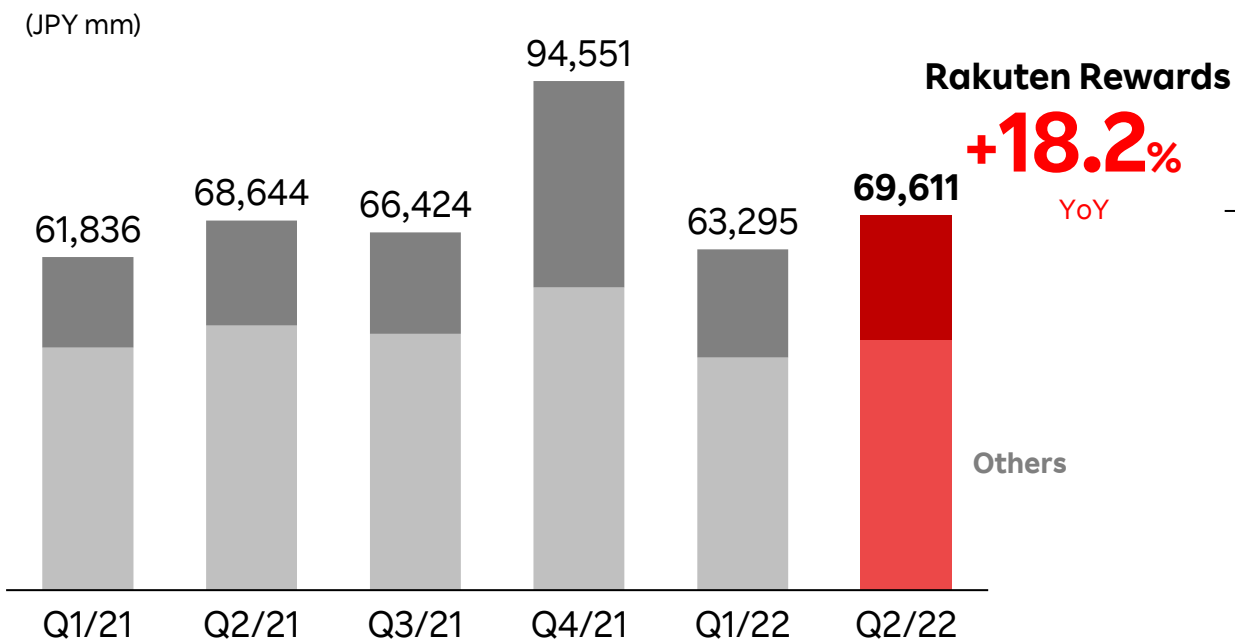
\*1 % of merchants on Rakuten Ichiba that have introduced the “Free Shipping Threshold”.  
\*2 April 2022 GMS growth rate (YoY) comparison between merchants that have adopted “Free Shipping Threshold” and merchants that have not



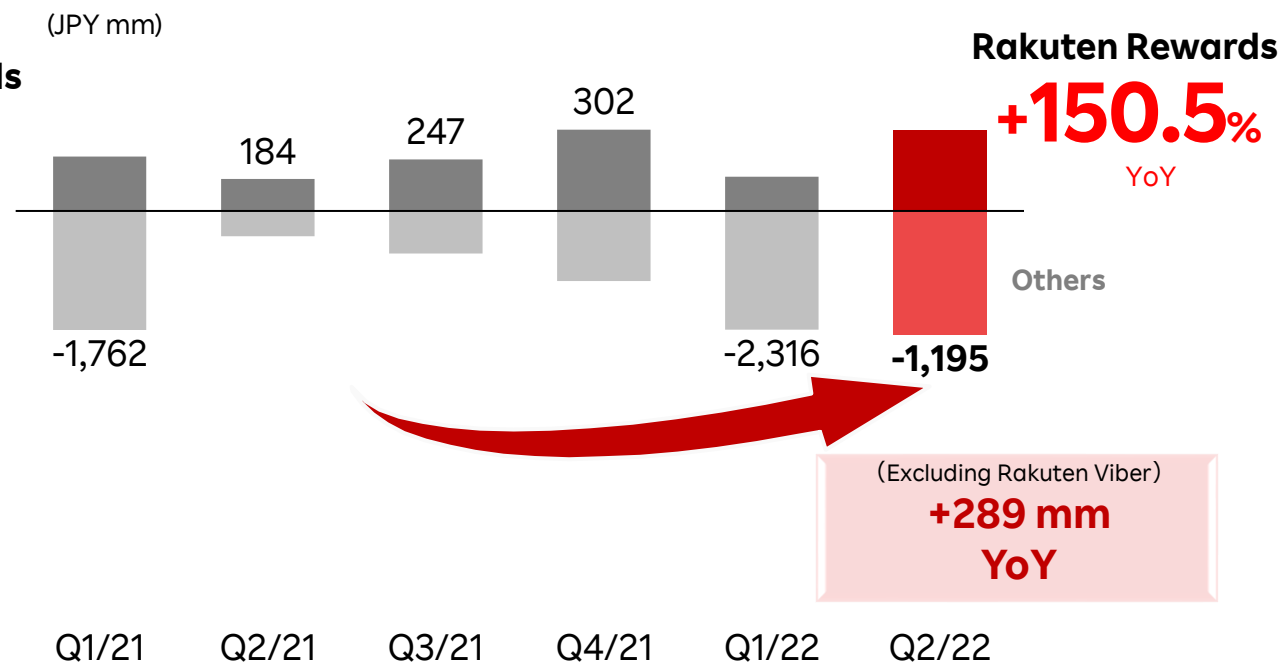
# Other Internet Services (Excluding minority investments\*1 business)

- Rakuten Rewards is driving both revenue and profits of other Internet services.
- Other services were impacted by a decrease in revenue from Rakuten Viber due to the situation in Ukraine. The Business Portfolio Committee will continue to work on further cost reductions by promoting concentration and selection of businesses.

Other Internet Services revenue\*2  
(Excluding gains/losses from minority investments)



Other Internet Services operating Income\*2  
(Excluding gains/losses from minority investments)



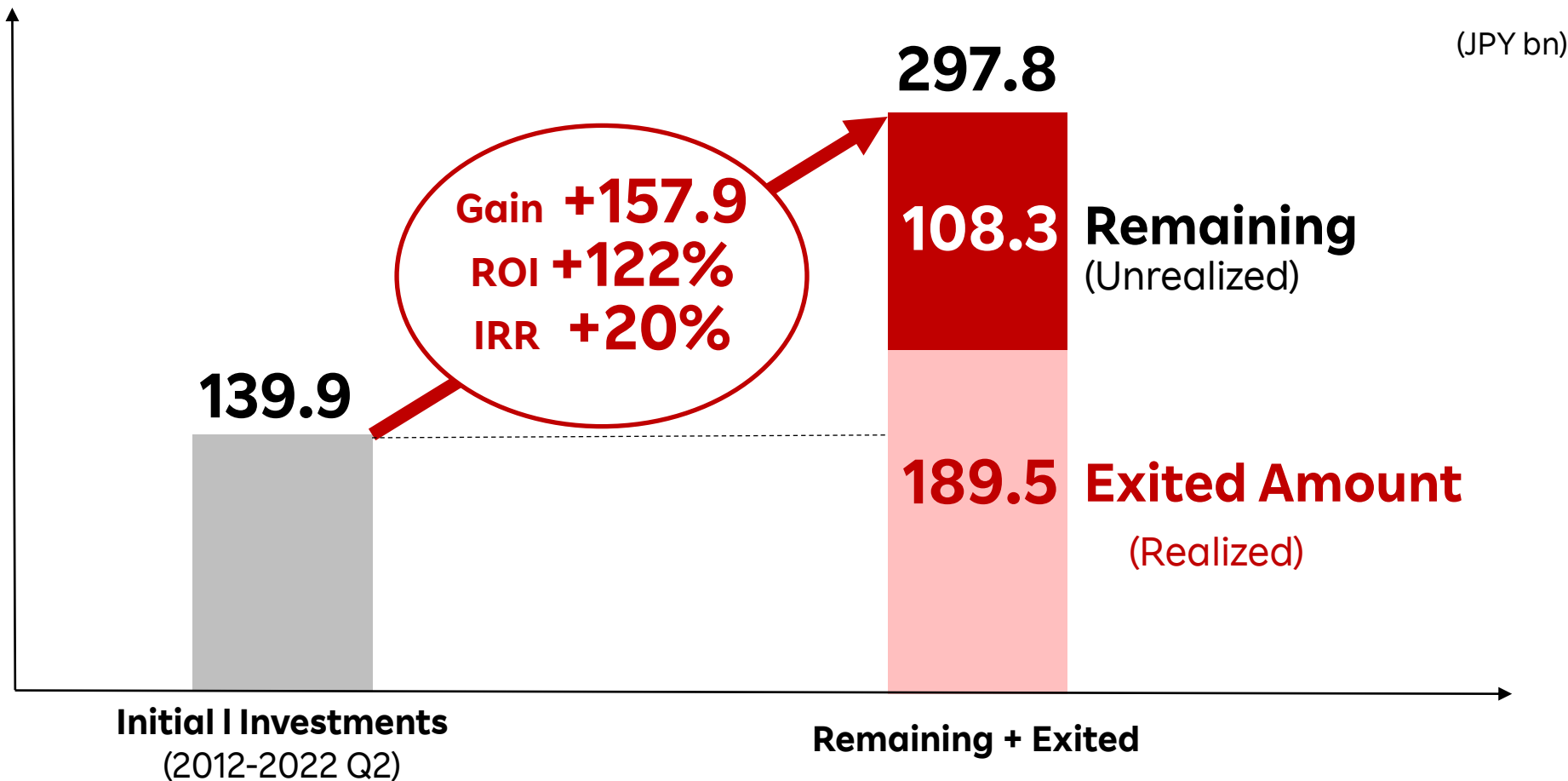
\*1 Rakuten Capital

\*2 Total of Rakuten Rewards and Others



# Rakuten Capital\*1 Investment Performance

Rakuten Capital Investment Performance (as of Jun 30, 2022)\*2



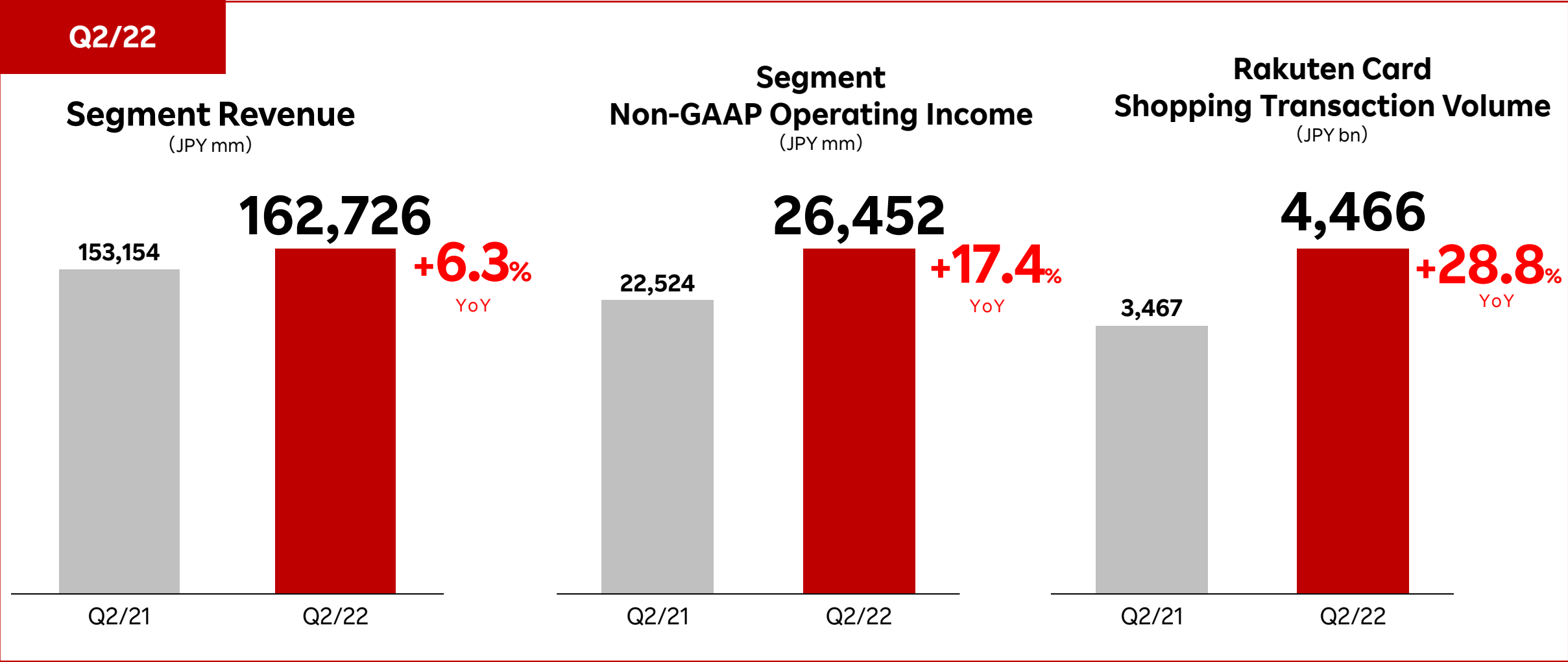
\*1 Investment Business of Rakuten Group (Rakuten Capital).  
\*2 Non Rakuten Capital investments, such as Lyft and Rakuten Medical, are excluded.







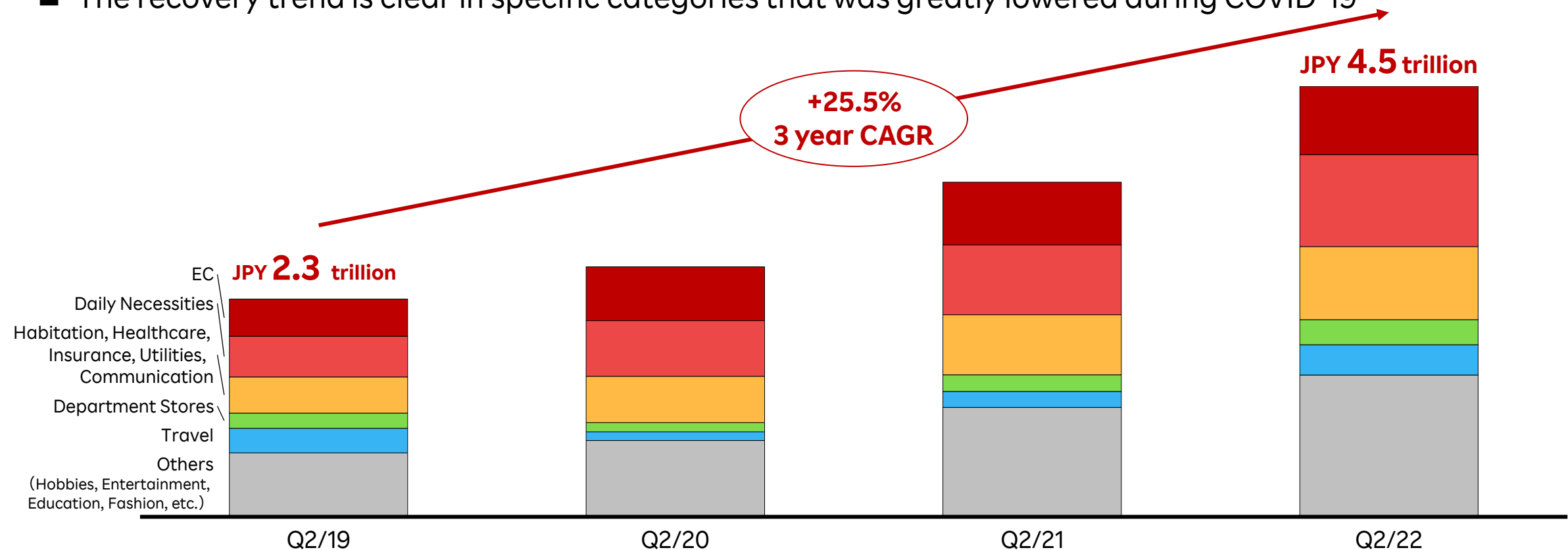
# FinTech Segment Highlights





# Rakuten Card: Shopping Transaction Value by Category\*

- Shopping transaction value maintained high growth mainly in E-Commerce and daily necessities categories, capturing behavioral changes during COVID-19
- The recovery trend is clear in specific categories that was greatly lowered during COVID-19

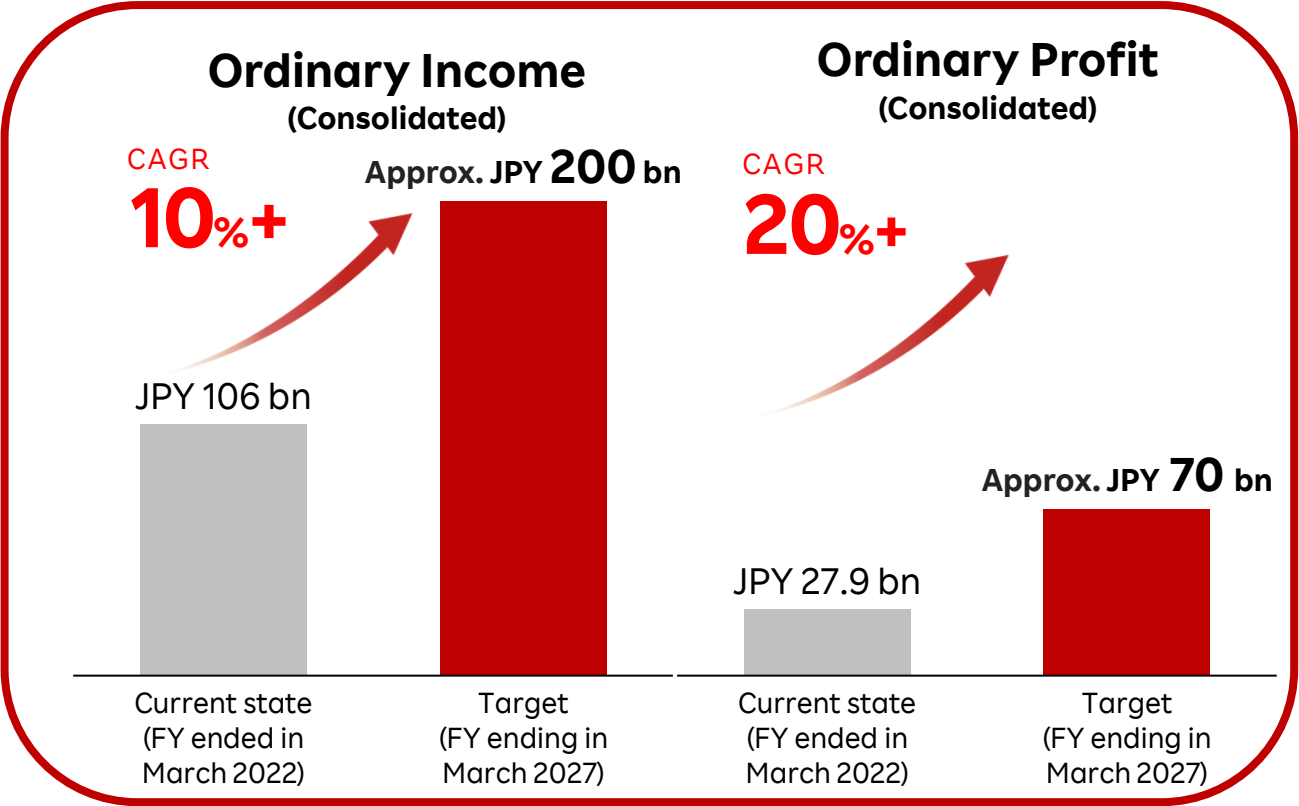
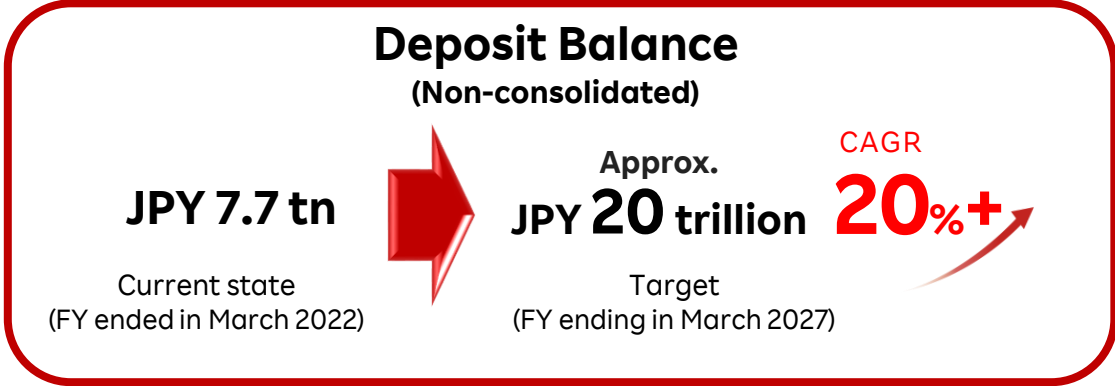
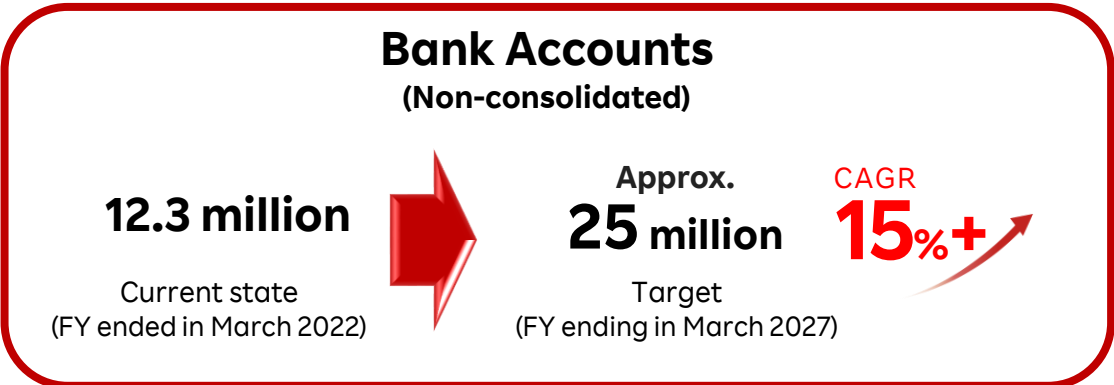


\*Calculated on a managerial accounting basis, using different definitions from data in Supplemental Data.



# Rakuten Bank: Mid-to-Long-Term Vision\*

- Aiming to become a leading FinTech company in anticipation of the advent of the zero-cash era
- Announced a medium-to-long-term vision in April 2022



\*Rakuten Bank's mid-to-long term target is based on various assumptions and beliefs. Many of such assumptions and beliefs relate to matters that are outside of Rakuten Bank's control, including factors affecting the business and economic environment. In addition, there can be no assurance as to Rakuten Bank's ability to implement Rakuten Bank's various strategic initiatives. These and other unanticipated events and circumstances could affect Rakuten Bank's ability to meet the target. As a result, Rakuten Bank's cannot and do not make any representations or assurances as to the achievability of such target or whether Rakuten Bank's underlying assumptions are appropriate. You should be aware that actual results may vary, potentially materially, from the target

\*Customer bank accounts: 12.68 million" and "Deposit balance: JPY 8.1 trillion as of June 30, 2022 at Rakuten Bank  
\*Financial results of Rakuten Bank, Ltd. are based on J-GAAP



# Rakuten Securities: Key Highlights (As of June 30, 2022)

## Securities General Accounts

**8.05 million**  
+29.0% YoY

## Domestic Equities Retail Trading Market Share

**33.5%**  
+6.6pt YoY

## Assets Under Management

JPY  
**16.5 trillion**  
+28.8% YoY

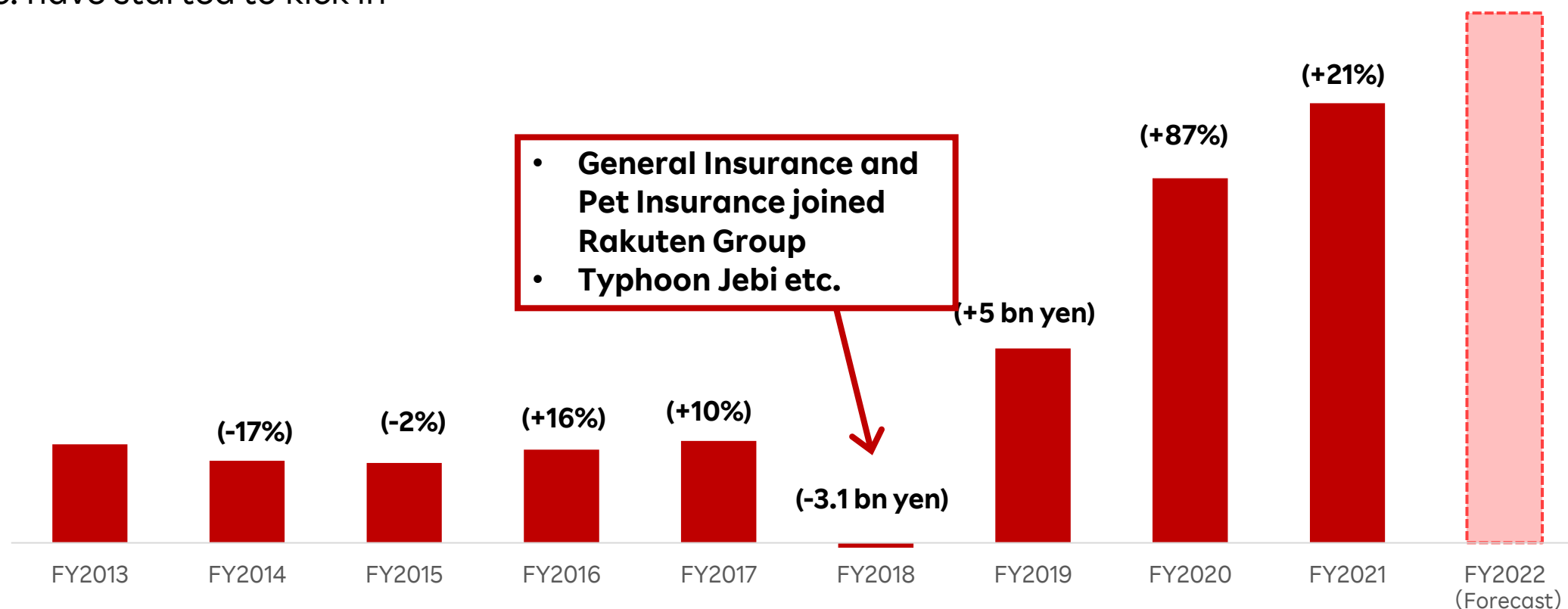
### Key Highlights

- May 2022 Resolved to prepare for Initial Public Offering
- June 2022 Surpassed **8 million** general securities accounts
- August 2022 Investment trust asset balance monthly amount setting surpassed **JPY 100 billion**



# Rakuten Insurance Group: Operating Income Trends\*

- Life Insurance: In addition to sales expansion, cost-cutting measures such as customer service DX and business automation contributed to the growth of operating income
- General Insurance: Improvement in loss ratio due to review of product portfolio and underwriting standards, etc. have started to kick in



\* Numbers in blackest are year-to-year comparison



# Preparation for IPO of FinTech Subsidiaries

- We will continue to consider the organizational structure of the Group, considering credit worthiness and financial soundness, and aim to maximize the growth and corporate value of the Group.

## Rakuten Bank

July 2022

Application for Listing of Shares

**Rakuten**  
**楽天銀行**

## Rakuten Securities Holdings

May 2022

Start of Preparation for an Initial Public Offering

**Rakuten**  
**Securities Holdings**

On May 24, 2022, we announced preparations for an initial public offering for Rakuten Securities. After that, on August 10, 2022, we announced that Rakuten Securities Holdings will apply for listing due to organizational restructuring.





# Mobile



To be the No. 1 Mobile Carrier

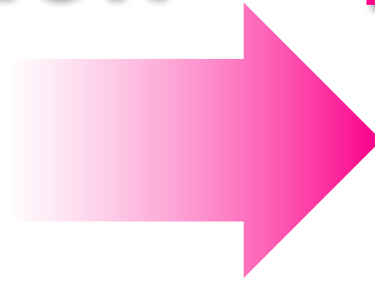
Low cost structure



Customer acquisition  
power



High quality



No. 1

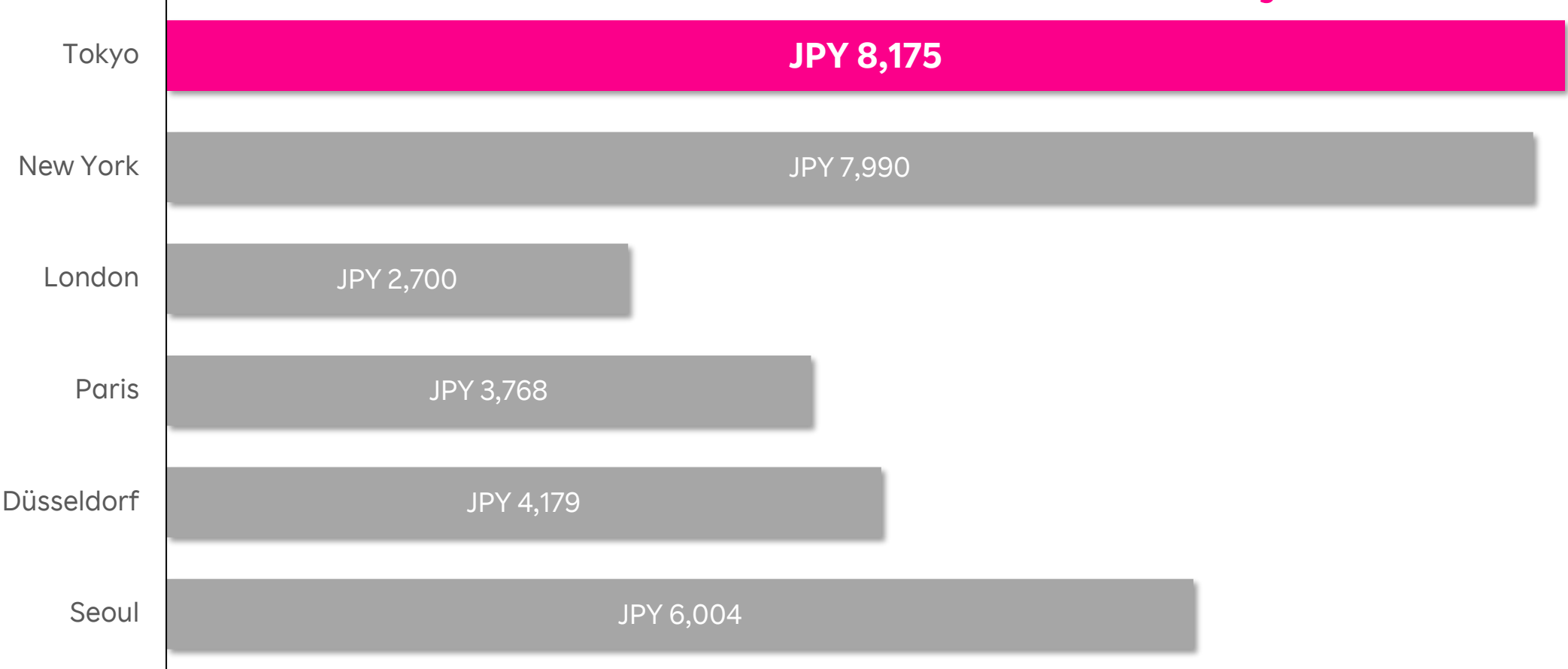
Mobile  
Carrier



# Monthly Smartphone Fees in Japan Before Rakuten Mobile was Launched

Smartphone fees in 6 major cities (20GB use per month)

Most expensive  
in 6 major cities as of 2020



\* Ministry of Internal Affairs and Communications (June 2020) Price based on using 20 GB per month with the carrier with the largest market share in each city.





**Rakuten Mobile's Goal**

**To Democratize  
the Mobile Market**



# Rakuten Mobile Target Customers

Target customers:  
ARPU increase

**Loyal  
Ecosystem  
Users**

Plan ending

**0 yen  
Users**

**Smart  
Users**  
(Economically)

**Heavy  
Data  
Users**



### **3 Strategies to be the No. 1 Mobile Carrier**



**Price  
Advantage**

**Further  
Quality  
Improvements**

**Marketing**

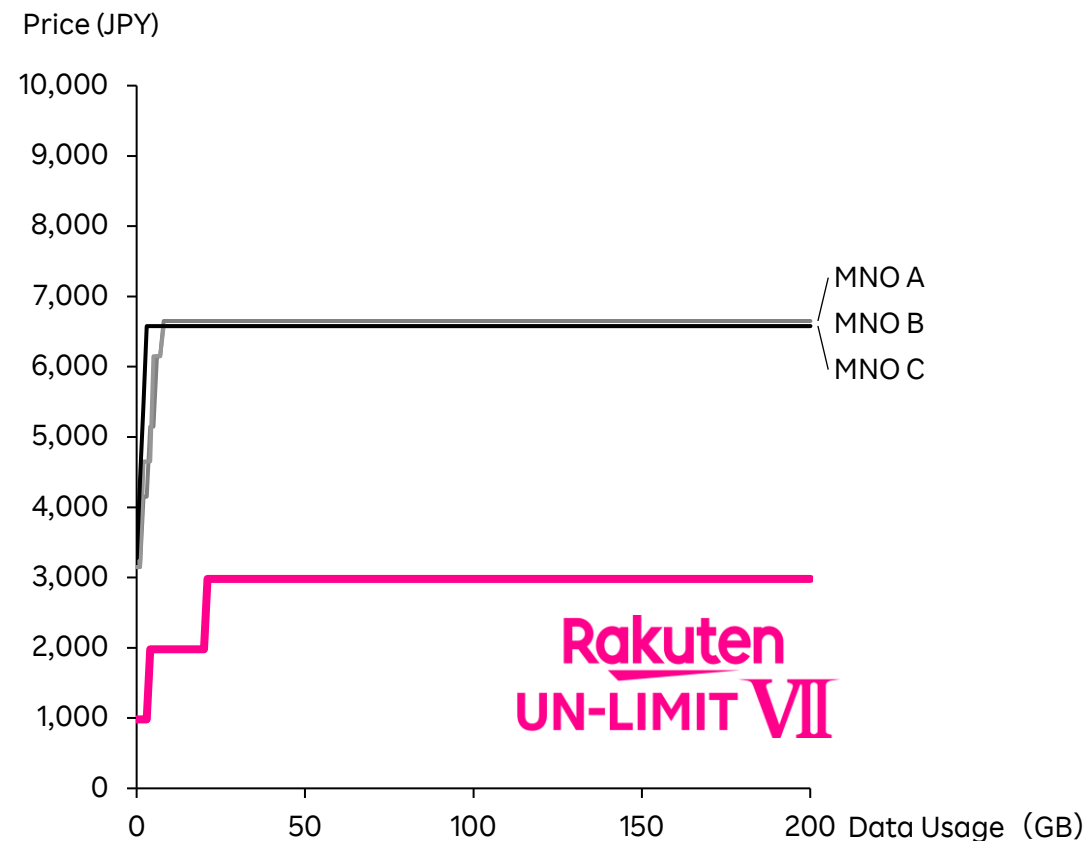


# Price Advantage of Rakuten Mobile

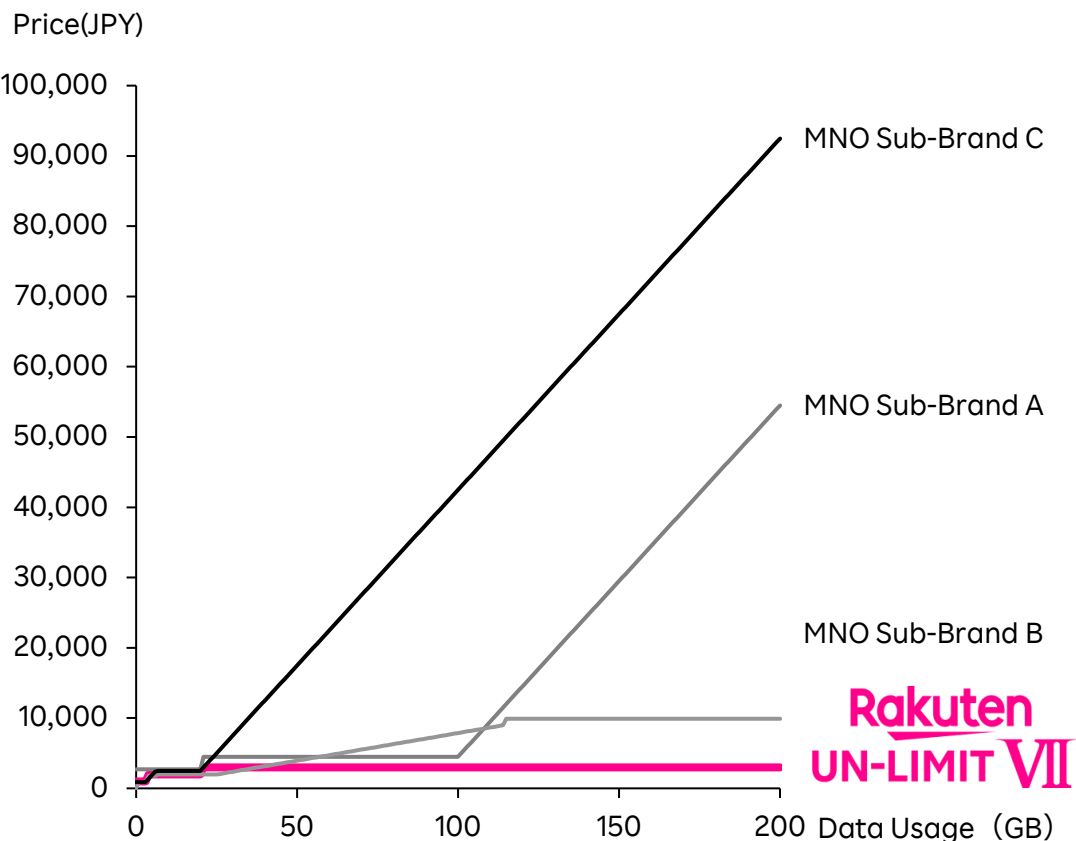
A single plan where subscribers can use unlimited high speed data\* for JPY 2,980<sub>(excluding tax)</sub>, even when consuming 100GB or 200GB



Comparison with other MNOs



Comparison with sub brands of MNOs



\* As of June 2022, research by Rakuten

\*Unlimited data when connected to Rakuten base stations. To provide a fair service, restrictions on transmission speed may be implemented. In domestic roaming areas, after using the allocated 5GB, unlimited data is available at a maximum speed of 1Mbps and for overseas, after using the allocated 2GB, unlimited data is available at a maximum speed of 128 kbps. When using a maximum of 1 Mbps, it may take time to play videos, download applications, etc. Transmission speed is best effort (the maximum speed of the standard). Actual transmission speeds may vary depending on the network environment. After the monthly data usage exceeds 20GB, the price is 2,980 yen/month (3,278 yen including tax) (excluding call charges, etc.).

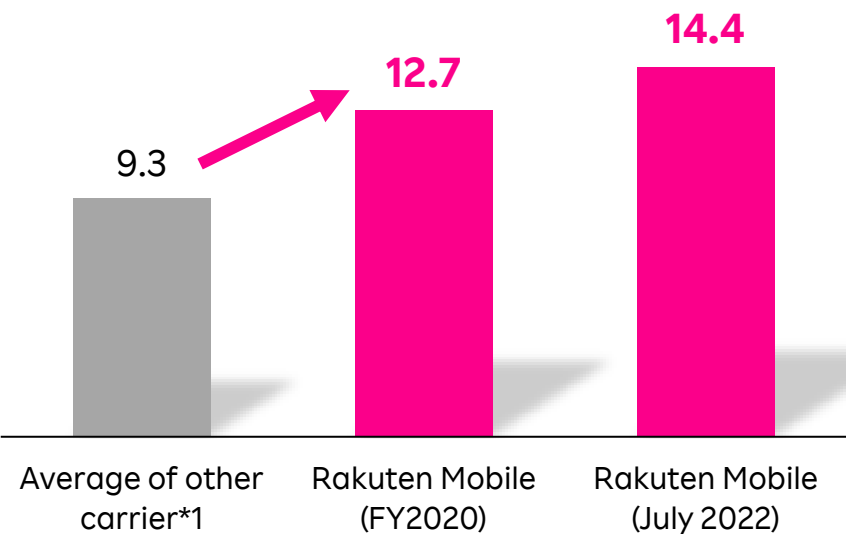


# Data Usage will Increase Dramatically with the Expansion of 5G



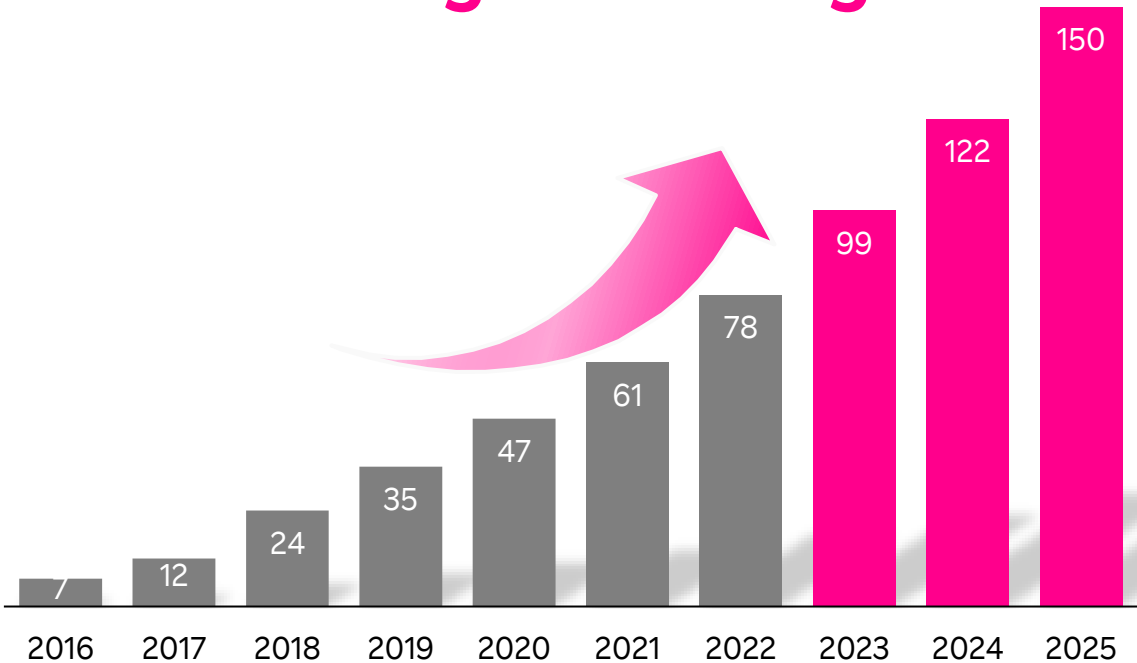
Average monthly data usage per subscriber (GB)

Data usage of Rakuten Mobile subscribers is 1.4 times higher than other carriers



Data traffic via mobile (Exabytes/Month)\*2

With 5G, the era of high data usage is coming



\*1 Refer to the evaluation results of the FY2021 Survey on Utilization of Radio Waves for Mobile Phones and Nationwide BWA by the Ministry of Internal Affairs and Communications (2020 average).

\*2 Refer to Ministry of Internal Affairs and Communications (2020 edition) White Paper on Information and Communications



# Cost Structure Underpinning Rakuten Mobile's Price Advantage



**Rakuten Symphony's fully virtualized network enables sustainable and competitive pricing**

**Rakuten Symphony will enable Rakuten Mobile further cost reduction**

**40%+**  
**CAPEX REDUCTION**

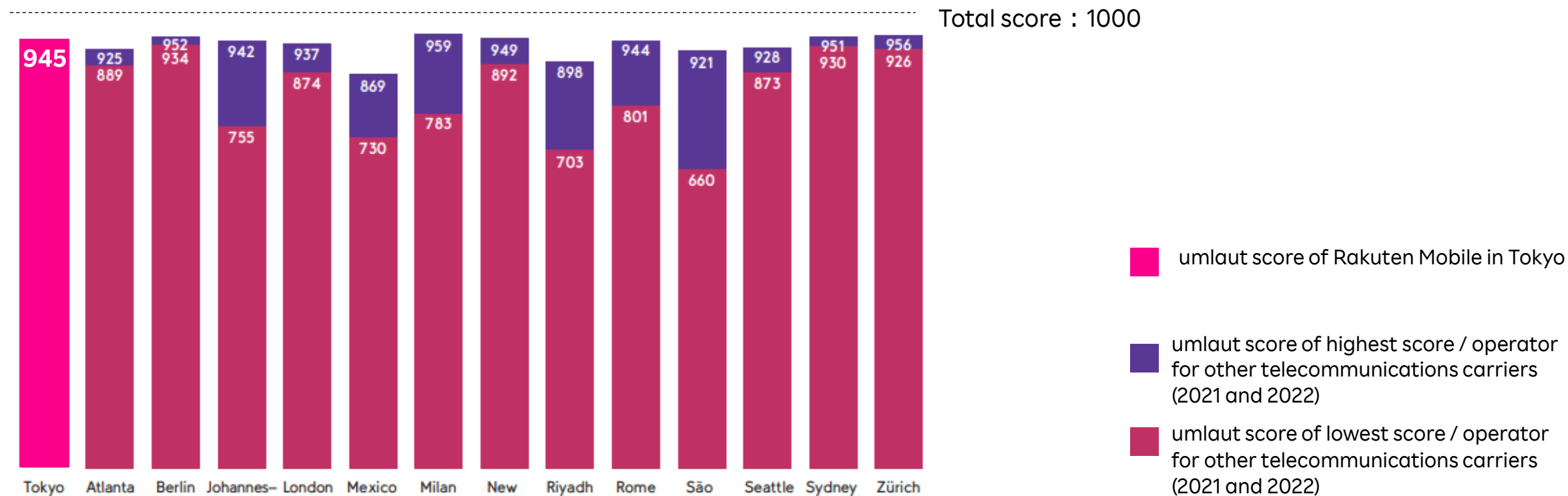
**30%+**  
**OPEX REDUCTION**



# Growing International Recognition of Rakuten Mobile's Communication Technology and Quality



In Tokyo, Japan Rakuten Mobile shows a very good performance with the best mobile networks worldwide tested by umlaut.



\*Survey by umlaut SE "OpenRan Audit Report" (April 2022)



# Efforts to Improve Connectivity Indoors and in Subways



## Small Cells

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

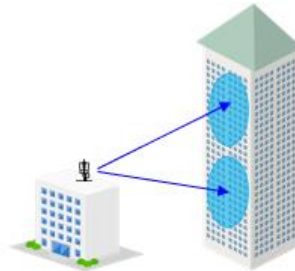


- A dedicated team of about 400 people driving the installation
- Approx. 85,000\* Rakuten Casas have already been installed all over Japan (As of end of June 2022)

\* Total of individual and business use

## Skyscrapers (4G)

Radio emissions from outside the building (Exdoor solutions)



Sequential improvement of network quality in **high-rise buildings over 20 floors**

## Subways

Installation of our equipment in JMCI facilities

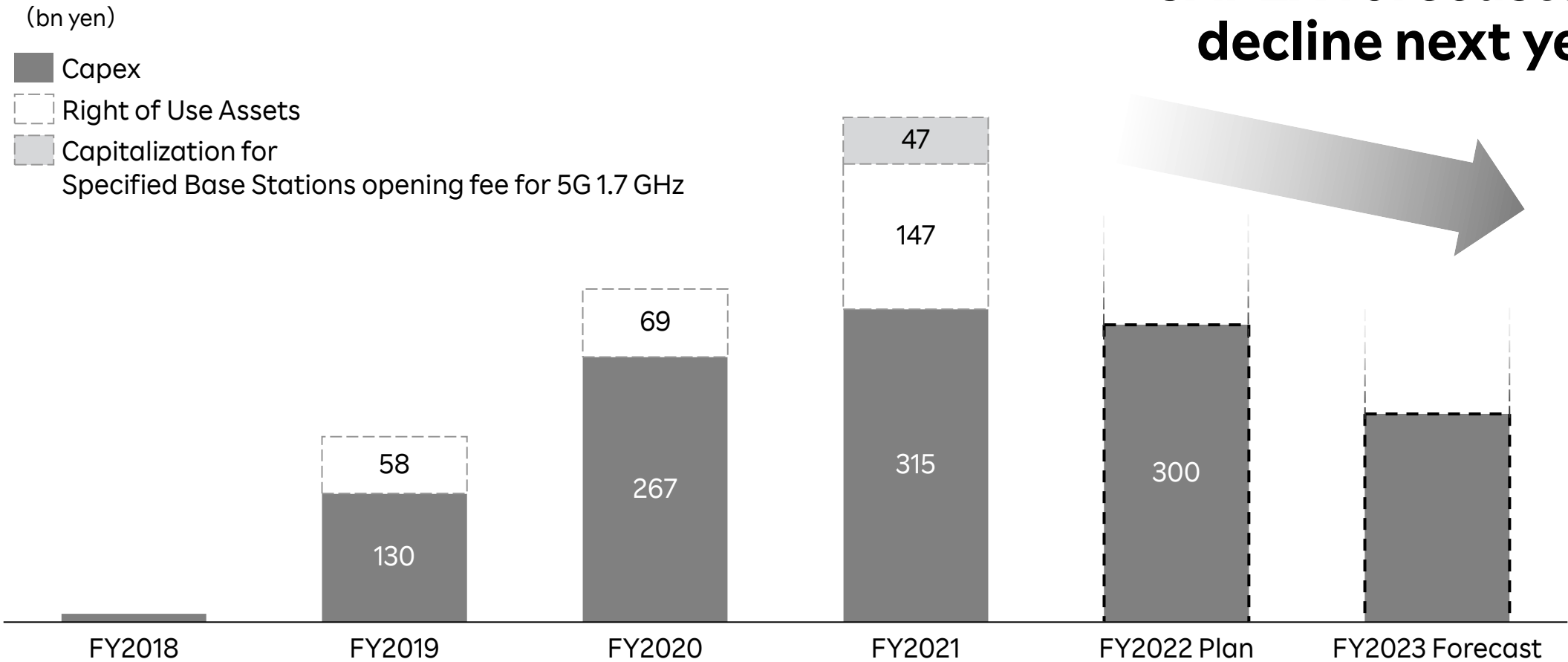


Subways in Tokyo are **95%+ completed**

Capacity support will be **completed sequentially from next spring onward.**



# CAPEX Plan to Reach 99%+ Population Coverage



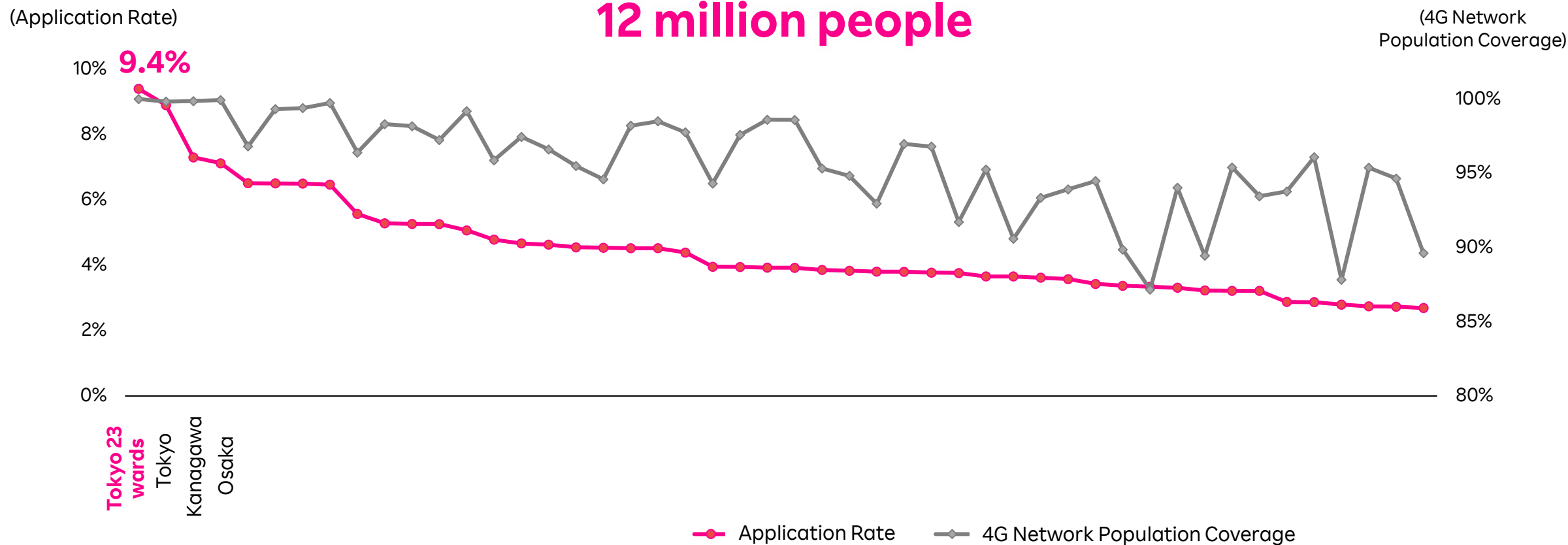
\* May be affected by the delivery status of equipment related to base station construction



# Relationship between Network Coverage & Customer Acquisition



Achievement of applications as a percent of Japan's population reaching 9.4% would be equivalent to **12 million people**



\* Population coverage and application rates as of June 2022



# Marketing Tailored to the Characteristics of Each Area



Increasing applications after area marketing

**Shizuoka**  
**+24.4%**

**Toyama  
&  
Ishikawa**  
**+23.9%**

## Full-scale region-specific marketing launched



(AEON MALL Fukuoka Event)

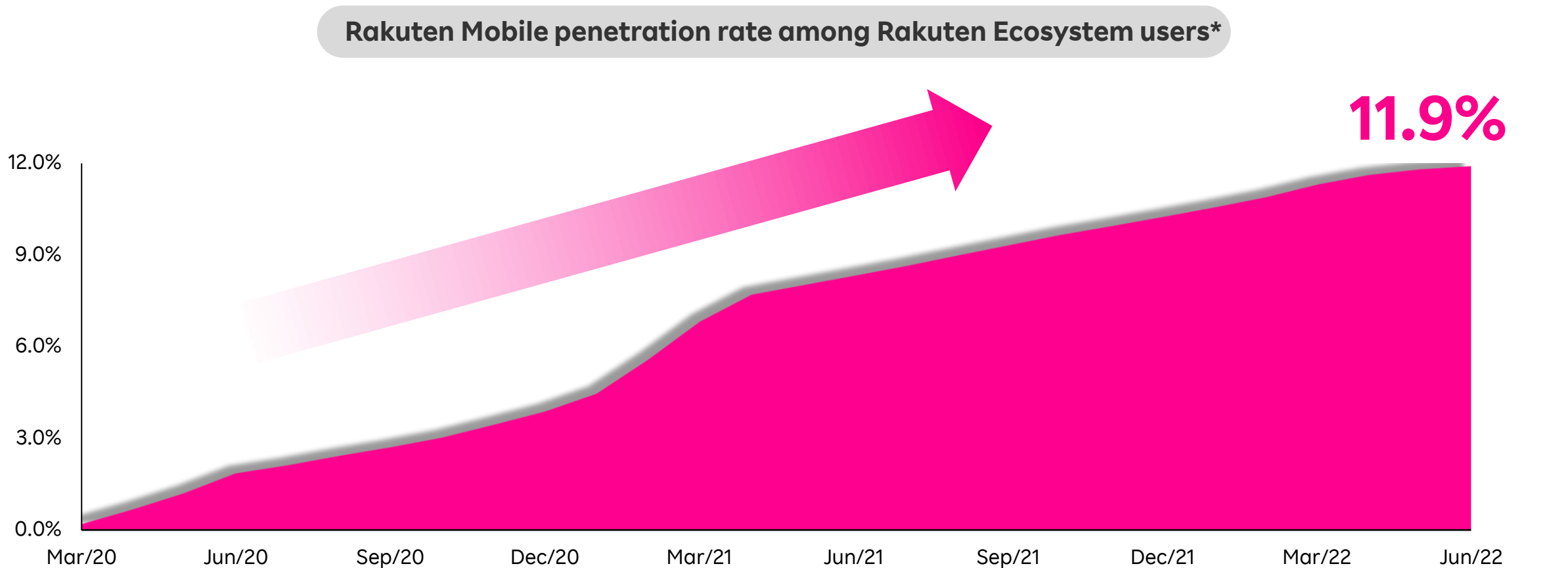


(Advertisement in Fukuoka buses)

\* Shizuoka results for 2020/12/21-2021/1/20; Toyama and Ishikawa results for 2021/12/20-2022/1/19



# Room to Improve Rakuten Mobile Penetration Rate among Rakuten Ecosystem Users

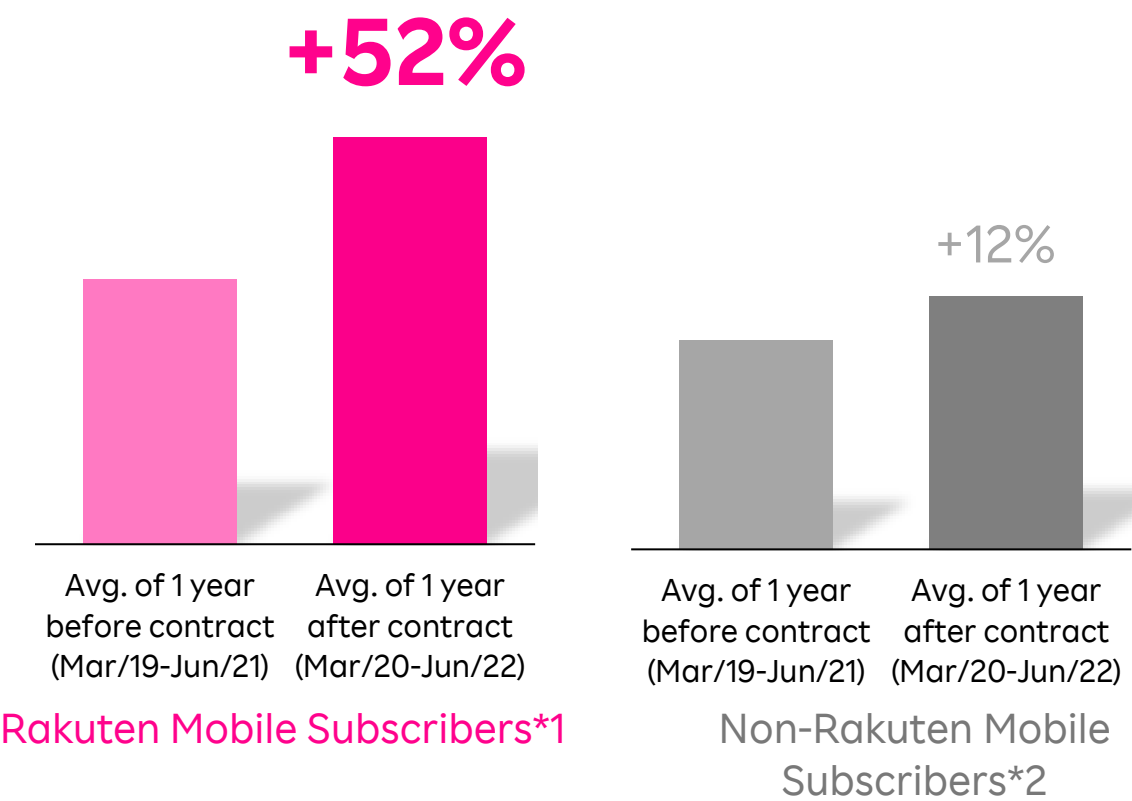


\* As of each month, the percentage of users who have used Rakuten Group services within the past year and have had a contract with Rakuten Mobile within the past year.



# Rakuten Ecosystem Users Become More Loyal After Subscribing to Rakuten Mobile

Average monthly GMS per user at Rakuten Ichiba



Impact on GMS of Rakuten Ichiba\*3

Simulation: Rakuten Mobile subscriber numbers

**12mm**  
(If the nationwide application rate is equivalent to the Tokyo 23 wards)

Rakuten Ichiba GMS impact

**UP approx. 15%**

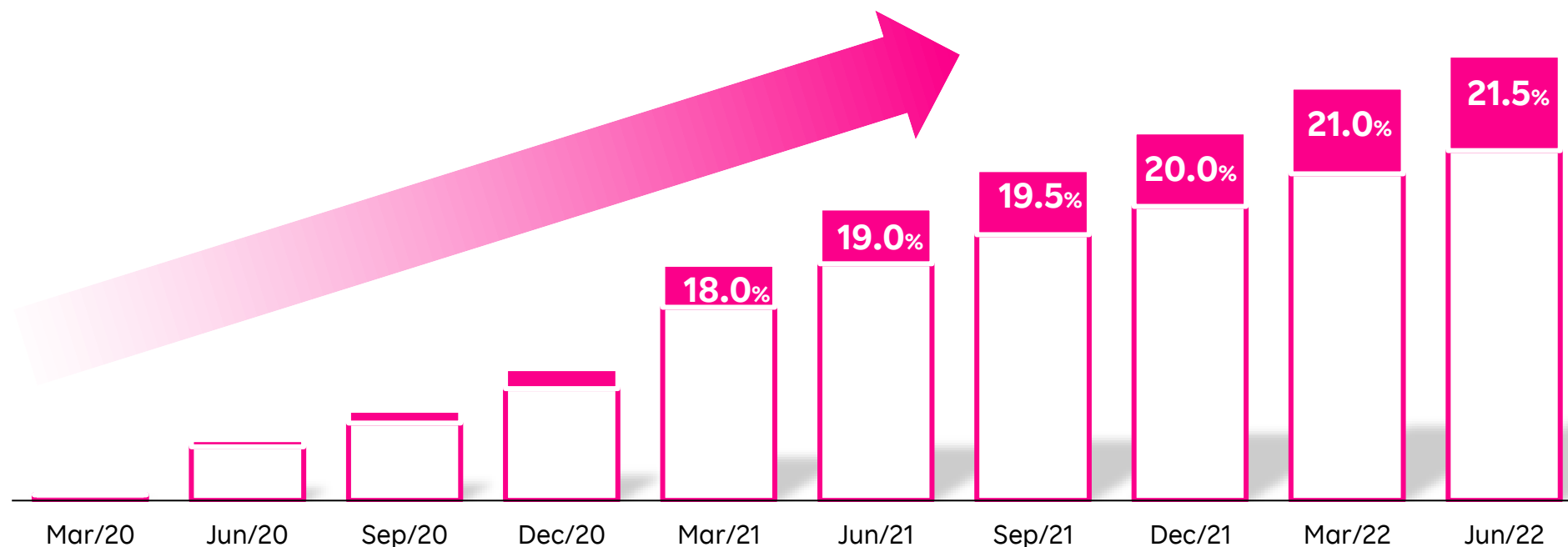
\*1 Users of Rakuten Ichiba and Rakuten Card who are also Rakuten Mobile (MNO) subscribers  
\*2 Users of Rakuten Ichiba and Rakuten Card who are not Rakuten Mobile (MNO) subscribers  
\*3 Impact on GMS of Rakuten Ichiba in 2021 assuming that the nationwide application rate is the same as the Tokyo 23 wards as of June 2022, and that all applications are converted into subscribers.



# Approx. 20% of Rakuten Mobile Subscribers are New Rakuten Ecosystem Users

## Rakuten Mobile Contributes to Rakuten Ecosystem Expansion

Ratio of new Rakuten users among Rakuten Mobile subscribers (cumulative)\*

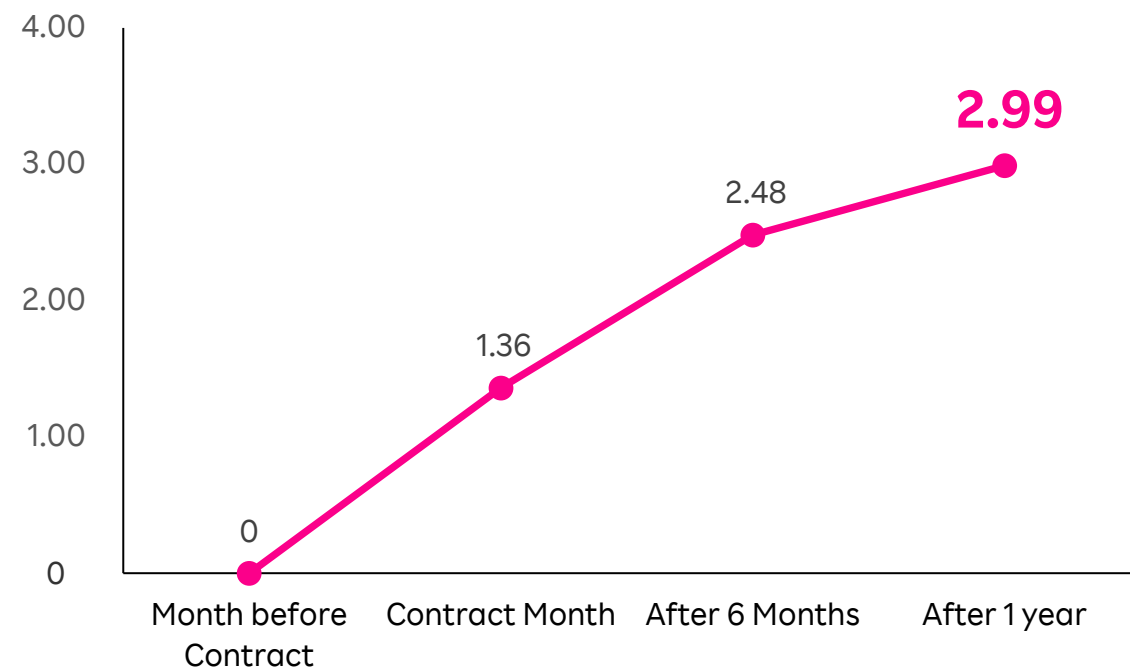


\* Percentage of users who have never used Rakuten services among cumulative Rakuten Mobile subscribers since March 2020.

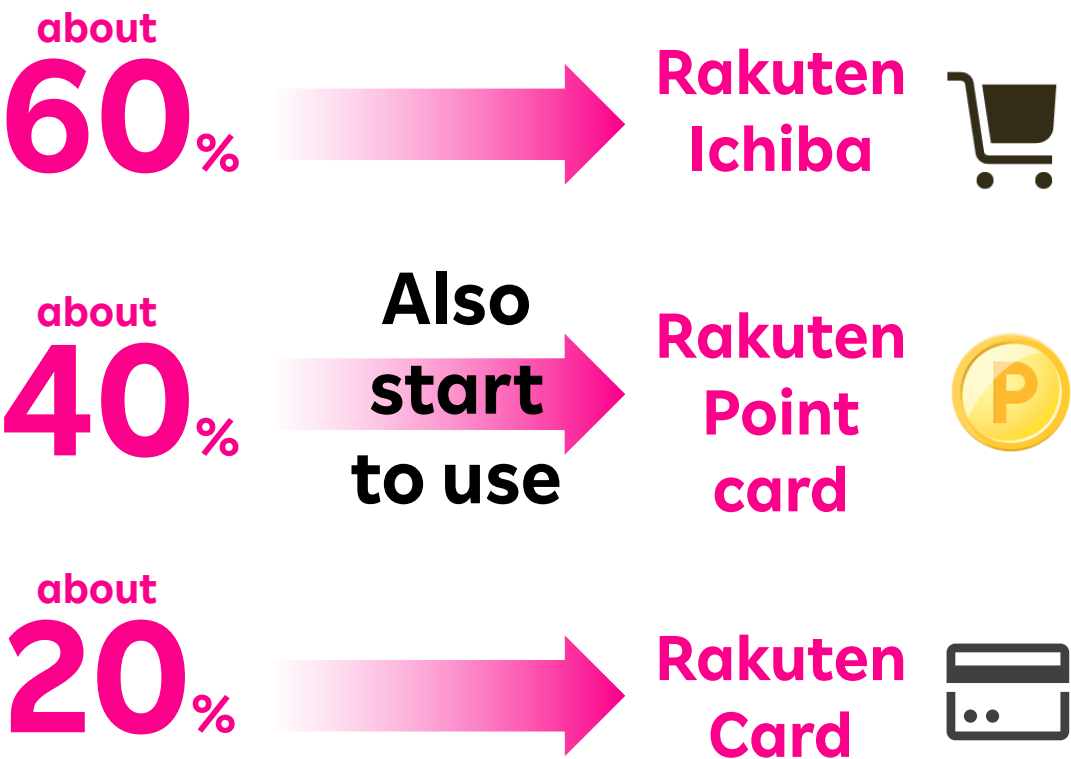


# New Rakuten Ecosystem Users Use about 3 Services within 1 year

Number of services used after  
subscribing to Rakuten Mobile\*



## Among New Rakuten Ecosystem users



\* Users with MNO application by June 2021. The number of cross use includes Rakuten Mobile (MNO).



## Customer Acquisition Status

Subscribers using more than **1GB** per month increasing.

**80%** of churn after new pricing plan from subscribers using less than 1GB per month.

Subscribers as of June 2022 (MNO+MVNO)

**5.46 mm**

\* Figures for June 2022 are preliminary.

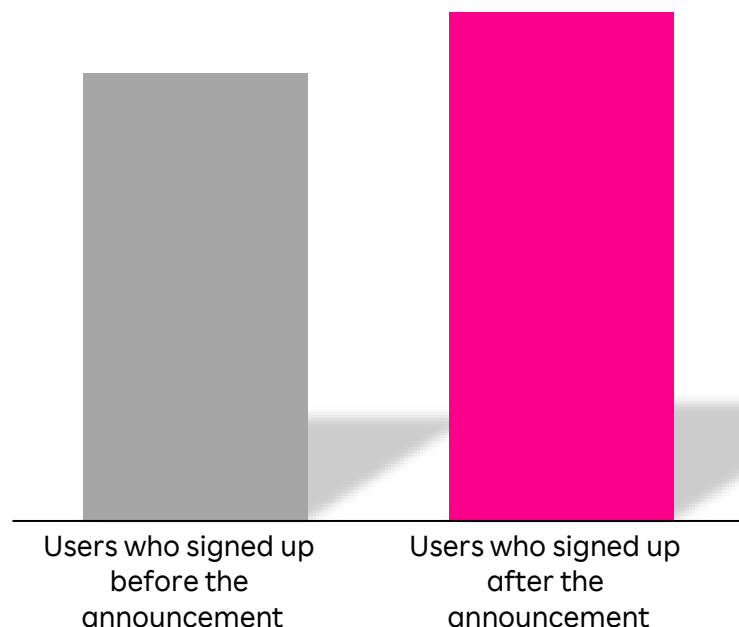
(Including MVNO: 0.69mm)



# Percentage of Customers with Main Line and High Data Usage Increased after the Announcement of Rakuten UN-LIMIT VII

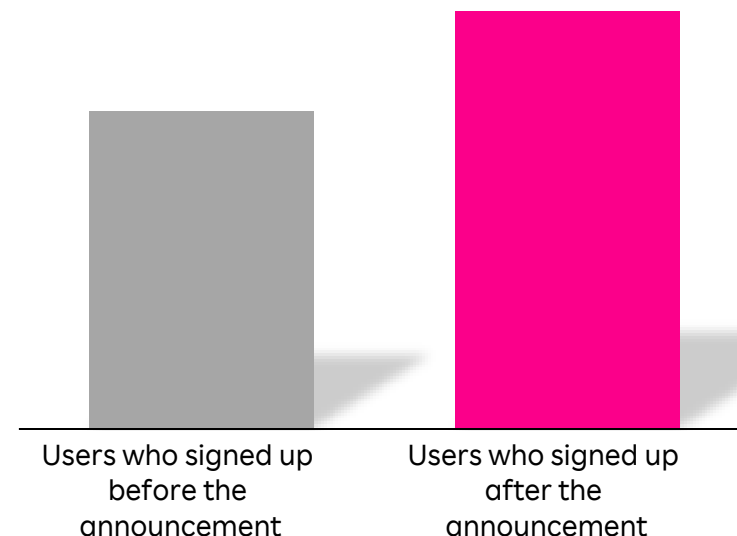
Percentage of customers with main line use

Increased by  
**8.3** points



Percentage of data usage of 20 GB+ in June 2022

Users with  
20GB and more data usage  
Increased by **5.7** points

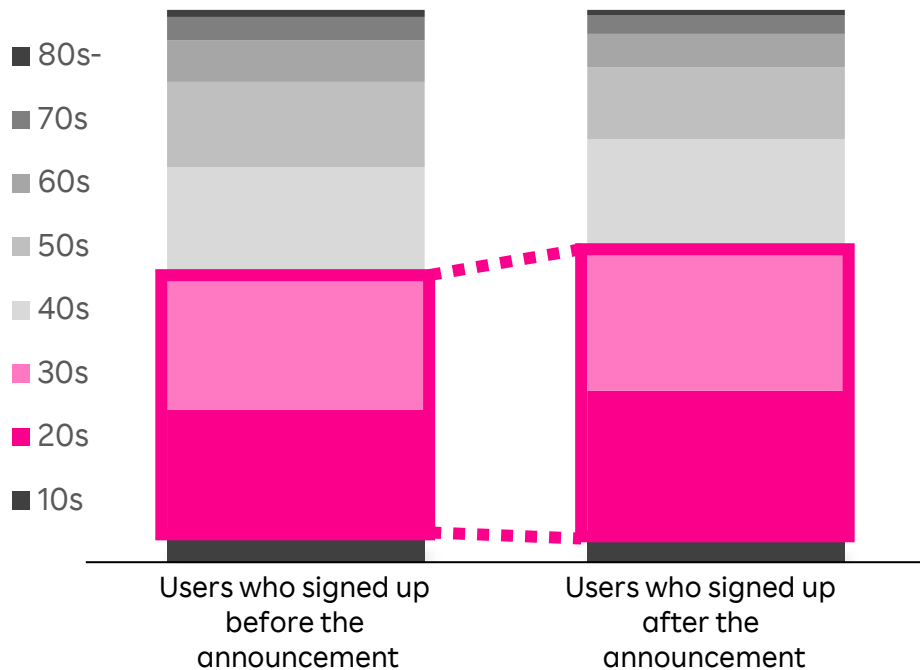




## Younger Age Groups Increasing since the Announcement of Rakuten UN-LIMIT VII

## Application by age group

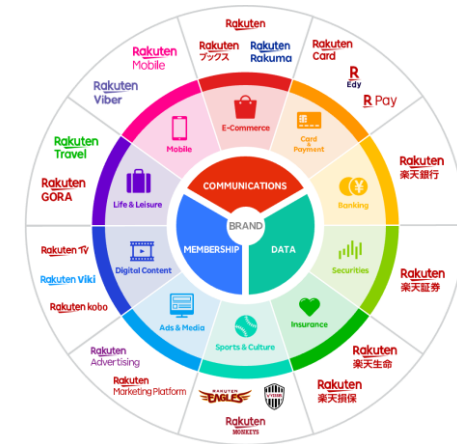
## Percentage of 20s and 30s increased by 8.5 points



## Significance of attracting young users

## Data consumption of 20s and 30s is double that of other age groups

# Important to attract young users to the Rakuten Ecosystem





# eSIM Compatibility will Allow Immediate Activation, Benefitting Especially Those with Dual-SIM



**Online Contract**



**eKYC**



**eSIM**

**Start to use from  
the day of an application**



Launched Carrier Email Service



**Rakuten Link** Official Email Service

Making email safer and more convenient.

**Raku mail** **Free**

Started on July 1, 2022

E-mail address portability: Started on August 5, 2022

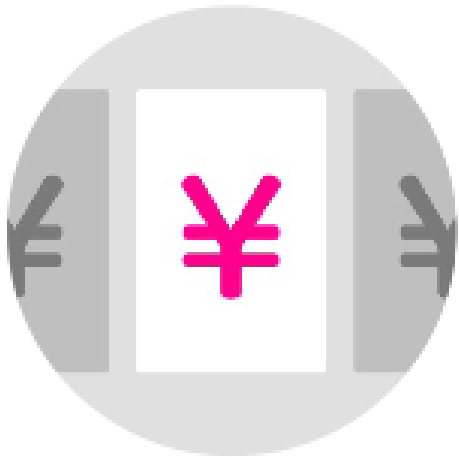




# Rakuten Mobile Enterprise Services

## Rakuten Mobile plans to launch enterprise services

Special service plan  
for enterprise



Enterprise only  
**Rakuten Link**

Domestic call **0 yen**



International calls  
**Rakuten Link**

**If using app**

both from Japan to overseas  
and from overseas to Japan

**0yen** ✈️



# MNP One-stop Service will be Available from Next Spring

## MNP to Rakuten Mobile will be even easier

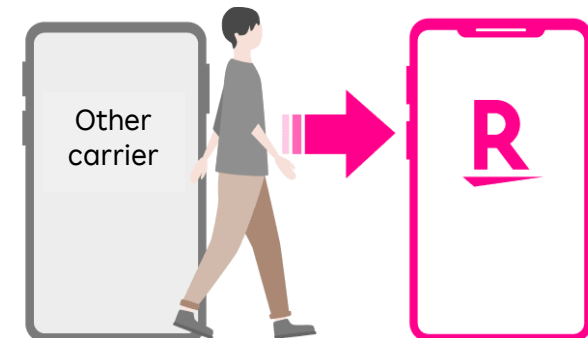
### Current procedure of MNP

- 1 Obtain an MNP reservation number from your current carrier
- 2 Apply for Rakuten Mobile
- 3 Complete MNP procedures

### One-stop MNP

## Complete MNP procedures with Rakuten Mobile

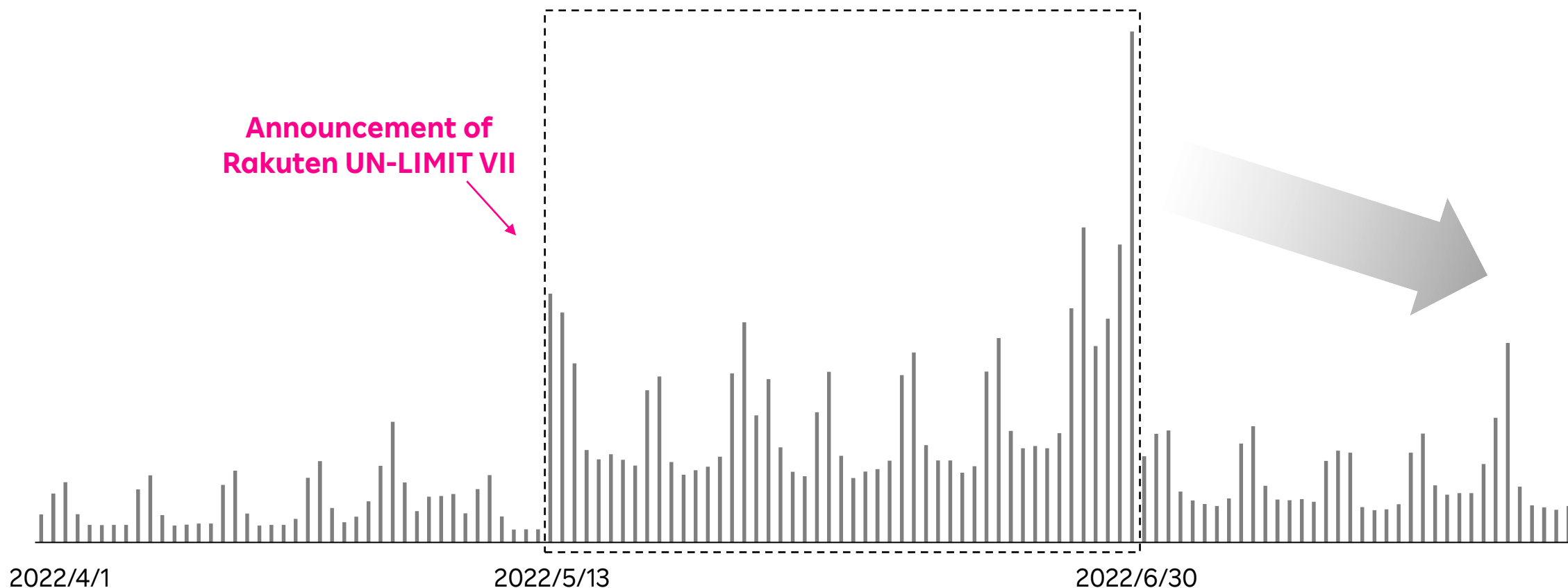
With one-stop MNP,  
immediate transfer  
will be available





# Churn is on the Decline

Recent churn is on a **downward trend**  
Continuing to monitor closely

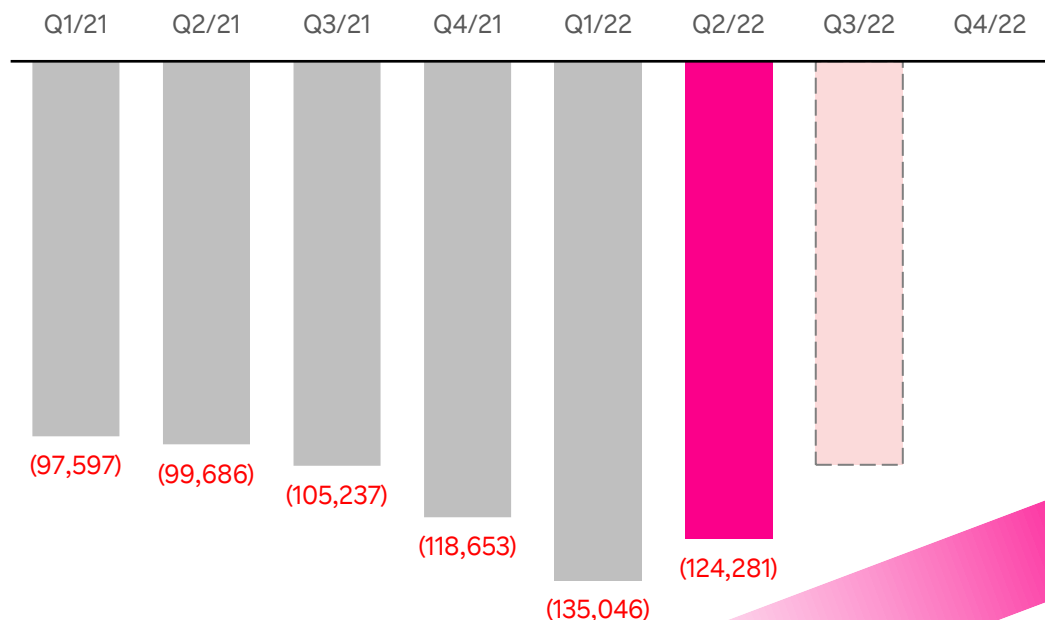




# Mobile Segment Operating Income Outlook

- Loss bottomed out in Q1/22 and improved in Q2/22. Expect continuous improvement due to higher ARPU, resulting from transition to the new plan and cost reduction effects from switching to Rakuten network from roaming partner network.

(JPY mm)



**Continuous profitability improvement expected**

Main improvement factors

## ➤ Impact of ARPU improvement

ARPU is expected to increase due to the ending of the free plan on Sep. 1 (point back measures end on Nov. 1)

## ➤ Acceleration of subscriber acquisition

Accelerate customer acquisition through further network quality improvement, area marketing, and other measures

## ➤ Roaming cost reduction

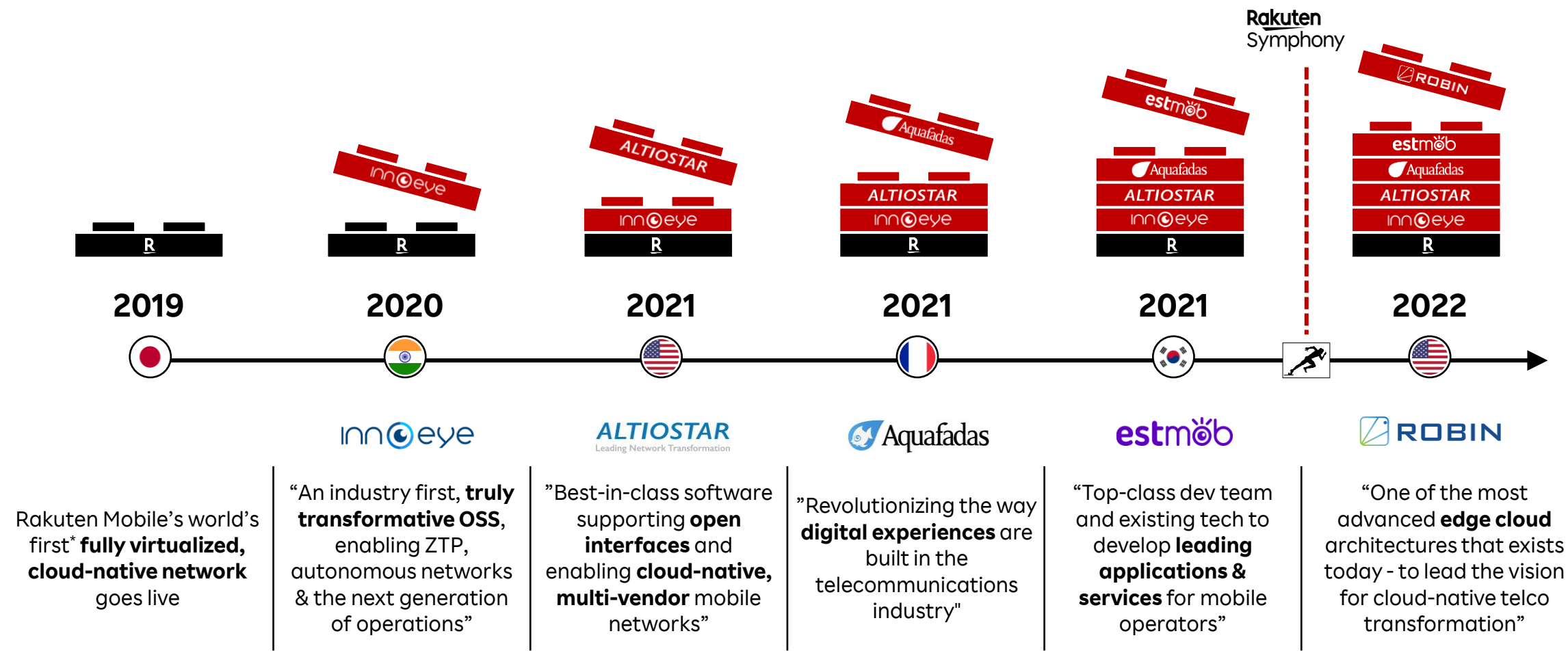
Switching over from roaming services sequentially from October 2022







# Rakuten Symphony: Our Journey



\* For a large scale commercial mobile network (as of October 1, 2019). Research: Stella Associa







# Rakuten Symphony: The Symworld™ Portfolio DNA

- Rakuten Symphony has developed everything in-house for operators to plan, build and operate next generation mobile networks

## Intelligent Operations


### Symplan

-  RAN Commander
-  IP Commander
-  Capacity Manager
-  Sympulse

### Symbuild






-  Site Manager
-  Inventory Manager
-  SDN Controller
-  Network Navigator
-  IP Address Manager
-  Naming Manager
-  Symconnect

### Symops

-  Cloud Observ.
-  Fault Monitor
-  Perf. Monitor
-  Field Force Mgr.
-  Watchtower
-  Configuration Mgr
-  Policy Manager

## Digital Experience

### Symcare











-  OmniDesk
-  OmniReach
-  OmniOps
-  Customer Management
-  Customer Care

### Symcx

-  Product Catalogue
-  Sales
-  Billing
-  Inventory Mgmt. & Reporting
-  Appbuilder
-  Partner Management

## IES\*

### Symbiz



-  Knowledge Hub
-  Learning Hub
-  Project Manager
-  Procurement Manager
-  Logistics Manager
-  Service Desk
-  Financial Manager
-  Contract Manager
-  Sendy
-  Send Anywhere

## Symworld™ Platform



### CI/CD

-  Deployment Tools

### Workflow Mgmt.

-  Workflow Studio
-  Process Runner






### API Management

-  API Gateway
-  Data Bus

### Data Management

-  Data Platform
-  Data Lake






### Automation & AI

-  AI Platform
-  ML Pipeline (RFlow)
-  Anomaly Detection
-  BI Studio
-  RIC





### Digital Engagement

-  Developer Portal
-  Marketplace
-  License Manager

### Security

-  Identity Control
-  User Control
-  Certificate Manager
-  SIEM
-  SOAR


### Notifications & Docs


-  Global Search
-  Chat Assistant
-  Document Manager
-  Notification Hub

## Symworld™ Network

 4G vRAN

 5G vRAN

 Reference Designs

 Symware


 Core


 Edge

## Symworld™ Cloud

 Cloud-Native Platform

 App-Aware Cloud-Native Storage

 Cloud Orchestration

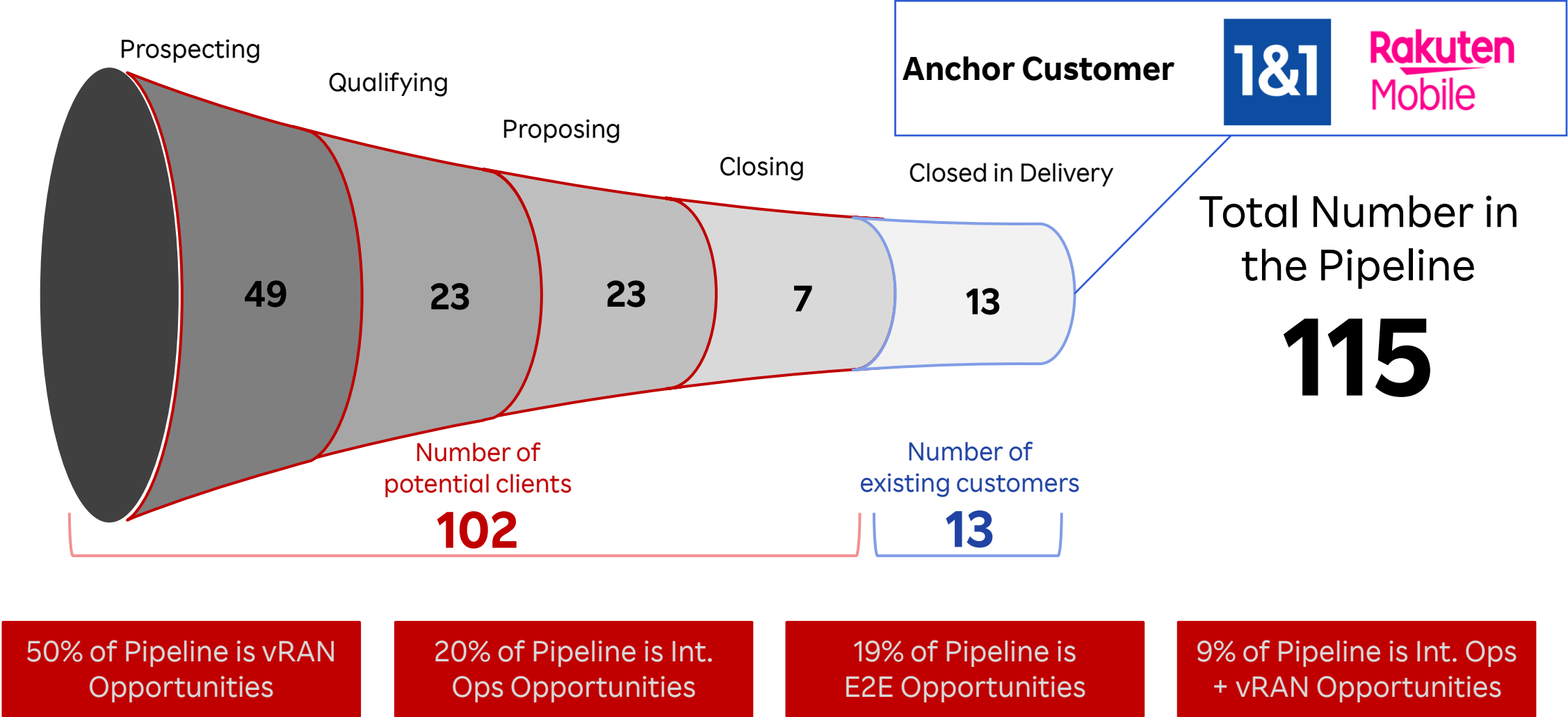
 Managed Services & XaaS

\*IES = Internet Ecosystem and Service

\*Symworld and Symware are trademarks of Rakuten Group or its subsidiaries in Singapore and other countries.

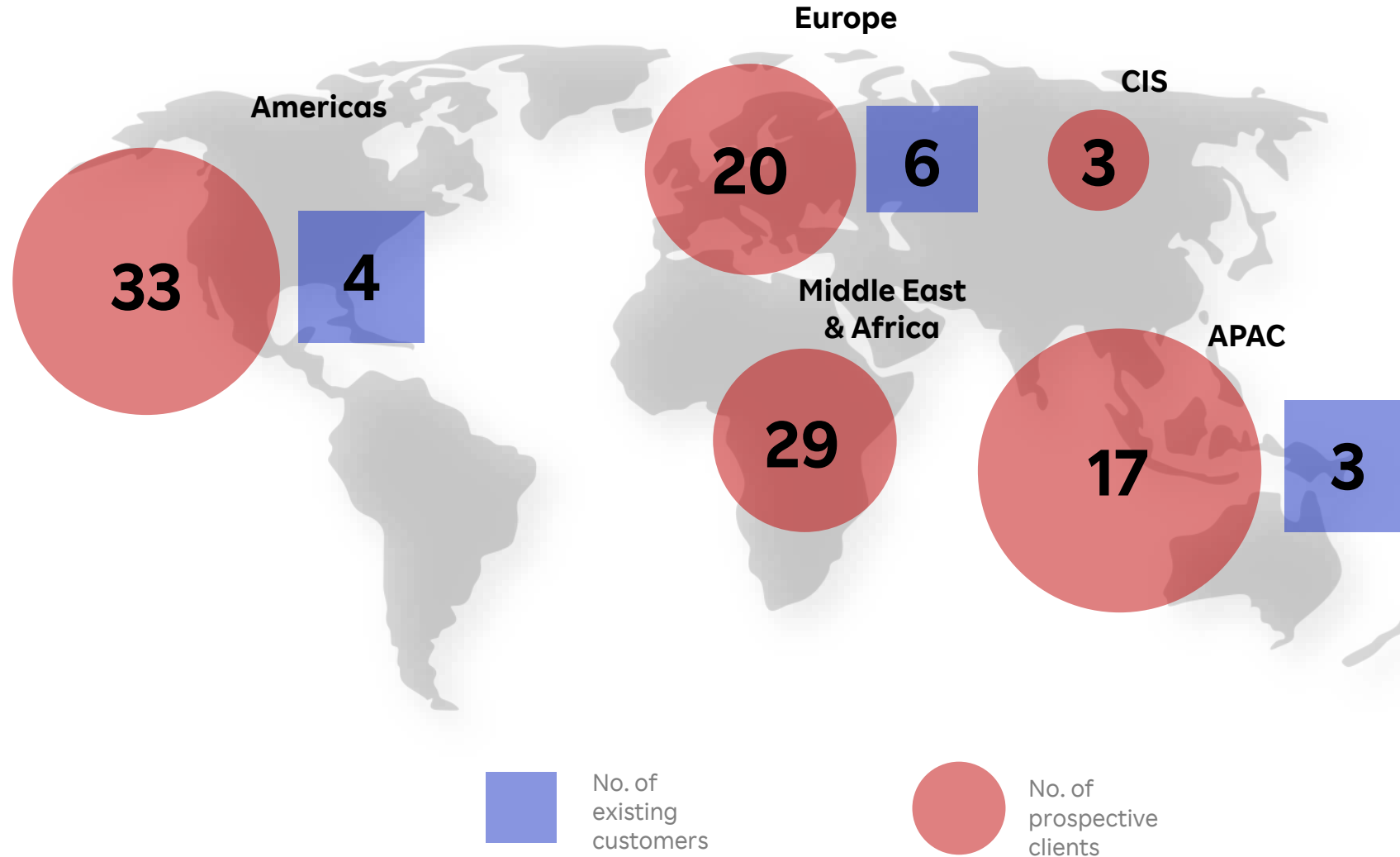


# Rakuten Symphony: Q2/22 Pipeline by Stage





# Rakuten Symphony: Q2/22 Existing Customers and Pipeline by Region





# Rakuten Symphony: Key Project Updates

- 1&1: Pleased with initial signs of performance metrics
- Other projects: Strong engagements with major North American and European Tier 1 Operators

## Strong Partnership with 1&1



## OpenRAN Performance in 1&1's First FWA Friendly User Trial

Speed

**1** Gbit/second

Latency  
Times

**3** milliseconds

Data  
Transfers

**8** terabytes or more  
per customer within 24 hours



## **Overseas and Contents Business**



# Growing Overseas & Content Businesses

Q2/22 vs Q2/21 Comparison between outstanding users as of June 30, 2021 and June 30, 2022

**Rakuten TV**

**Total Users<sup>\*1</sup>**

**58.6mm**

**+63.9% YoY**

**Rakuten VIKI**

**Registered  
Users**

**59.6mm**

**+32.6% YoY**

**Rakuten kobo**

**Registered  
Users**

**58.7mm**

**+8.9% YoY**

**Rakuten Viber**

**Registered  
Users**

**1.38bn**

**+7.2% YoY**

**Rakuten**  
Rakuten Rewards

**GMS<sup>\*2</sup>  
USD**

**2,680mm**

**+5.0% YoY**

<sup>\*1</sup>Total number of registered users and non-registered AVOD (Advertising Video On Demand) users as of June 30, 2022

<sup>\*2</sup>Comparison between 3 months Rakuten Rewards' Q2/21 GMS versus Q2/22 GMS







# ESG Highlights

- Joined the UN Global Compact, the world's largest sustainability initiative

- Total amount of donations for humanitarian aid to Ukraine (Rakuten Clutch Donation + Charity T-Shirt Donation) exceeded 1.3 billion yen

(Conducted Term: Feb 28, 2022- Jun 30, 2022)

- Selected as a constituent of global major ESG indices and received external certifications and recognitions for diversity, employee health, and the environment



**United Nations**  
Global Compact

**ウクライナ人道危機  
緊急支援募金**

Donation for  
Ukraine humanitarian aid



## Sustainability indices

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



**2022 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX**



FTSE4Good



FTSE Blossom  
Japan



FTSE Blossom  
Japan Sector  
Relative Index

NEW

## Recognitions and Certifications





# Towards 2030

Believe in the future, the challenge continues

**Rakuten** 25  
YEARS



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