

FY2024 First Quarter Consolidated Financial Results Appendix

May 14, 2024

Rakuten Group, Inc



- Figures in this document are rounded to one decimal place, so there may be some discrepancies with the numbers in other disclosed materials.
- Past figures may be retroactively adjusted due to changes in accounting standards or revisions to definitions
- Please refer to <https://global.rakuten.com/corp/investors/assets/doc/documents/24Q1Datasheet.xlsx>

Executive Summary

Consolidated Results

- Revenue increased in **all segments**: Internet Services, FinTech, and Mobile. **Q1/24 revenue reached a record high of JPY 513.6bn (+8.0% YoY)**
- **Non-GAAP OI improved by JPY 43.5bn YoY to JPY -25.4bn** due to increased revenue, improved profitability in Domestic EC growth investment businesses and overseas businesses, strong performance in various FinTech businesses, and improved loss at Rakuten Mobile. **On track to achieve annual profitability**
- **EBITDA* improved by JPY 49.3bn YoY to JPY52.8bn**, an important KPI to evaluate cash flow generation ability of business activities

Finance Activities

- (As announced at Q4/23 financial results) **Refinance risk for 2024 has already been resolved**. In addition, by issuing US dollar-denominated senior bonds and JPY-denominated private placement notes in April 2024, the **liquidity gap for corporate bonds that mature in 2025 has largely been addressed**
- Continued efforts to increase intra-group cash flow, including optimization of working capital, and reduce interest-bearing debt through various capital procurement activities
- **Scheduled to call domestic hybrid corporate bonds on their first redemption date in 2025**

*EBITDA = Non-GAAP OI + depreciation and amortization etc.

Executive Summary

Internet Services

- **Segment revenue: JPY 285.7bn (+5.4% YoY), Non-GAAP OI: JPY 13.6bn (+14.8% YoY).** Non-GAAP OI excluding gains and losses from minority investment business: JPY 15.3bn (+63.3% YoY)
- **Domestic EC GMS: JPY 1.3tn (-4.7% YoY) due to a high YoY hurdle on nationwide travel support that partially ended in Jul 2023 and the SPU revisions implemented in Dec 2023.** Number of unique visitors to Rakuten Ichiba continued to increase, showing that Rakuten Ichiba continued to maintain its competitiveness. Domestic EC OI: +2.7% YoY, grew by approx. 20% YoY excluding temporary factors such as the transfer of various costs to the Domestic EC business
- **Overseas businesses: number of users of each service increased steadily and profitability improved significantly.** In particular, Rakuten Viber's revenue diversification efforts were successful, with communications and ad revenue each recording double-digit growth

FinTech

- **Segment revenue: JPY 193.5bn (+15.1% YoY), Non-GAAP OI: JPY 39.3bn (+47.4% YoY)**
- Customer base and usage expanded in each business. **Rakuten Card shopping GTV: JPY 5.6tn (+12.5% YoY), Rakuten Securities general securities accounts: 10.91mm (+22.1% YoY), and Rakuten Bank's number of accounts: 15.24mm (+10.9% YoY).** Rakuten Securities achieved YoY profit growth, rising above the level set before zero commission domestic stock trading (before Oct 2023), due to expanded customer base and higher revenue from various transactions
- **Rakuten Payment achieved quarterly profit on successful measures to expand member stores and users.** Expect continued growth in the future

Executive Summary

Mobile

- Segment revenue: JPY 99.8bn (+3.6% YoY), Non-GAAP OI JPY -71.9bn (+JPY 30.7bn YoY)
- Rakuten Mobile revenue: JPY 62.0bn (+7.1% YoY) due to an increase in the number of subscribers and the effect of cost reduction, Non-GAAP OI^{*1}: JPY -73.0bn (JPY +25.9bn YoY), and EBITDA^{*2}: JPY -33.5bn (JPY +28.2bn YoY)
- Ongoing decline in the churn rate due to improved network quality and accelerated acquisition of MNP contracts. As a result of various marketing measures during the spring sales season, the number of MNO subscribers surpassed 6.5mm on April 3, 2024 (B2C and B2B subscribers excluding BCP subscribers). Adjusted MNO churn rate^{*3}: 1.27% (as of Q1/24)
- Launched SAIKYO KIDS Program on May 2, offering even more benefits to users aged under 12. While maintaining one pricing plan, we will strengthen our response to various user needs and accelerate the acquisition of contracts
- Although MNO ARPU^{*4} is increasing for both B2C and B2B, due to their respective acquisitions concentrated in the last month of Q4/23, Q1/24 ARPU was JPY 1,967 (JPY -40 QoQ). ARPU for the month of March 2024 was JPY 2,024

*1: Property tax is paid in the first quarter of every year. *2: EBITDA = Non-GAAP OI + depreciation and amortization etc. EBITDA also includes property tax payments. *3: Churn rate excluding B2C customers who cancel within the same month as the activation. *4: ARPU is calculated using the average of MNO subscribers at the end of the most recent quarter and the previous quarter, excluding MVNE and BCP contracts. MVNE is wholesale of bandwidth from Rakuten Mobile to Rakuten Communications. BCP (Business Continuity Plan) is a corporate plan sold for business continuity purposes.

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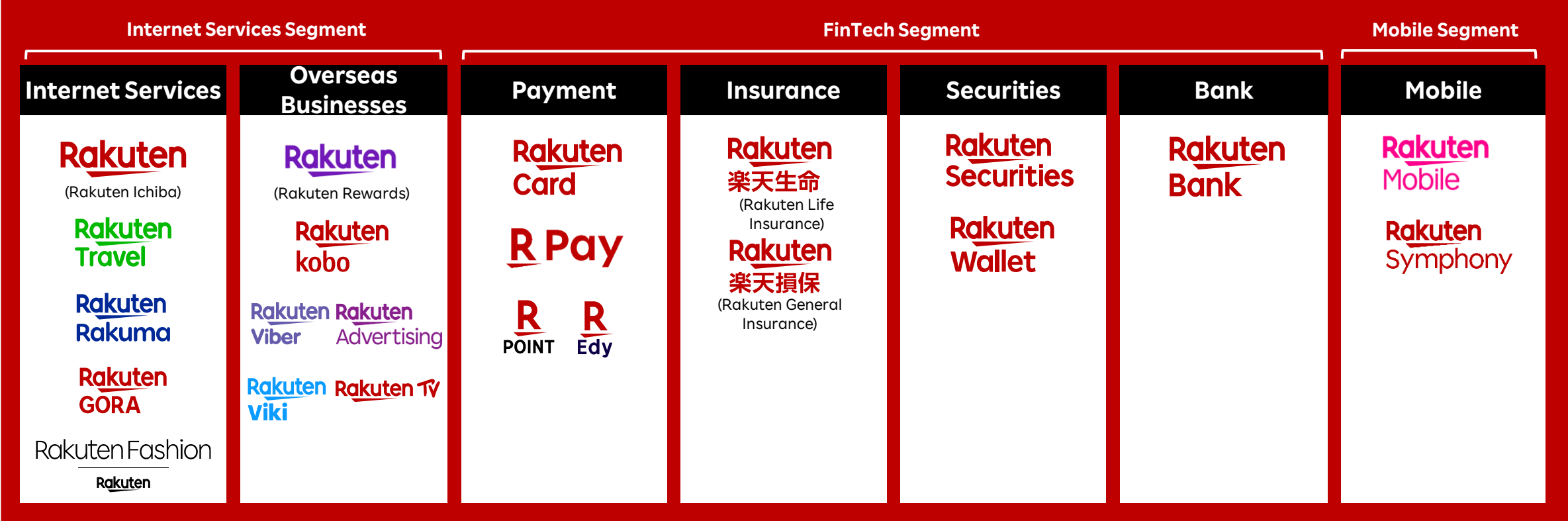
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1. Ecosystem KPIs

Rakuten Ecosystem Services Line-Up (Excerpt)

■ Established leading positions in many markets. Highest cross-use rate among MNO carriers*

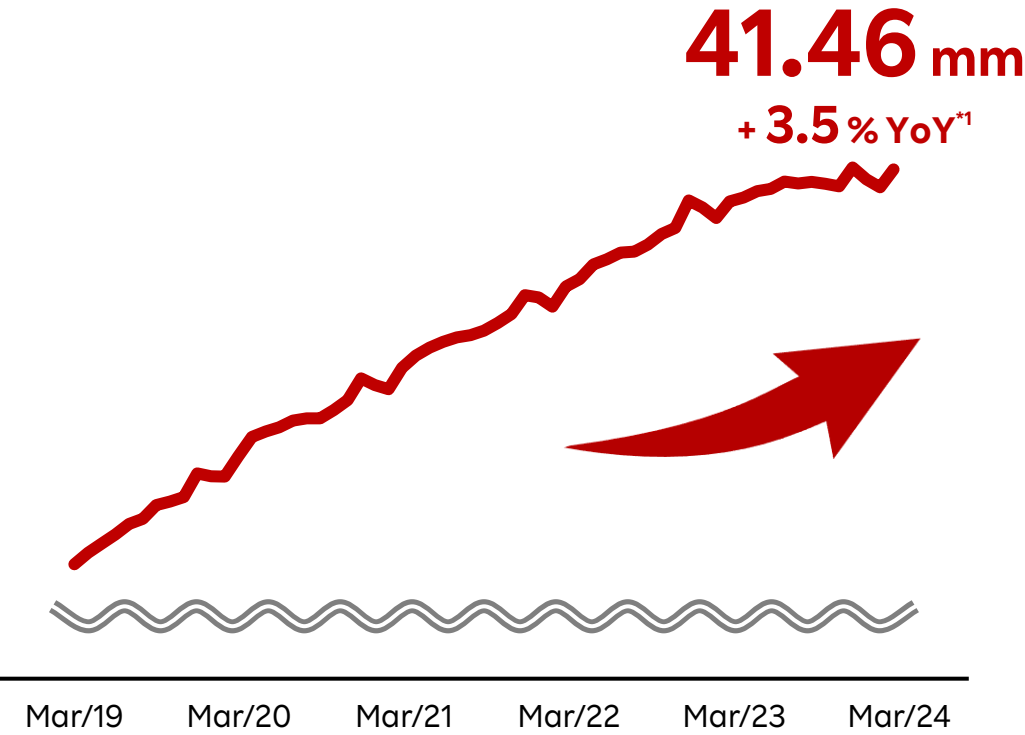


*Source: MMDLabo. Feb 20, 2023. "Survey on the actual condition of use of related services of major 4 MNO carriers." Number of carrier-related services except for mobile phone contracts for 4 MNO carrier users. (Internet survey, target: Major 4 MNO carrier users aged 18-69, valid responses = 2,000: Docomo users (n = 500), au users (n=500), Softbank users (n = 500) Rakuten Mobile users (n = 500))

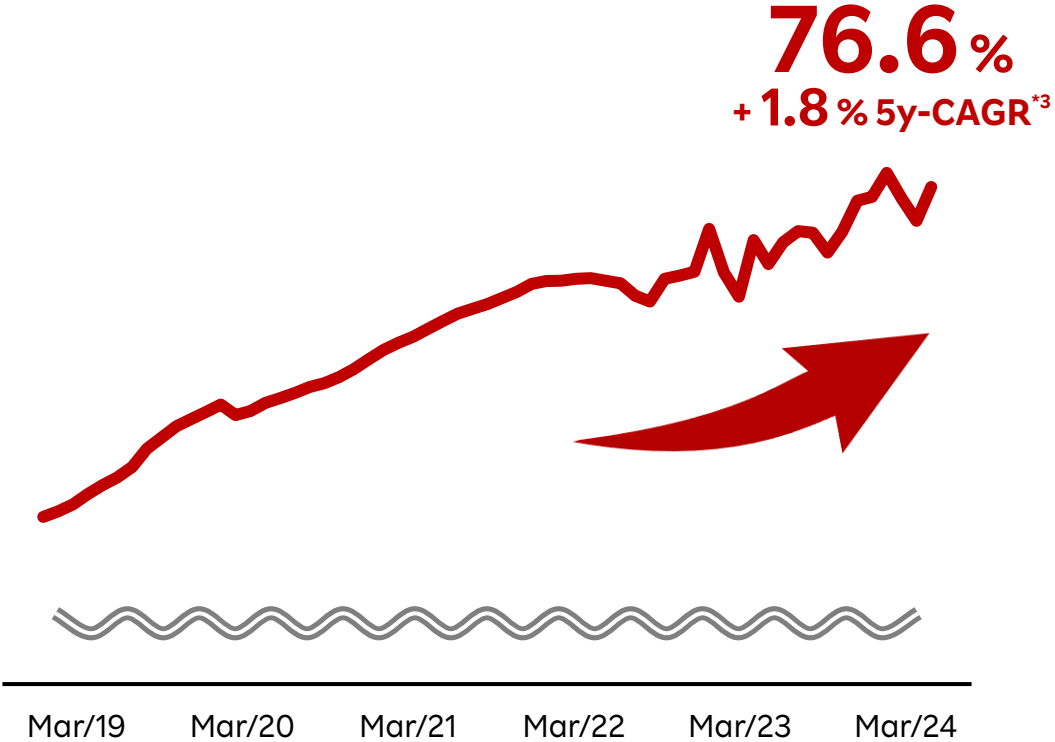


Number of Monthly Active Users and Ratio of Users of Two or More Services

Monthly Active User Growth in Japan



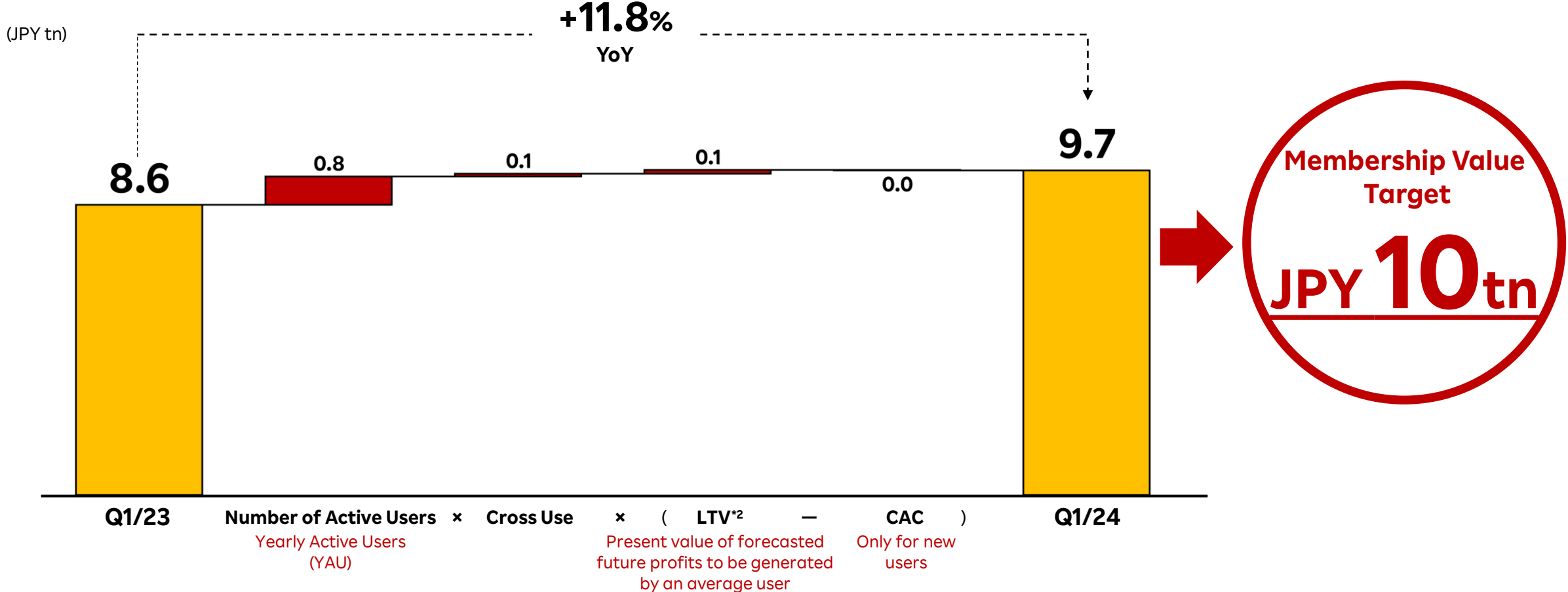
Ratio of Users of Two or More Services^{*2}



*1: Comparison of monthly active users in March 2024 versus March 2023. *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 2024. Limited to the use of services that can earn Rakuten Points.) *3: Calculated using monthly use ratio from March 2019 to March 2024.

Membership Value*1

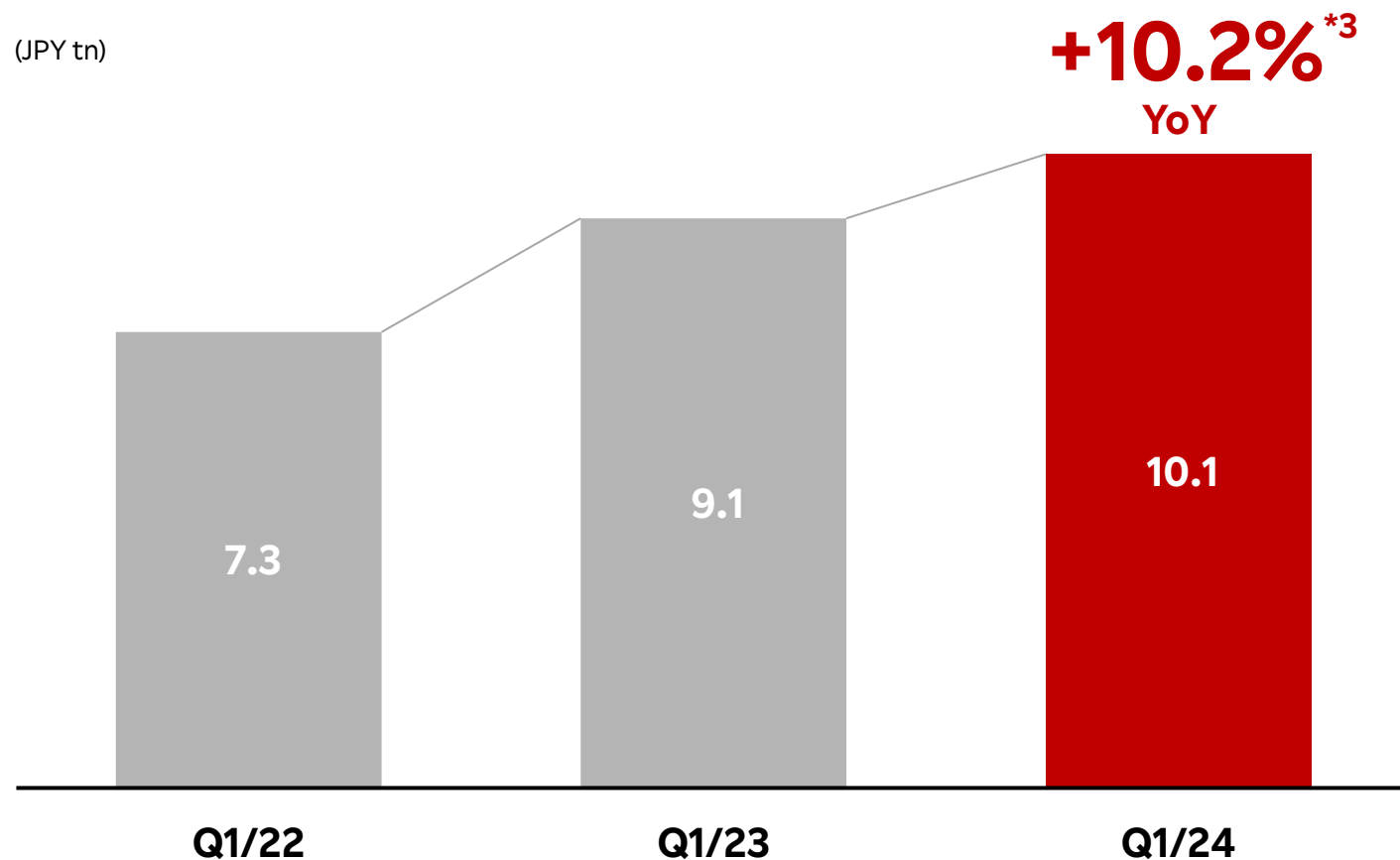
■ An increase in the number of Rakuten Securities and Rakuten Bank users, as well as in the number of active users and improvement in retention rate of major businesses such as Rakuten 24, contributed to the growth of membership value



*1: Calculated by Rakuten Group (KPI calculated internally). *2: LTV = Lifetime Value. $LTV = \sum (ARPU \times Profit Rate^{*3} \times Retention Rate) \div (1 + Discount)^{K-1}$ ①K is Projection Years ②ARPU = Revenue/YAU
 *3: Profit Rate = $\{(Revenue \times Marginal\ profit\ ratio) - Retention\ cost^{*4}\} \div Revenue$ ①Marginal profit = Revenue - Variable Cost (cost of revenue, commissions, etc.) *4: Retention cost = Marketing costs - Customer acquisition cost ①Marketing cost = Advertising cost + Promotion Cost + Point cost ②Customer acquisition cost = Marketing cost prepared to new users

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 GTV + Rakuten Rewards (Ebates) GTV + Digital Contents GTV + Rakuten Advertising (Rakuten Marketing) GTV *2: Including intercompany transactions for settlement and affiliate services. *3: Calculation does not take into account the impact of exchange rates.

2. Consolidated Financial Results

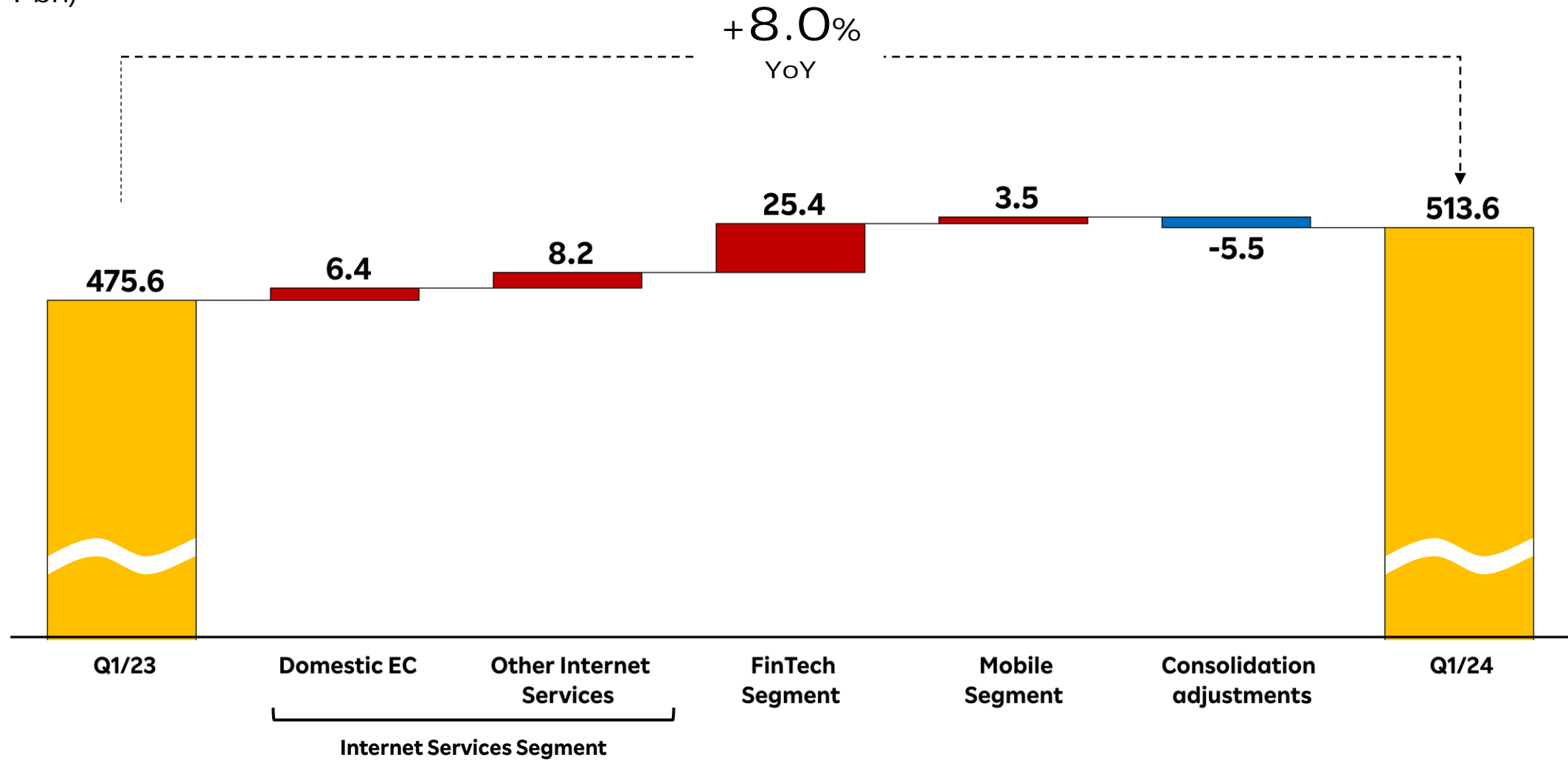
Consolidated Financial Results Summary^{*1}

| (JPY bn, rounded) | Q1/23 | Q1/24 | YoY |
|--|--------------|--------------|------------------|
| Consolidated Revenue | 475.6 | 513.6 | +8.0% |
| Internet Services Segment | 271.1 | 285.7 | +5.4% |
| FinTech Segment | 168.0 | 193.5 | +15.1% |
| Mobile Segment | 96.3 | 99.8 | +3.6% |
| Adjustments | -59.9 | -65.4 | -5.5% |
| Non-GAAP Operating Income (Loss) | -69.0 | -25.4 | +43.5% |
| <i>(Reference only: Excluding Mobile Segment & Minority Investment Business)</i> | <i>31.2</i> | <i>48.2</i> | <i>+54.4%</i> |
| Internet Services Segment | 11.9 | 13.6 | +14.8% |
| FinTech Segment | 26.6 | 39.3 | +47.4% |
| Mobile Segment | -102.7 | -71.9 | +30.7% |
| Adjustments | -4.8 | -6.4 | -1.6% |
| Amortization of Intangible Assets | -2.1 | -1.8 | +0.3% |
| Stock Based Compensation | -4.1 | -3.8 | +0.4% |
| One-Off Items | -1.0 | -2.2 | -1.2% |
| IFRS Operating Income (Loss) | -76.2 | -33.3 | +42.9% |
| EBITDA^{*2} | 3.5 | 52.8 | +1,407.7% |
| Internet Services Segment | 21.1 | 23.1 | +9.6% |
| FinTech Segment | 40.7 | 54.6 | +34.0% |
| Mobile Segment | -63.4 | -29.7 | +33.7% |
| Adjustments | 5.0 | 4.8 | -5.7% |

*1: Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were 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. *2: EBITDA = Non-GAAP OI + depreciation and amortization etc.

Revenue Breakdown*

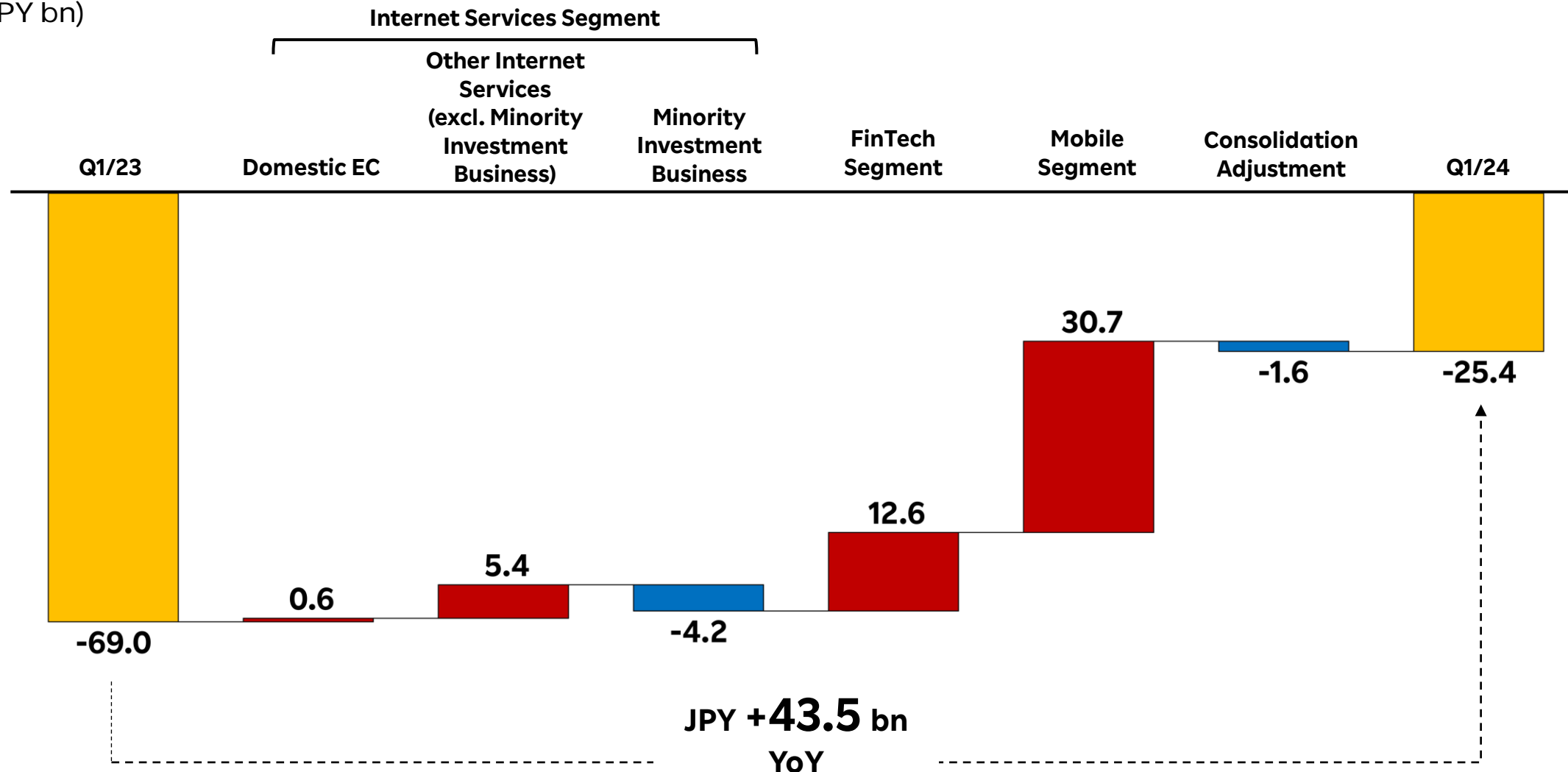
(JPY bn)



*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were 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.

Non-GAAP Operating Income or Loss Breakdown*

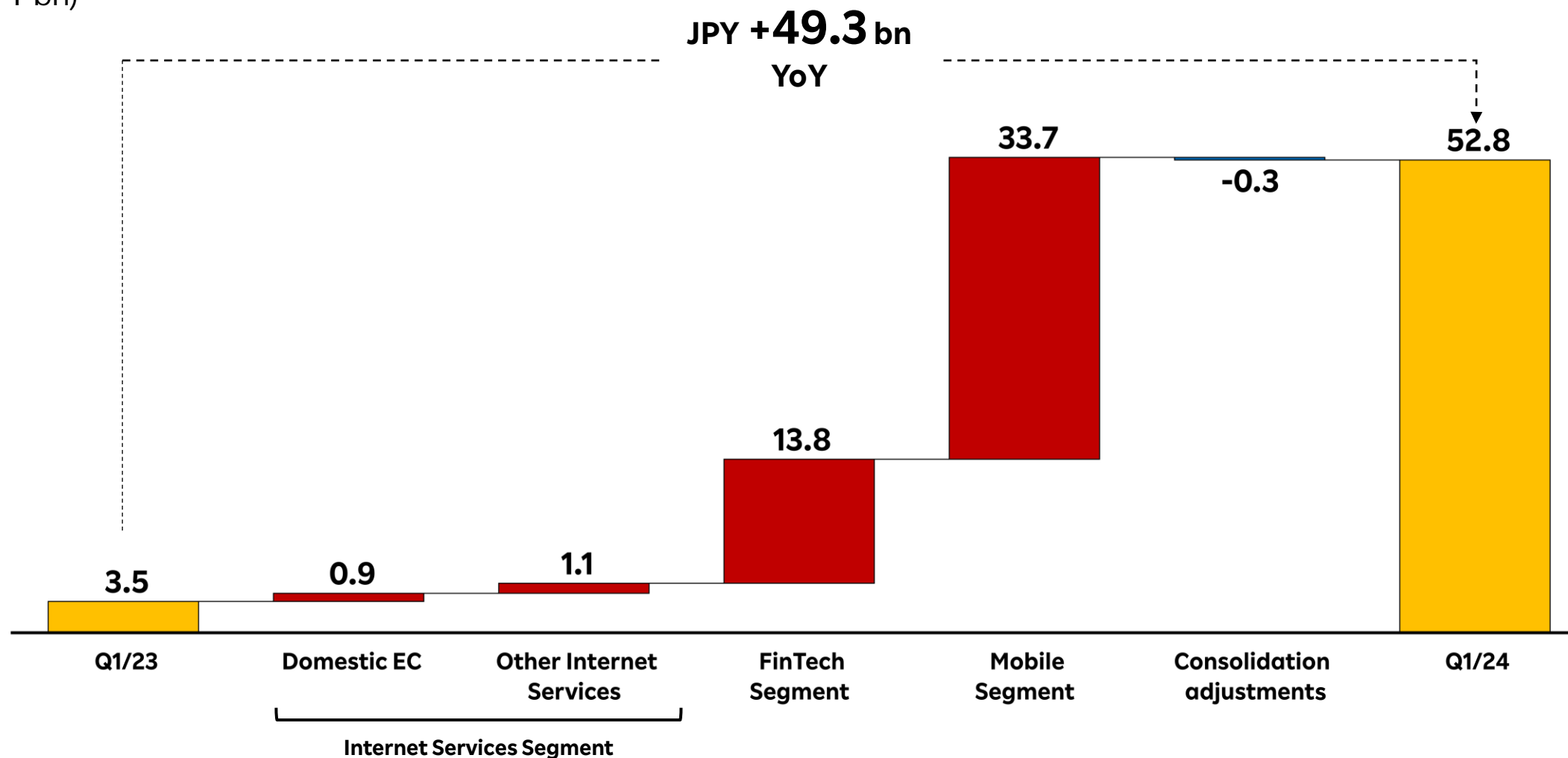
(JPY bn)



*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were 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.

EBITDA Breakdown^{*1*2}

(JPY bn)



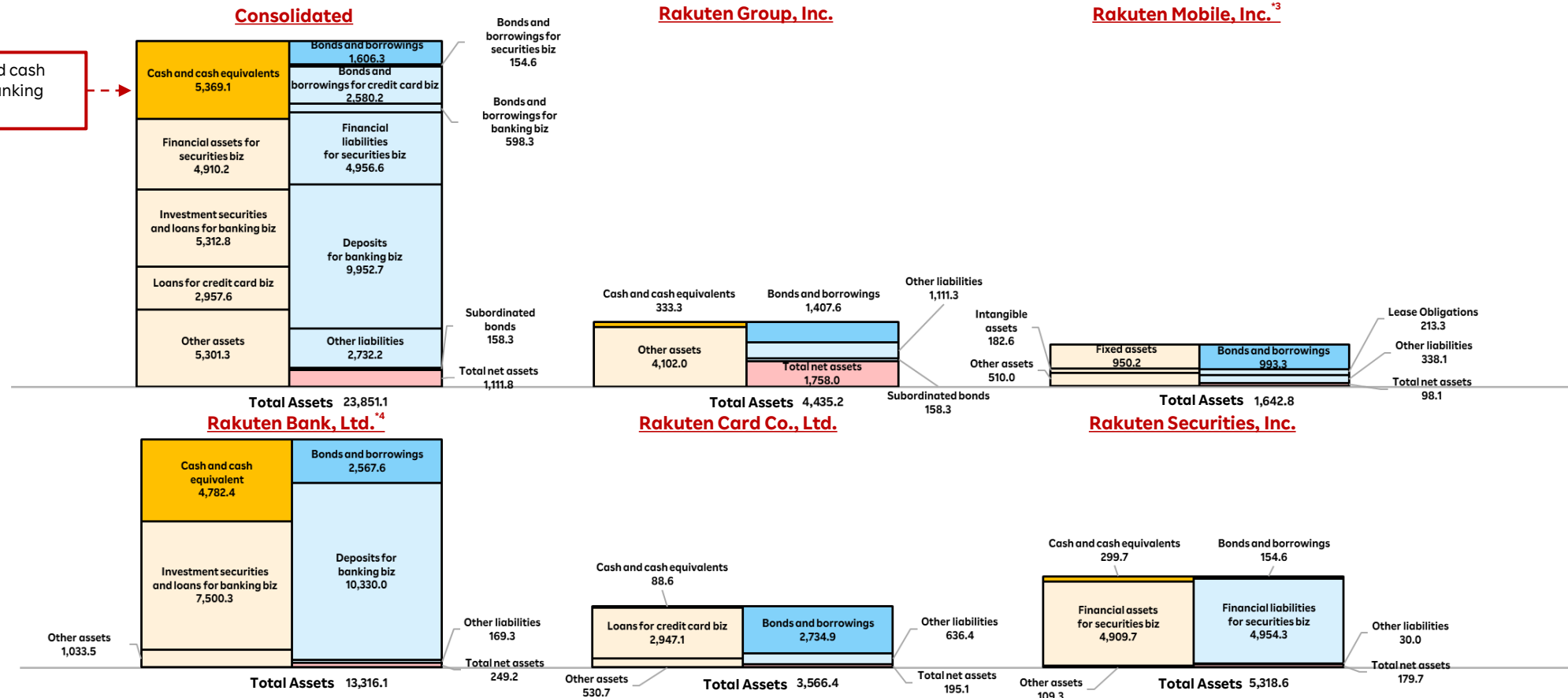
*1: Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible. *2: EBITDA = Non-GAAP OI + depreciation and amortization etc.

Consolidated and Major Subsidiaries' Balance Sheets – As of Mar 31, 2024^{*1*2}

※Non-consolidated balance sheets include internal transactions

(JPY bn)

Including cash and cash equivalents for banking business, etc.



*1: Rakuten Group, Inc., Rakuten Bank, Ltd., Rakuten Card Co., Ltd., Rakuten Securities, Inc., and Rakuten Mobile, Inc. are based on IFRS non-consolidated balance sheets. *2: Bonds and borrowings include Straight corporate bonds, CP, Bank borrowings, etc. *3: Mainly lease financing and Loans from Rakuten Group, Inc. *4: Borrowings for banking business are mainly debt from Bank of Japan under eligible collateral. Joint venture in Taiwan (Rakuten International Commercial Bank.) is not included in the figures above.

Consolidated and Major Subsidiaries' Balance Sheets (1)

– As of March 31, 2024^{*1}

| | (JPY bn, rounded) | Q4/23 | Q1/24 | QoQ |
|--|-------------------|-----------------|-----------------|--------------|
| Rakuten Group, Inc. (Consolidated) | | | | |
| Total Assets | | 22,625.6 | 23,851.1 | +5.4% |
| Cash and Equivalents ^{*2} | | 5,127.7 | 5,369.1 | +4.7% |
| Financial Assets for Securities Business | | 4,128.2 | 4,910.2 | +18.9% |
| Investment Securities and Loans for Banking Business | | 5,095.4 | 5,312.8 | +4.3% |
| Loans for Credit Card | | 3,019.3 | 2,957.6 | -2.0% |
| Other Assets | | 5,255.0 | 5,301.3 | +0.9% |
| Total Liabilities | | 21,537.9 | 22,739.2 | +5.6% |
| Bonds and Borrowings | | 1,638.0 | 1,764.7 | +7.7% |
| Subordinated Bonds | | 158.3 | 158.3 | +0.0% |
| Borrowings for Securities Business | | 106.6 | 154.6 | +45.0% |
| Bonds and Borrowings for Credit Card Business | | 603.9 | 598.3 | -0.9% |
| Borrowings for Banking Business | | 2,446.7 | 2,580.2 | +5.5% |
| Deposits for Banking Business | | 9,732.8 | 9,952.7 | +2.3% |
| Financial Liabilities for Securities Business | | 4,236.5 | 4,956.6 | +17.0% |
| Other Liabilities | | 2,773.3 | 2,732.2 | -1.5% |
| Total Net Assets | | 1,087.7 | 1,111.8 | +2.2% |
| Total Liabilities and Equity | | 22,625.6 | 23,851.1 | +5.4% |

*1: Bonds and borrowings include corporate straight bonds, CP, bank borrowings, etc. *2: Including Rakuten Bank cash and cash equivalents, etc.

Consolidated and Major Subsidiaries' Balance Sheets (2)

– As of March 31, 2024^{*1*2}

| (JPY bn, rounded) | Q4/23 | Q1/24 | QoQ |
|--|----------------|----------------|--------------|
| Rakuten Group, Inc. (Non-consolidated) *Including internal transactions | | | |
| Total Assets | 4,313.1 | 4,435.2 | +2.8% |
| Cash and Equivalents | 206.9 | 333.3 | +61.1% |
| Other Assets | 4,106.2 | 4,102.0 | -0.1% |
| Total Liabilities | 2,623.0 | 2,677.3 | +2.1% |
| Bonds and Borrowings | 1,419.9 | 1,566.0 | +10.3% |
| Debt from External Financial Institutions | 1,390.1 | 1,537.6 | +10.6% |
| Subordinated Bonds | 158.3 | 158.3 | +0.0% |
| Internal Transactions | 29.8 | 28.4 | -4.9% |
| Other Liabilities | 1,203.0 | 1,111.3 | -7.6% |
| Total Net Assets | 1,690.1 | 1,758.0 | +4.0% |
| Total Liabilities and Equity | 4,313.1 | 4,435.2 | +2.8% |

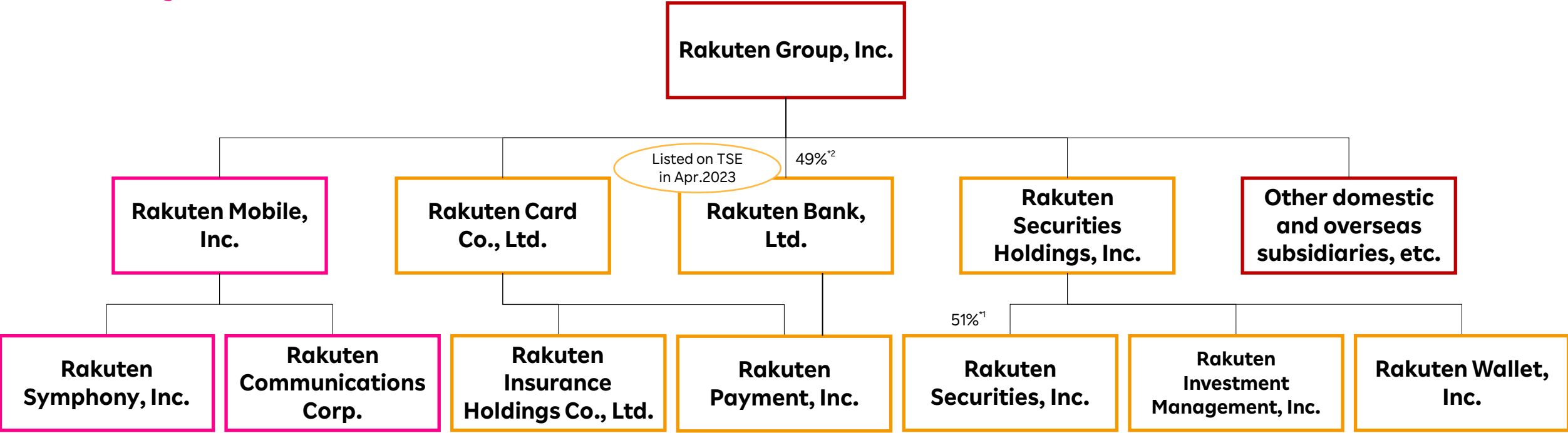
| (JPY bn, rounded) | Q4/23 | Q1/24 | QoQ |
|---|----------------|----------------|---------------|
| Rakuten Mobile, Inc. | | | |
| Total Assets | 1,691.1 | 1,642.8 | -2.9% |
| Fixed Assets | 962.1 | 950.2 | -1.2% |
| Intangible Assets | 175.7 | 182.6 | 3.9% |
| Other Assets | 553.3 | 510.0 | -7.8% |
| Total Liabilities | 1,512.3 | 1,544.7 | 2.1% |
| Loans, Lease Finance, and Others | 972.5 | 993.3 | 2.1% |
| Debt from External Financial Institutions | 244.9 | 227.1 | -7.3% |
| Internal Transactions | 727.6 | 766.3 | 5.3% |
| Lease Obligations | 219.0 | 213.3 | -2.6% |
| Other Liabilities | 320.8 | 338.1 | 5.4% |
| Total Net Assets | 178.7 | 98.1 | -45.1% |
| Total Liabilities and Equity | 1,691.1 | 1,642.8 | -2.9% |

*1: Rakuten Group, Inc. and Rakuten Mobile, Inc. are based on IFRS non-consolidated balance sheets. *2: Bonds and borrowings include corporate straight bonds, CP, bank borrowings, etc.

3. Segment Results and KPIs

Rakuten Group Organizational Chart and Segment Correspondence Chart

- Internet Services Segment
- FinTech Segment
- Mobile Segment



*1: 19.99% and additional 29.0007% of Rakuten Securities common stock was transferred to Mizuho Securities. *2: After overseas sale of common stock of Rakuten Bank in December 2023, the current shareholding ratio is 49%.



Segment Management System^{*1}

Internet Services



Segment Leader
Hiroshi Mikitani

Representative Director,
Chairman, President and CEO

FinTech



Segment Leader
Masayuki Hosaka

President of FinTech Group
Company

Mobile



Segment Leader
Kentaro Hyakuno

COO
President of
Communications &
Energy Company



Kazuhiro Suzuki^{*3}

Representative Director
and Co-CEO of
Rakuten Mobile, Inc.



Kazunori Takeda

President of Commerce &
Marketing Company



Vice Segment Leader
Hiroshi Takasawa^{*2}

Senior Vice President of
FinTech Group Company



Sharad Sriwastawa

Representative Director,
Co-CEO and CTO of
Rakuten Mobile, Inc.



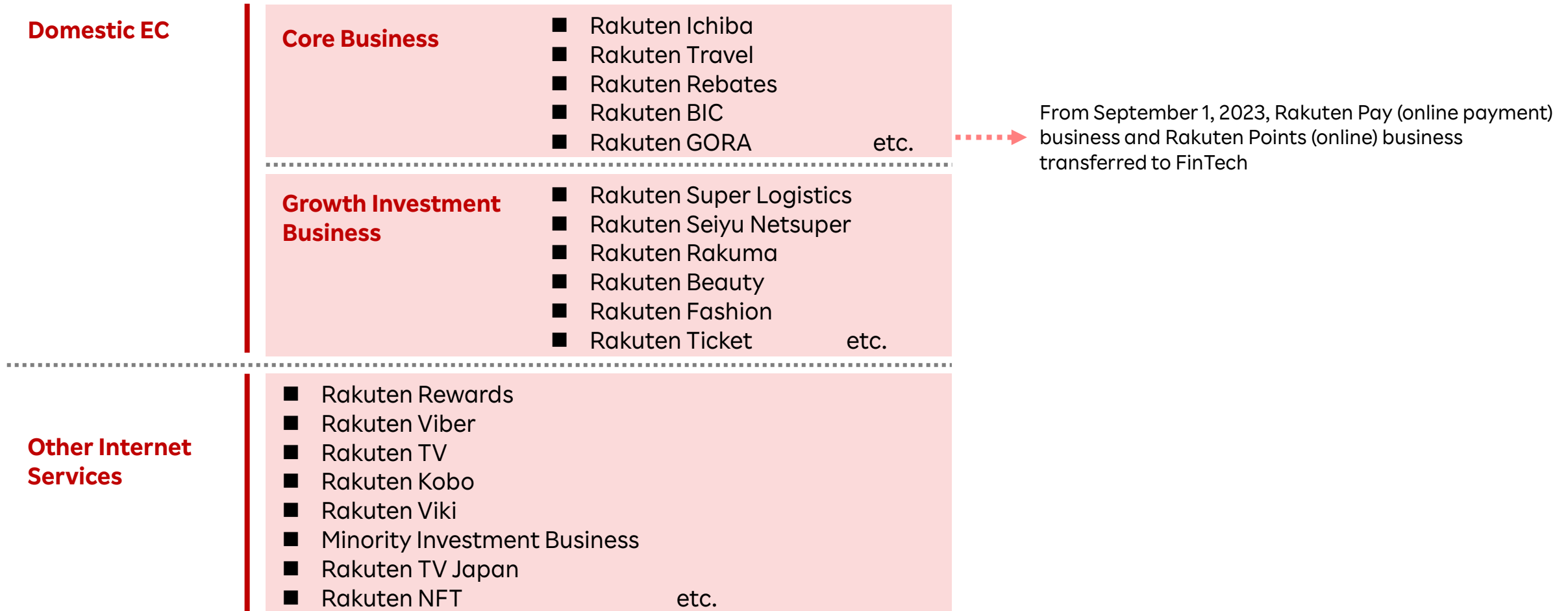
Shunsuke Yazawa

Representative
Director and
President of Rakuten
Mobile, Inc.

*1: All are Group Executive Vice Presidents excluding Hiroshi Mikitani Representative Director, Chairman, President and CEO, Masayuki Hosaka Representative Director and Vice Chairman, Kentaro Hyakuno Representative Director and Group Executive Vice President, Kazuhiro Suzuki Group Senior Managing Executive Officer, Shunsuke Yazawa Group Senior Managing Executive Officer. *2: President of Investment & Incubation Company *3: Representative Director, Chairman and CEO of Rakuten Communications Corp., Representative Director and President of Rakuten Energy, Inc.

Internet Services Segment Structure*

Internet Services Segment



*From Q4/22, Domestic EC was classified into Core Business and Growth Investment Business. The main definition of classification are as follows:

- Core Business → "Accomplished structural profitability," "Realized profitability exceeding WACC," "Businesses essential to domestic EC business portfolio even if profitability is low."
- Growth Investment Business → "Currently investment phase," "Accountability in business portfolio management," "Expected to bring positive value to Rakuten Group."

FinTech Segment Structure

FinTech Segment

| | |
|---------------------------|--|
| Rakuten Card | <ul style="list-style-type: none">■ Rakuten Card |
| Rakuten Bank | <ul style="list-style-type: none">■ Rakuten Bank |
| Rakuten Securities | <ul style="list-style-type: none">■ Rakuten Securities and Overseas Subsidiaries |
| Insurance Business | <ul style="list-style-type: none">■ Rakuten Life Insurance■ Rakuten General Insurance■ Rakuten Insurance Planning etc. |
| Rakuten Payment | <ul style="list-style-type: none">■ Rakuten Pay■ Rakuten Edy■ Rakuten Point Partner■ Rakuten Pay (Online Payment) |
| Others | <ul style="list-style-type: none">■ Rakuten Securities Holdings■ Rakuten Wallet■ Rakuten Investment Management■ Overseas Subsidiaries of Rakuten Card and Bank etc. |

From September 1, 2023, transferred from Internet Services (Core Business of Domestic EC)

Mobile Segment Structure

Mobile Segment

| | |
|-------------------------|--|
| Rakuten Mobile | <ul style="list-style-type: none">■ Rakuten Mobile |
| Rakuten Symphony | <ul style="list-style-type: none">■ Rakuten Symphony |
| Rakuten Energy | <ul style="list-style-type: none">■ Rakuten Electricity■ Rakuten Gas etc. |
| Others | <ul style="list-style-type: none">■ Rakuten Communications etc. |

Internet Services Segment

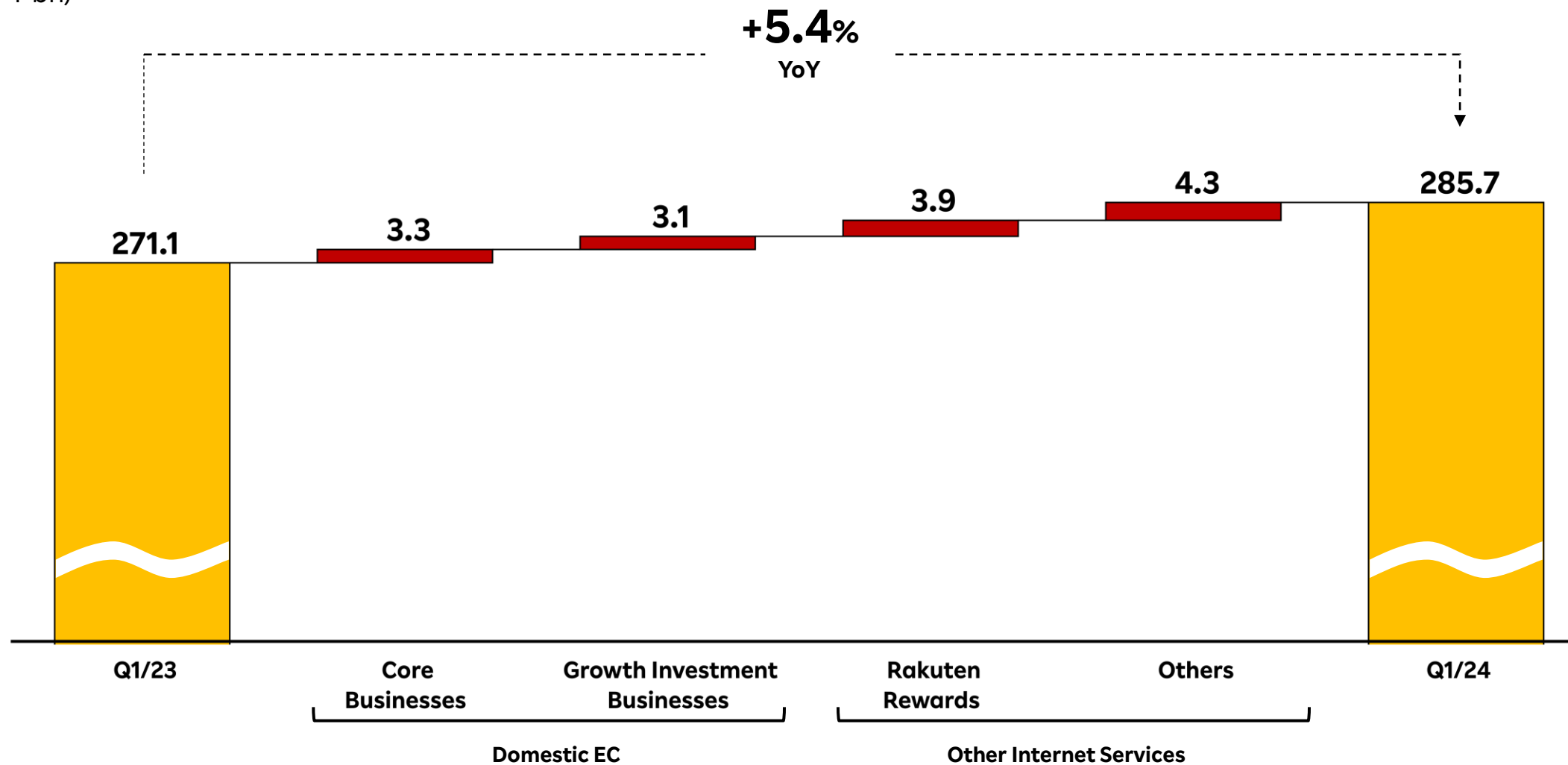
Internet Services Segment Financial Results^{*1}

| Q1/24 (JPY bn) | Revenue | YoY | Non-GAAP Operating Income | YoY |
|--------------------------------|--------------|---------------|---------------------------|---------------|
| Domestic EC | 211.4 | +3.1% | 21.5 | +2.7% |
| Core Businesses | 182.4 | +1.8% | 30.6 | -2.6% |
| Growth Investment Businesses | 29.0 | +12.1% | -9.2 | +1.4 |
| Other Internet Services | 74.4 | +12.3% | -7.9 | +1.2 |
| Rakuten Rewards ^{*2} | 28.6 | +15.7% | 1.4 | +2.2 |
| Minority Investment Business | | | -1.7 | -4.2 |
| Others ^{*2} | 45.8 | +10.3% | -7.5 | +3.2 |
| Segment Total | 285.7 | +5.4% | 13.6 | +14.8% |

*1: Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were 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. *2: Although internal cost allocations for overseas businesses were changed from Q1/24, judging from the scale of the amount, we have not made any retroactive revisions to past results.

Internet Services Segment Revenue Breakdown*

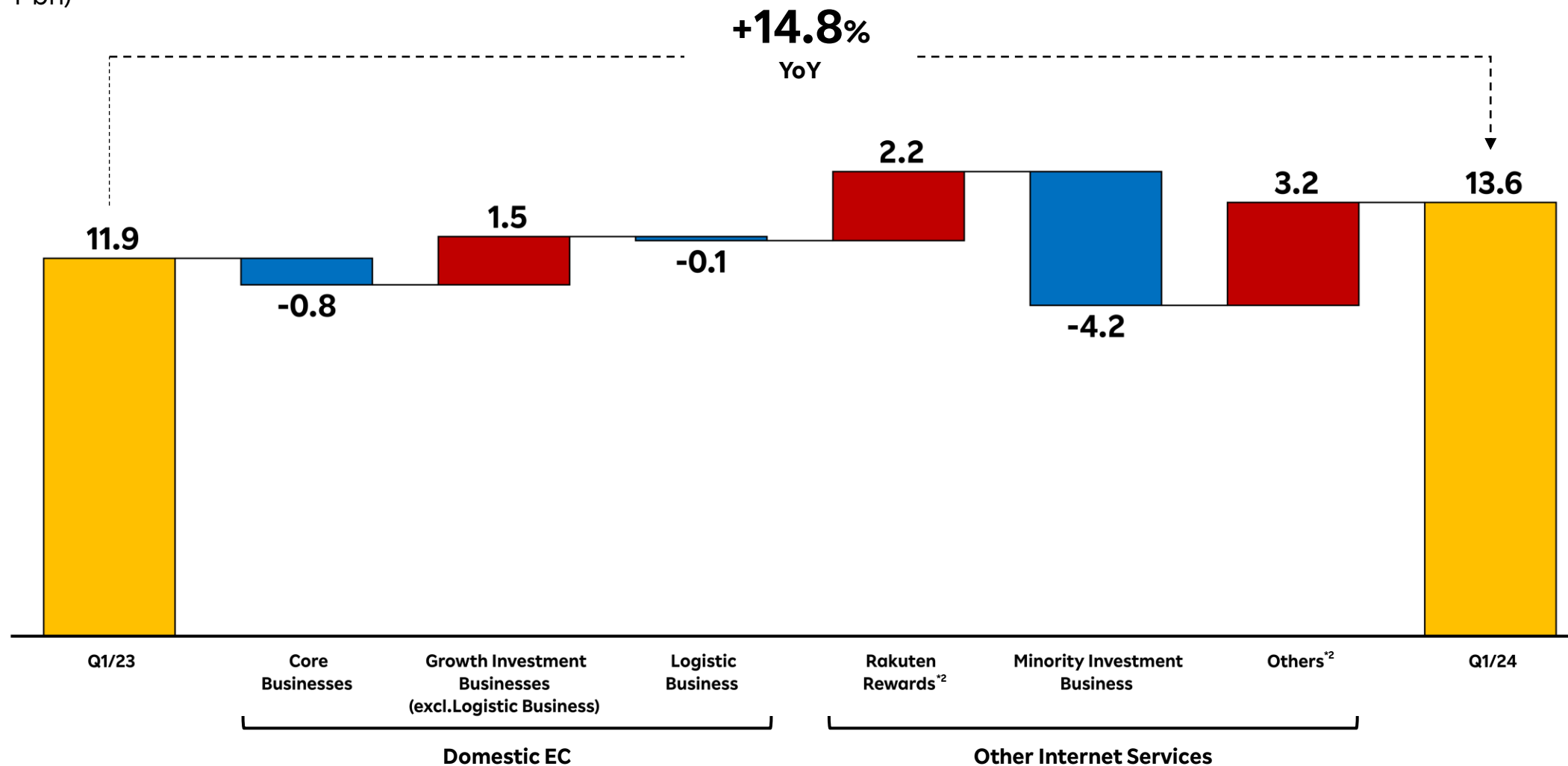
(JPY bn)



*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were 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.

Internet Services Segment Non-GAAP Operating Income Breakdown^{*1}

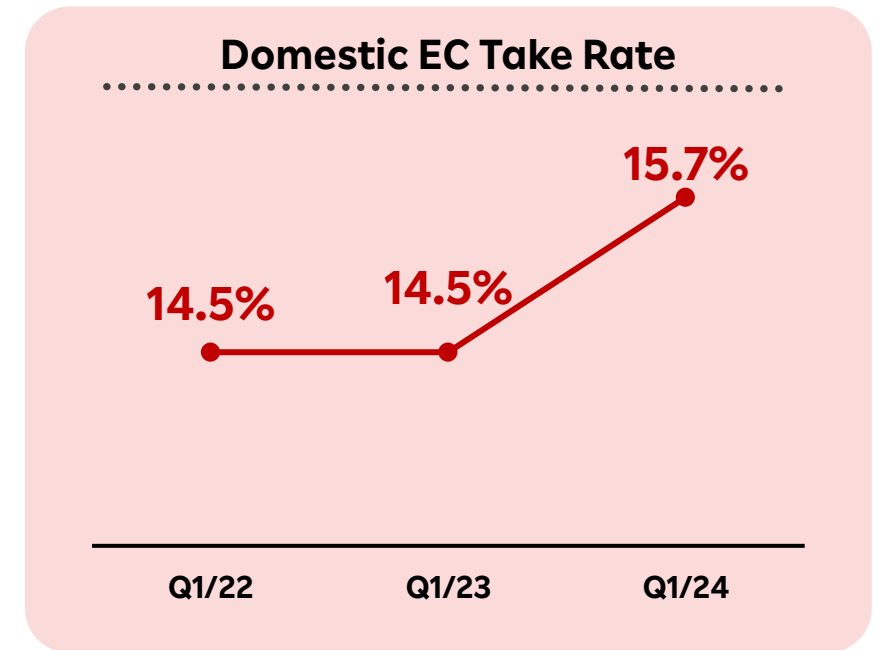
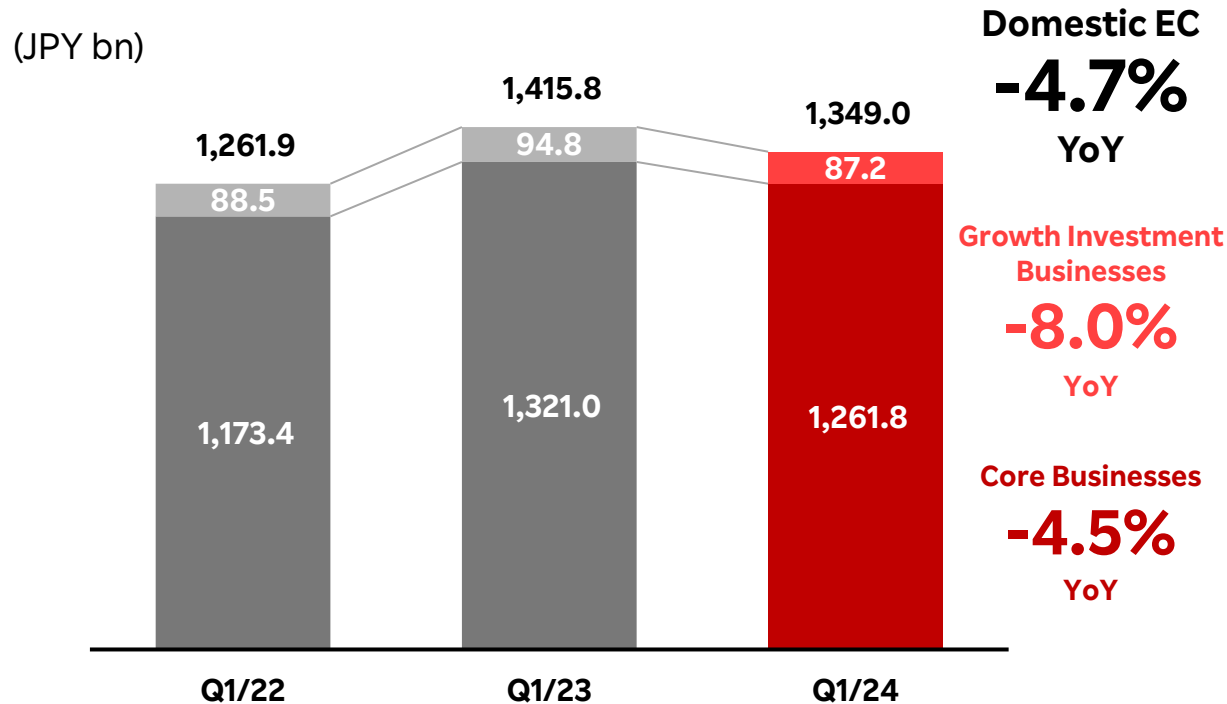
(JPY bn)



*1: Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were 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. *2: Although internal cost allocations for overseas businesses were changed from Q1/24, judging from the scale of the amount, we have not made any retroactive revisions to past results.

Domestic E-Commerce GMS^{*1*2*3}

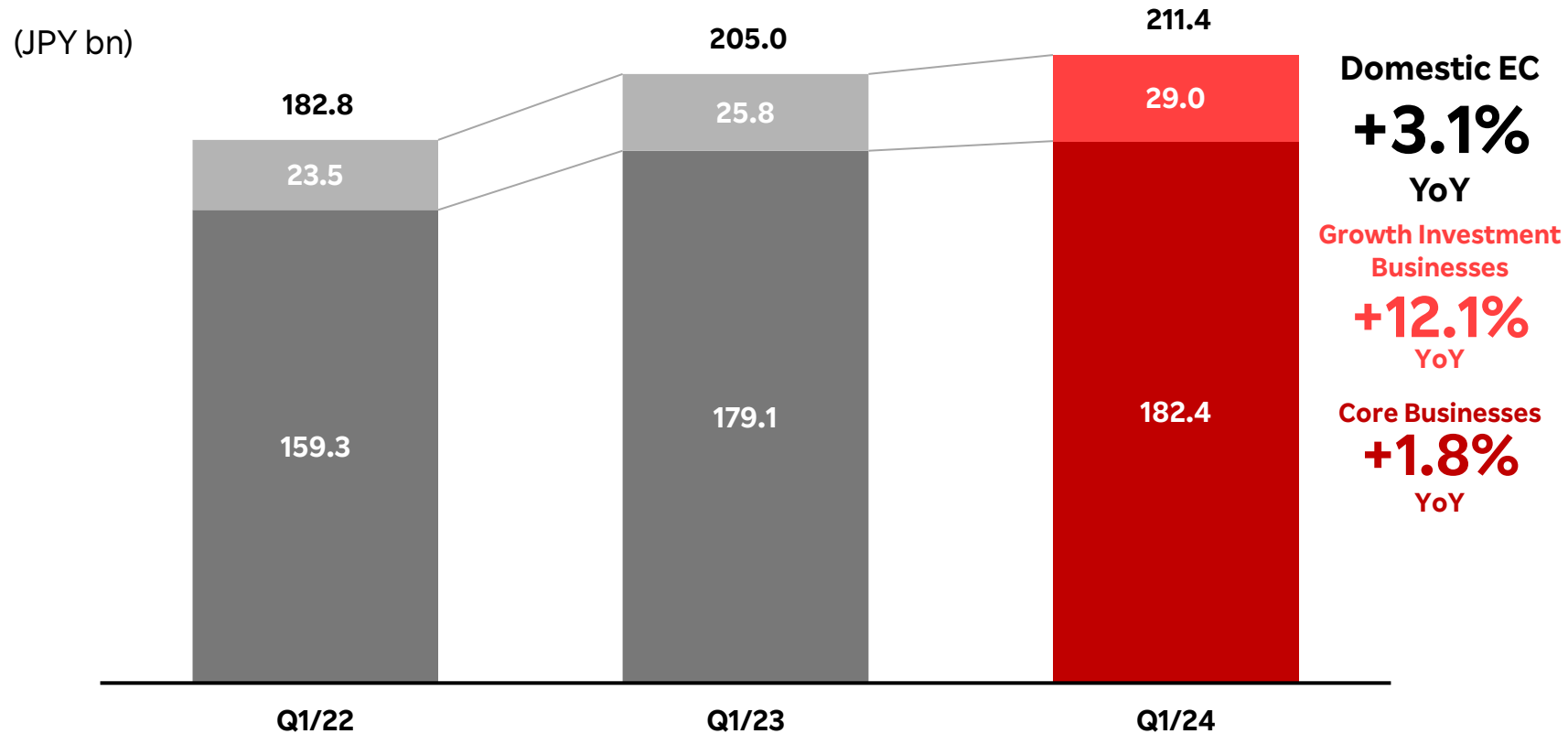
- Despite YoY hurdles such as the SPU changes and 0/5 rule revisions in Dec 2023, and the nationwide travel campaign impacting Rakuten Travel, the GMS growth rate improved by +1.5 pts QoQ



*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 boarder trading ,etc. *2: From Q2/23, a portion of Domestic E-commerce GMS definitions, etc. have been revised. Past figures have been retroactively adjusted. *3: 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.

Domestic E-Commerce Revenue*

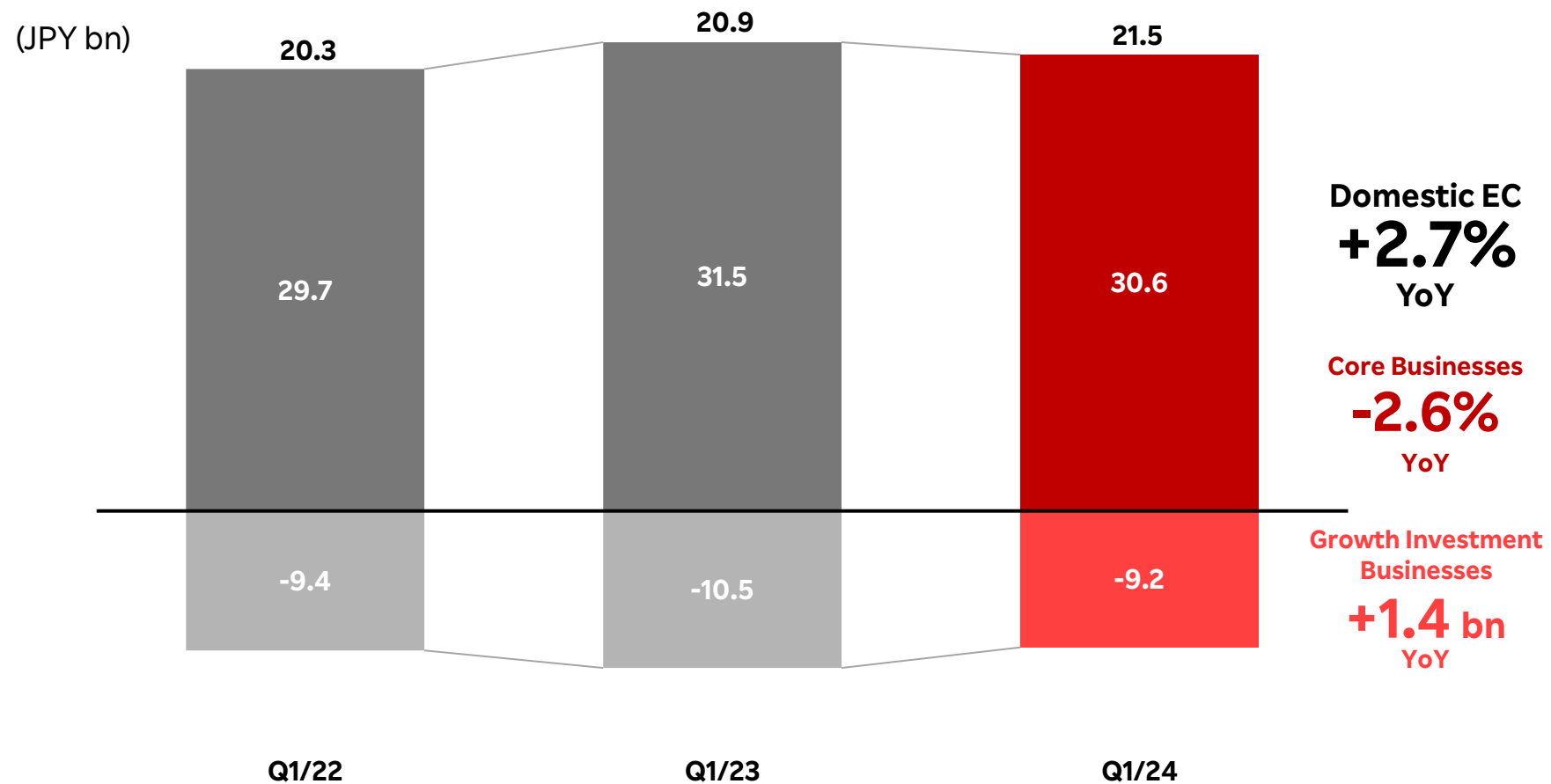
- Core Businesses growth slowed YoY due to hurdles such as the SPU changes and 0/5 rule revisions in Dec 2023, and the nationwide travel campaign impacting Rakuten Travel
- Growth Investment Businesses saw increased revenue due to higher cargo volume in logistics business and strong performance of Rakuten STAY



*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were 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.

Domestic E-Commerce Operating Income*

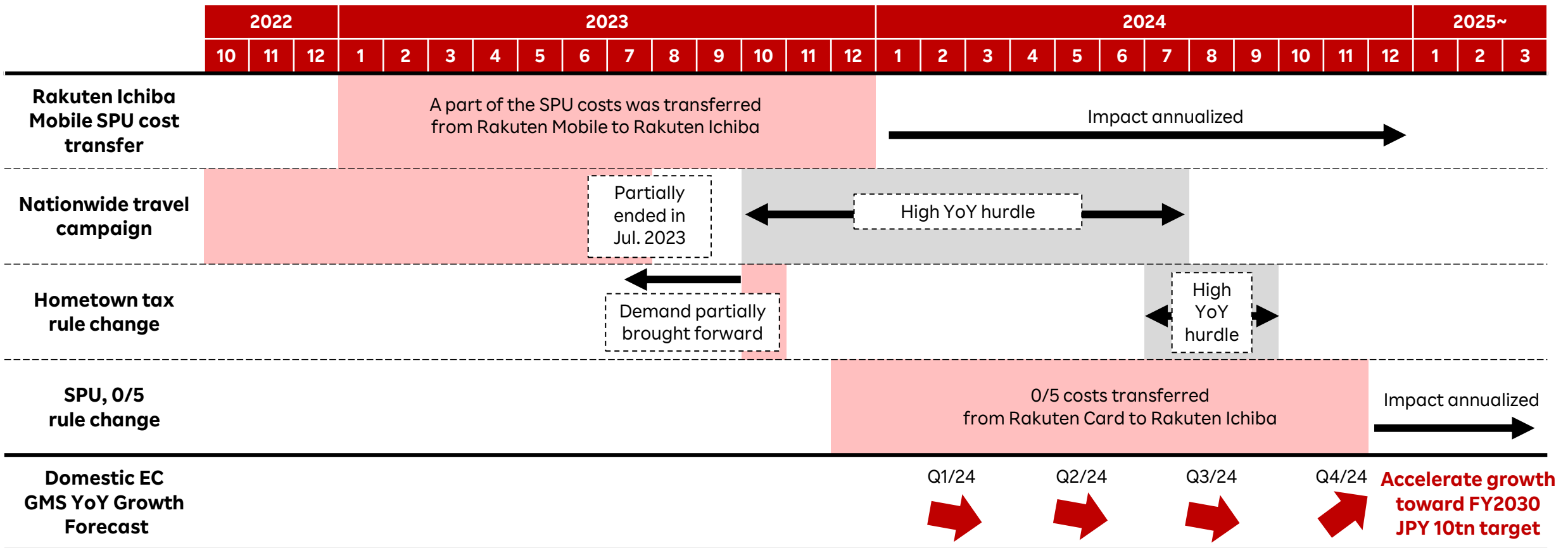
- Excluding Payment Online transfer, SPU and 0/5 rule change, and the end of nationwide travel campaign, operating income is estimated to have been over 20% YoY



*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were 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.

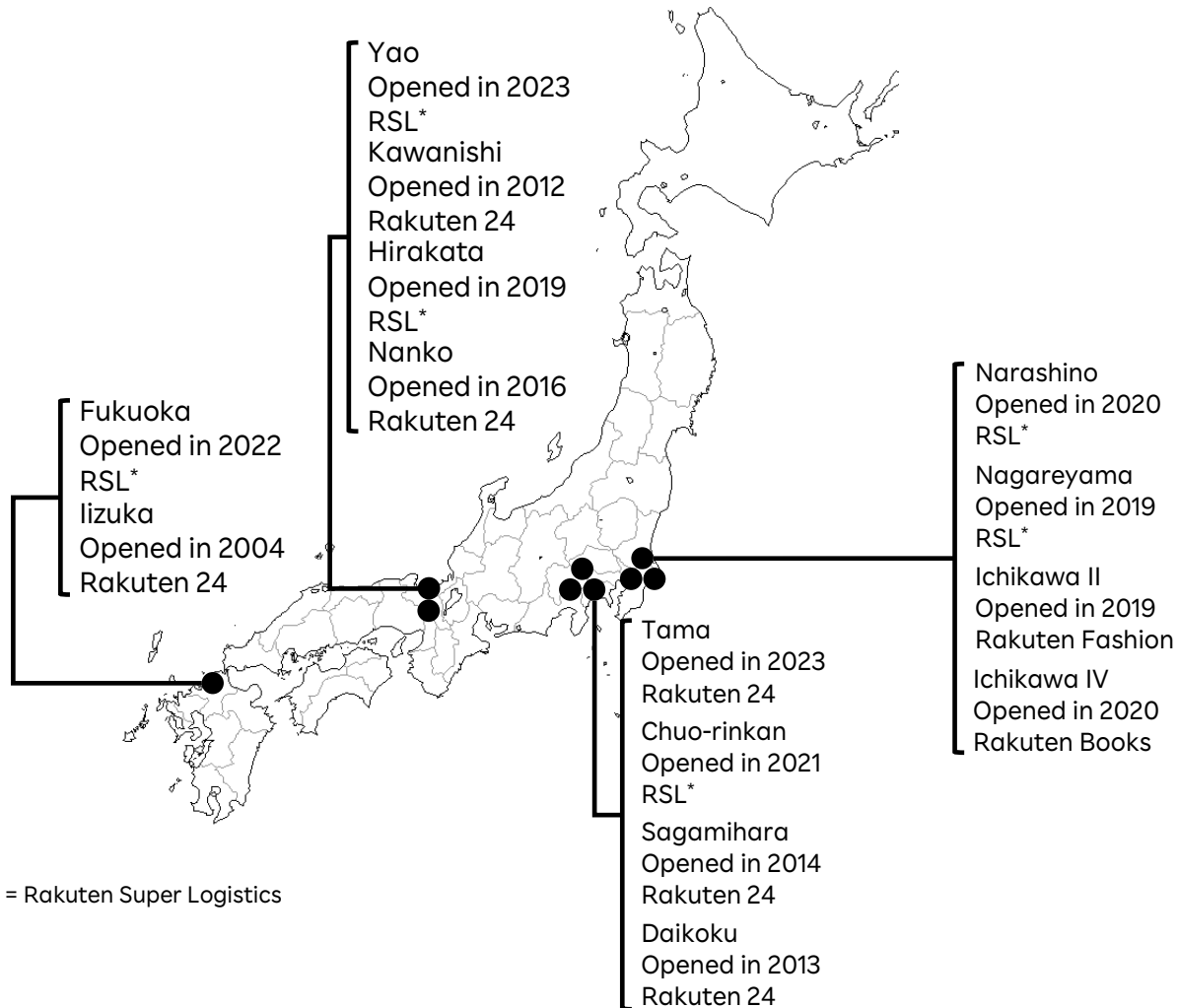
Domestic EC: Adjustment Items in FY2024

- In FY2024, our goal is to continue growing operating income even though the growth rate of Domestic EC GMS is expected to moderate compared to FY2023, considering the following factors
- We aim to accelerate Domestic EC GMS growth in the mid-to-long term toward FY2030 JPY 10tn target



List of Logistics Centers

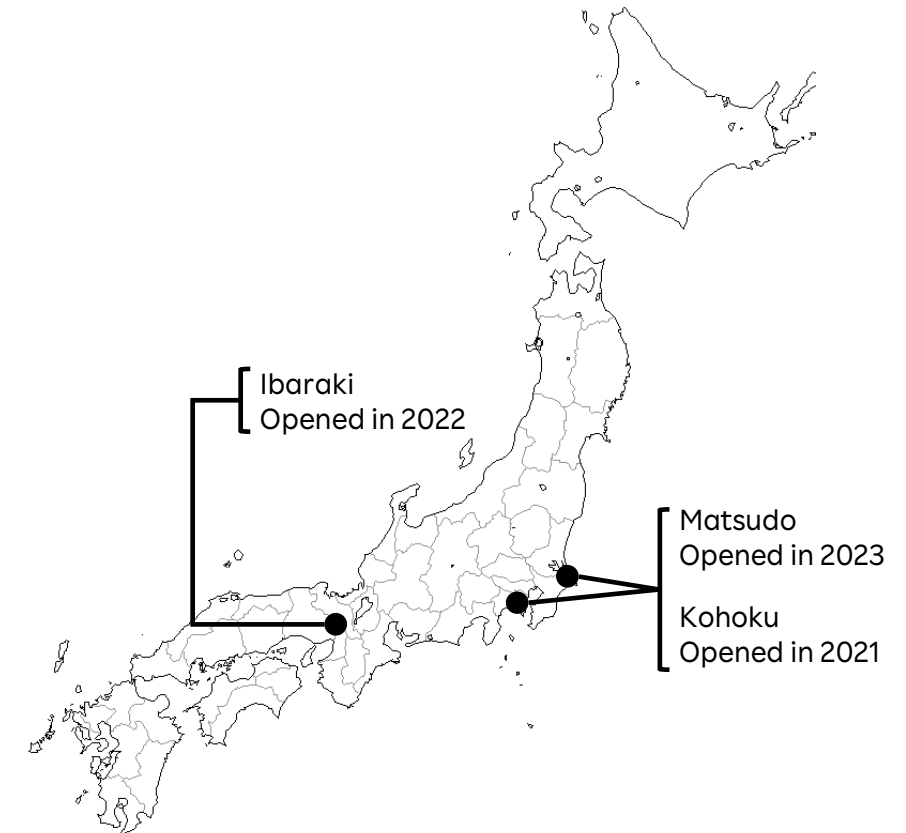
JP Rakuten Logistics



*RSL = Rakuten Super Logistics



Rakuten Seiyu Netsuper Logistics Centers



Rakuten Seiyu Netsuper: Promoting initiatives to turn profitable

- After becoming a wholly-owned subsidiary, introduced initiatives to become profitable and various KPIs performed well

Main initiatives to achieve profitability



- Acquire new customers through further utilization of 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

Q1/24
Number of Orders^{*1}

+15.7%
YoY

Q1/24
Gross Profit Margin^{*1}

+1.2pt
YoY

Q1/24
Delivery Efficiency^{*1*2}

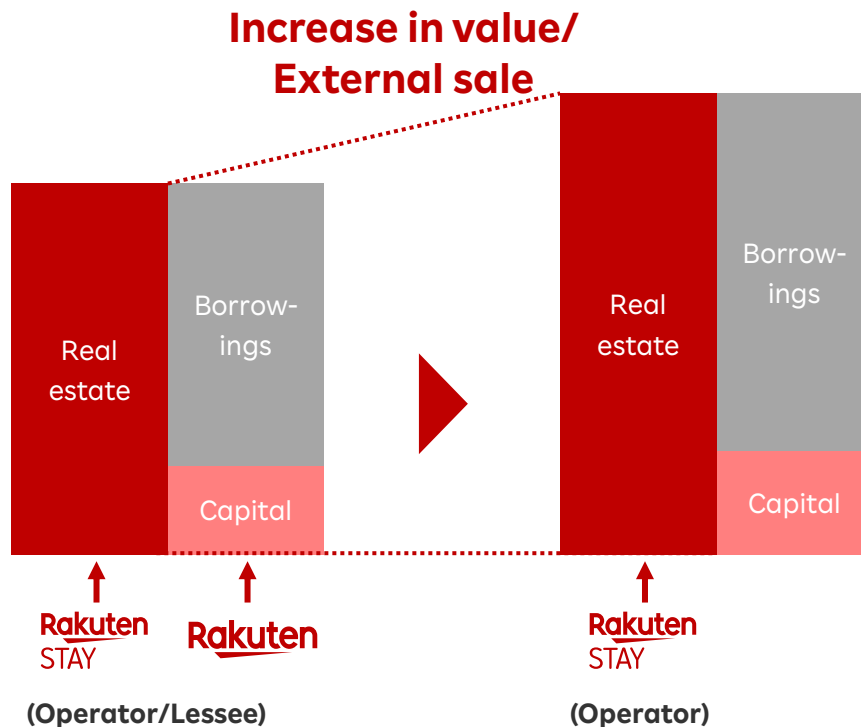
+16.1%
YoY

*1: Warehouse-type online supermarket business. *2: Number of orders delivered per light vehicle.

Rakuten STAY: Overview

Scheme

- ① Rakuten STAY is the tenant and Rakuten Group, Inc. is the investor
- ② Rakuten STAY supervises the interior design of each facility, manages construction, and operates each facility
- ③ Increase value of each facility and sell externally, whilst Rakuten STAY continues to be involved as an operator



Strengths

1 Rakuten Group data

Able to understand customer needs based on data collected through 70+ services in Japan and make appropriate decisions about locations and types of facilities that can attract customers

2 Rakuten brand strength

Effective customer acquisition through Rakuten's brand recognition, brand power, and synergies with the Rakuten ecosystem

3 Utilization of AI

Utilizing PIOP* to offer optimal prices and provide a comfortable and secure accommodation experience, e.g., unmanned check-in

*Price and Inventory Optimization Platform

Rakuten STAY: Portfolio and Performance (as of end of Mar 2024)

Accommodations

Source of Value Creation

Performance

Accommodations: 47 (1,013 rooms)



Rakuten STAY
VILLA
Fuji Yamanakako



Rakuten STAY
VILLA
Hakonesengokuhara
(North)



Rakuten STAY VILLA
Kamogawa



Rakuten STAY
FUJIMI TERRACE
Hakone Ashinoko

...and others

「New Accommodation
Experience」

×

Popular locations driven by
Rakuten-exclusive data

×

Attracting customers through
Rakuten Group's brand power

=

High occupancy rate and average
customer spend

Equity IRR: 37.3%*

- Estimation based on 7 facilities that have already been sold and appraised

Self-funding system established

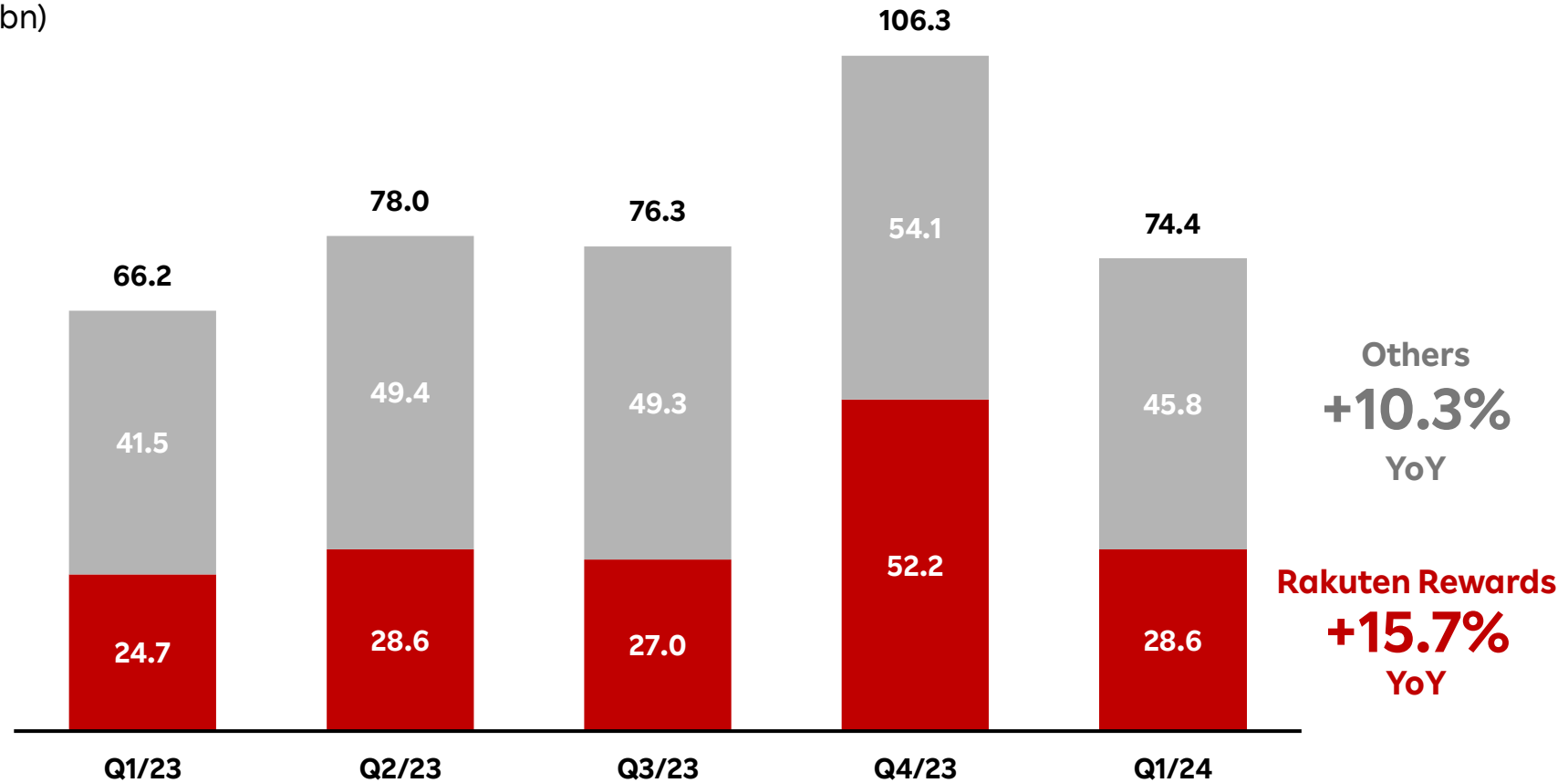
- Cover capital investment with borrowings (non-recourse) and cash flow income from selling externally

*Calculated from business expenses excluding taxes (investment amount) and cash flow for each period excluding taxes.

Other Internet Services Revenue

- Rakuten Rewards saw double-digit growth in local currency terms
- Increased subscription revenues at Kobo and Viki, and increase in ad and telecom revenues at Viber contributed

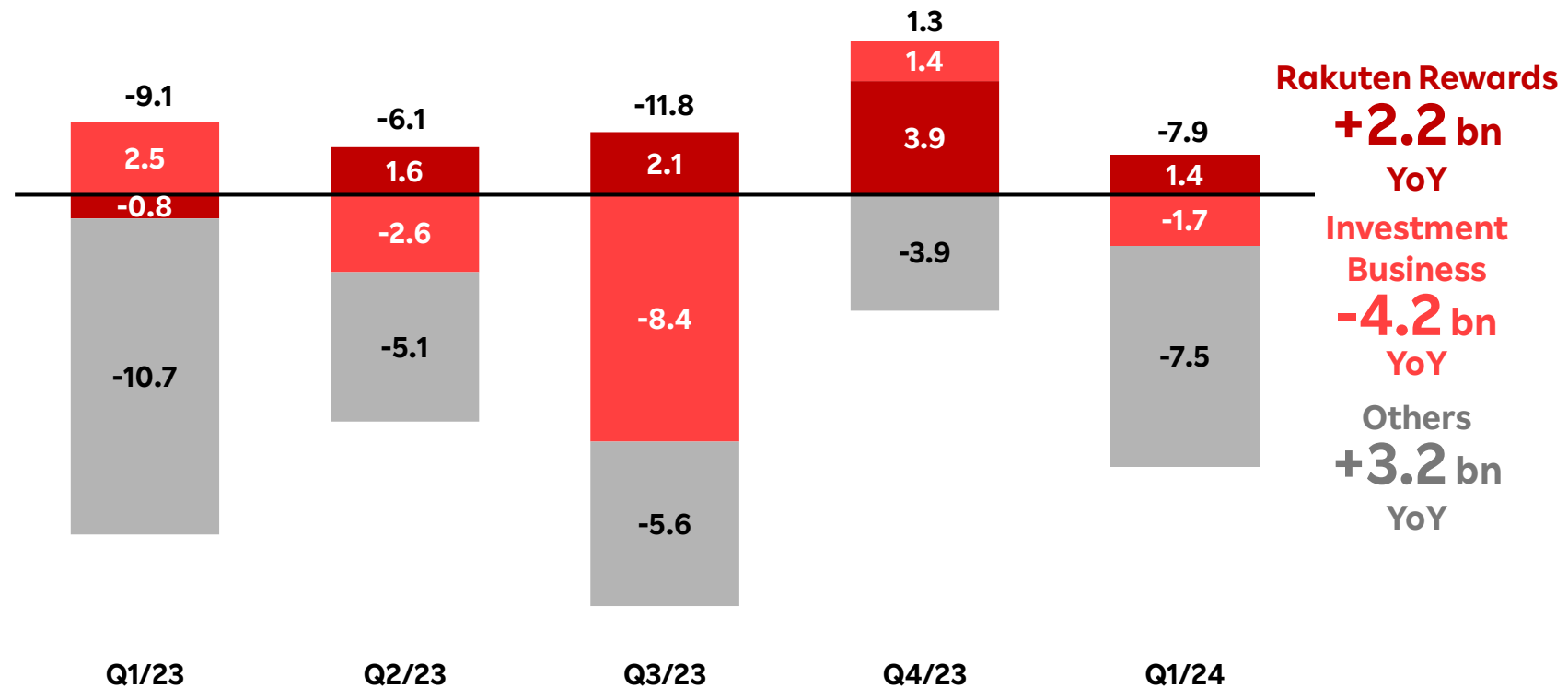
(JPY bn)



Other Internet Services Operating Income*

- Rakuten Rewards achieved profit growth in local currency terms
- Improvements in Viber, Kobo, Viki, and other international businesses drove overall results

(JPY bn)



*Although internal cost allocations for overseas businesses were changed from Q1/24, judging from the scale of the amount, we have not made any retroactive revisions to past results.

Rakuten Rewards*

■ Achieved positive revenue growth YoY due to lower item return ratio

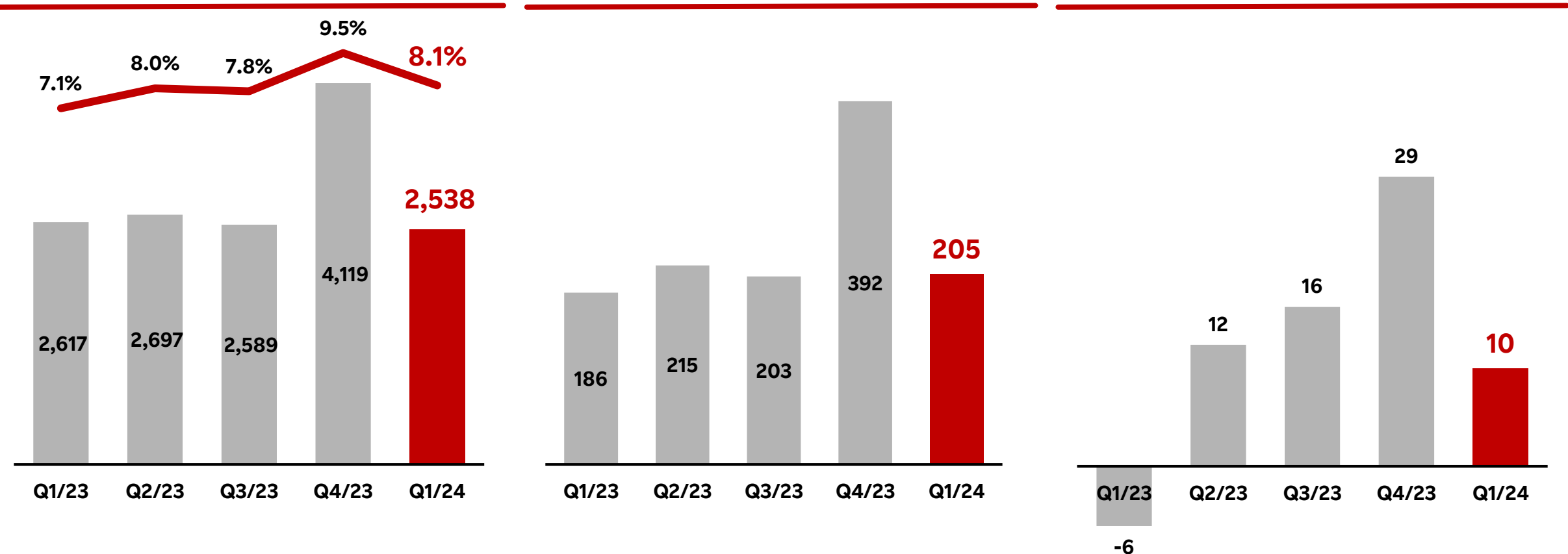
■ Operating income improved due to ongoing cost control efforts

(USD mm)

GMS - Take Rate

Revenue

Non-GAAP Operating Income



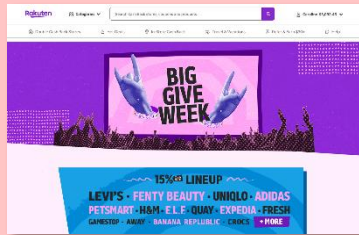
*Although internal cost allocations for overseas businesses were changed from Q1/24, judging from the scale of the amount, we have not made any retroactive revisions to past results.

Global Customer Base

■ The global customer base of Rakuten services, which operate businesses around the world, are steadily expanding

Rakuten

(Rakuten Rewards)



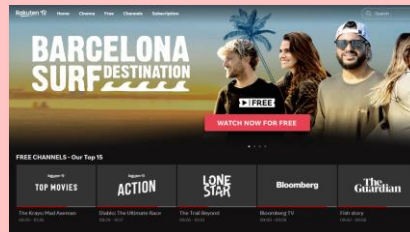
GMS
Q1/24

-3.0%

YoY

USD 2.54 bn

Rakuten TV



Total Users*
(As of the end of Mar/24)

+43.8%

YoY

103.0 mm

Rakuten kobo



Registered Users
(As of the end of Mar/24)

+6.3%

YoY

65.7 mm

Rakuten Viber



Registered Users
(As of the end of Mar/24)

+5.4%

YoY

1.5 bn

Rakuten Viki



Registered Users
(As of the end of Mar/24)

+23.0%

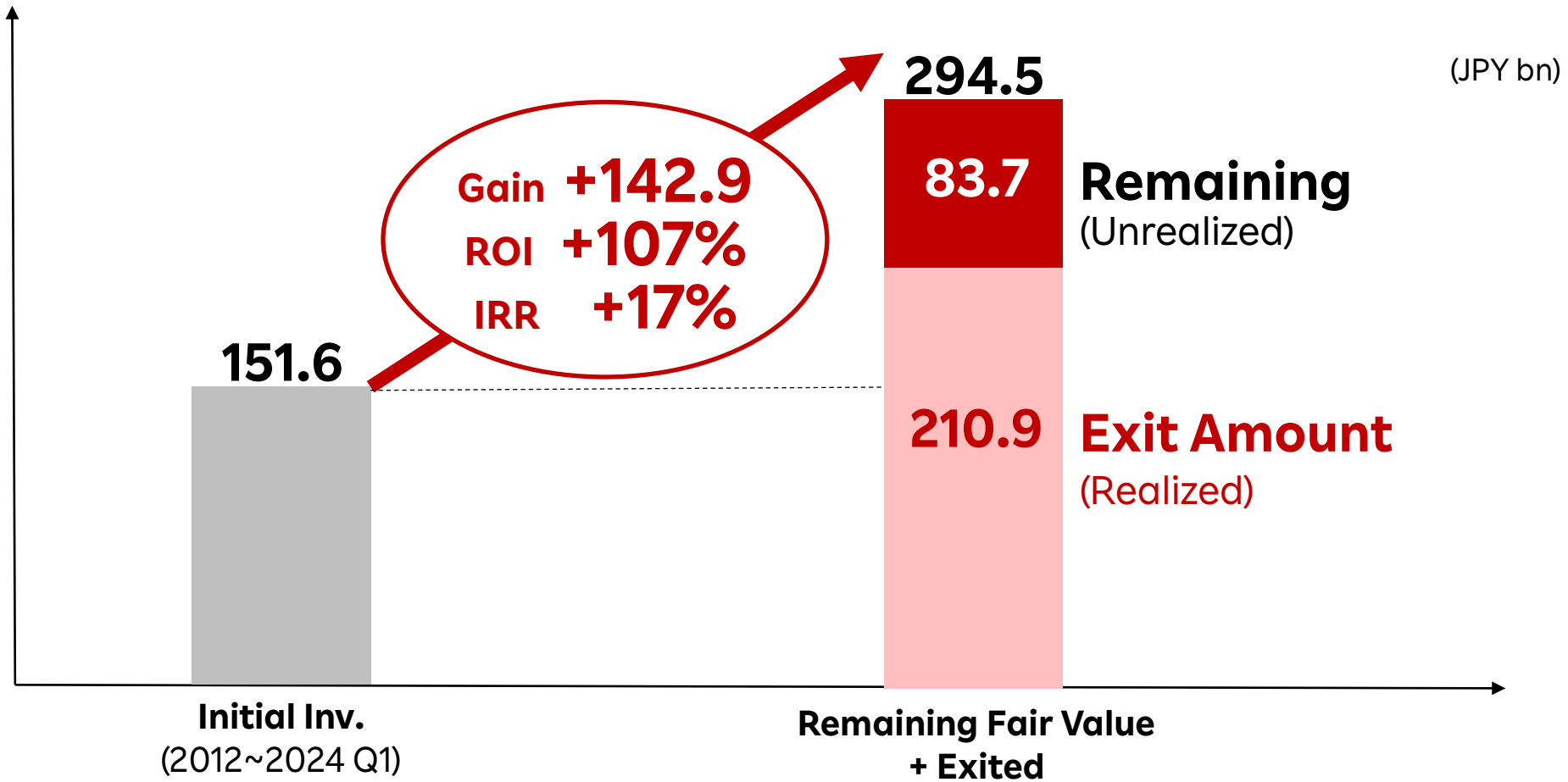
YoY

86.8 mm

*Total number of registered users and non-registered AVOD (Advertising Video On Demand) users. From Q2/23, the definition of Rakuten TV registered users has been updated to exclude users who cancelled their membership. Previous quarters have been retroactively adjusted.



























Rakuten Capital^{*1} Investment Performance

As of March 31, 2024^{*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}: | 46 | 41 | 2 |
| Internet | Ride Sharing | Healthcare | |
|  |  |  |  |
|  | DI/DX |  |  |
|  |  |  |  |
|  |  | |  |
| Sustainability | Mobile / AI | Other |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  | |

*1: Exit since 2015. Exit number does not include a 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 Q1/24.

FinTech Segment

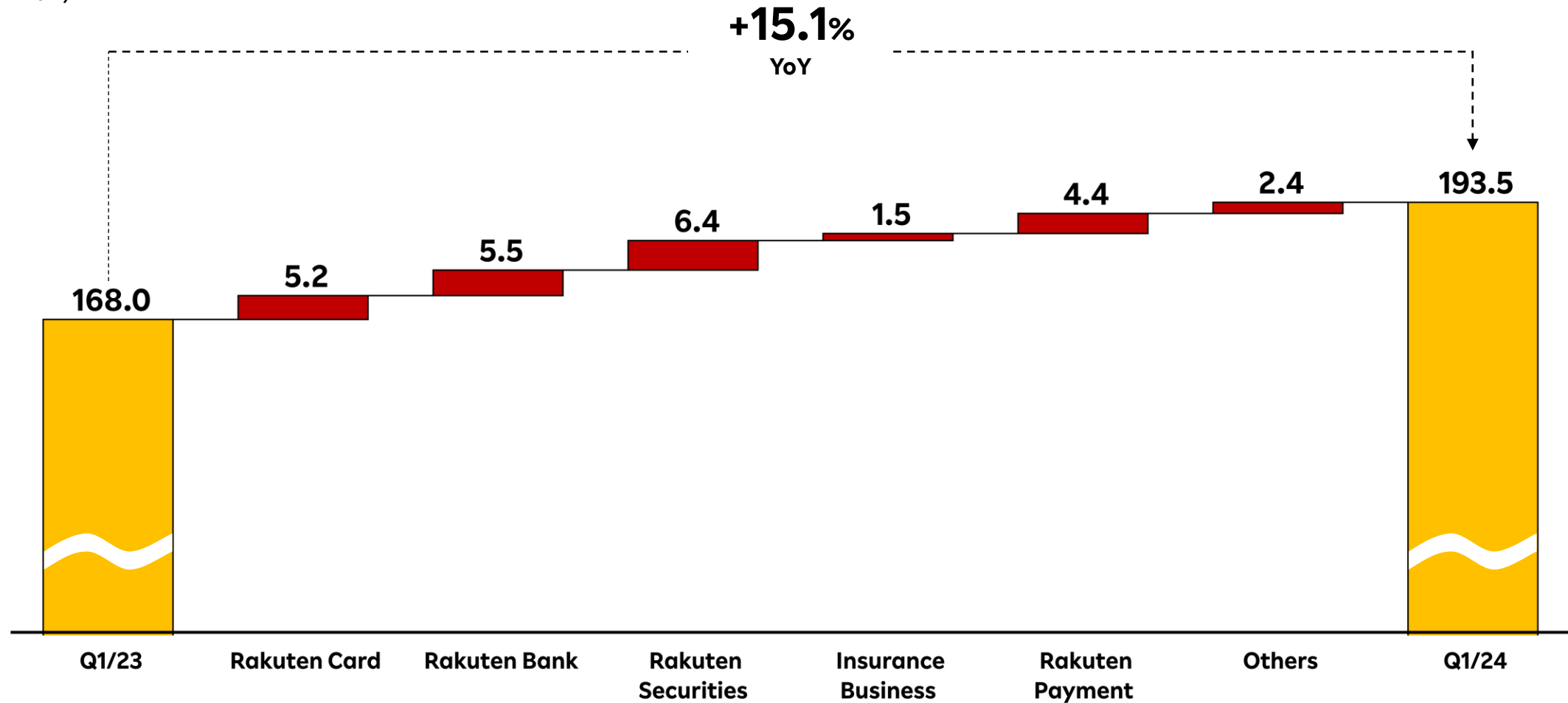
FinTech Segment Financial Results^{*1*2*3*4}

| Q1/24 (JPY bn) | Revenue | YoY | Non-GAAP Operating Income | YoY |
|----------------------|--------------|---------------|---------------------------|---------------|
| Rakuten Card | 80.0 | +6.9% | 15.3 | +22.7% |
| Rakuten Bank | 35.6 | +18.4% | 13.9 | +29.9% |
| Rakuten Securities | 31.3 | +25.9% | 7.4 | +20.9% |
| Insurance Business | 22.4 | +7.3% | 2.2 | +12.4% |
| Rakuten Payment | 20.1 | +27.8% | 0.8 | +4.0% |
| Others | 4.1 | +147.1% | -0.4 | +1.1% |
| Segment Total | 193.5 | +15.1% | 39.3 | +47.4% |

*1: Rakuten Securities includes Rakuten Securities Inc. and its off-shore subsidiaries. *2: Insurance Business includes Life Insurance, General Insurance, and Insurance Agency. *3: Payment includes Rakuten Pay (including Rakuten Pay Online since September 1, 2023), Rakuten Edy, and Point Partner (including Rakuten Point Online since September 1, 2023). *4: Others include Rakuten Card's off-shore subsidiaries, Rakuten Bank's off-shore subsidiaries, Rakuten Securities HD Inc., Rakuten Wallet, Inc., and Rakuten Investment Management, Inc. etc.

FinTech Segment Revenue Breakdown*

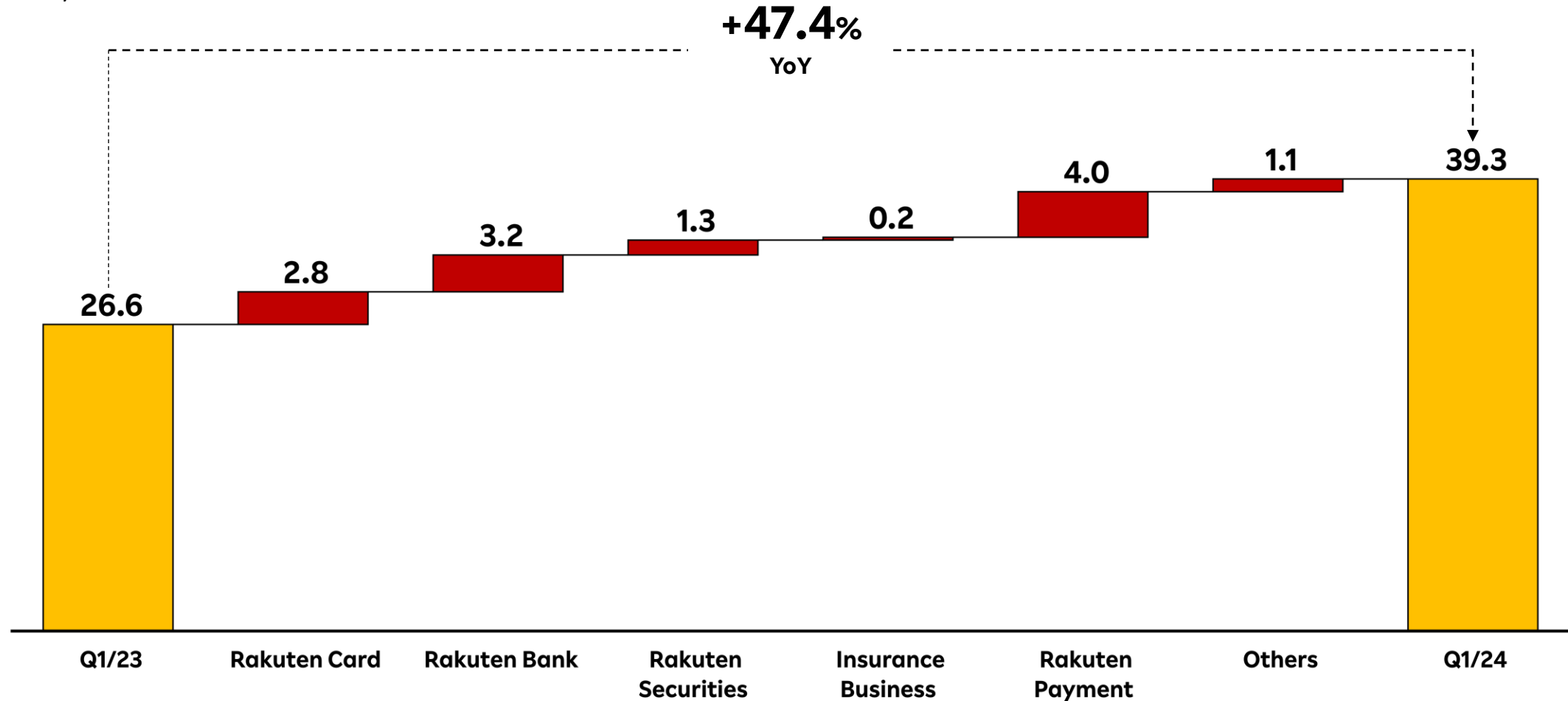
(JPY bn)



*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Service segment (Domestic EC) to the FinTech segment. Retrospective revisions were made to Rakuten Payment and others. The segment total remains unchanged.

FinTech Segment Non-GAAP Operating Income Breakdown*

(JPY bn)

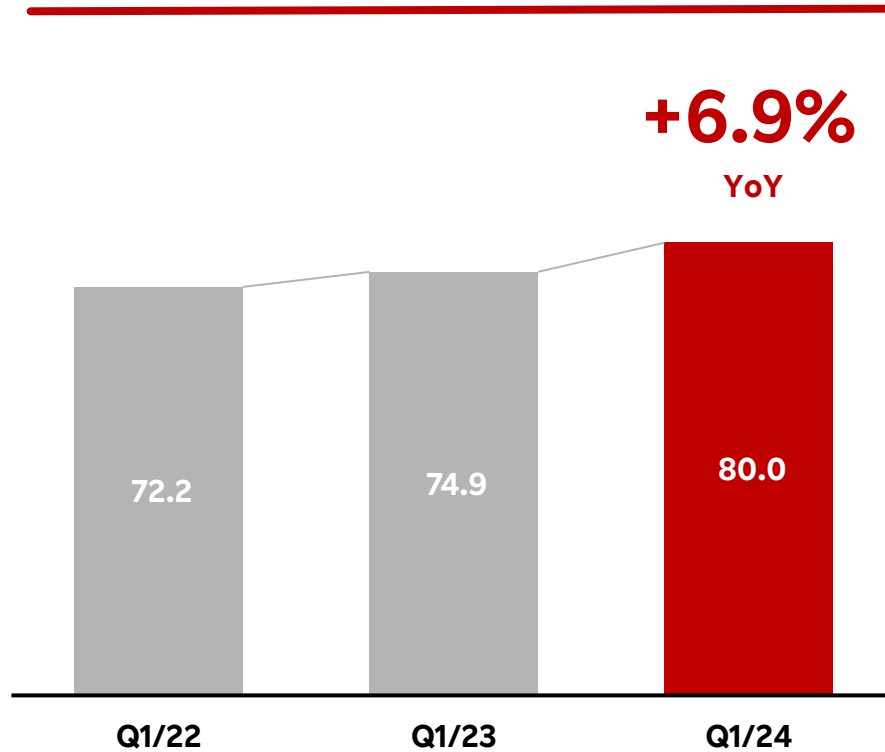


*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Service segment (Domestic EC) to the FinTech segment. Retrospective revisions were made to Rakuten Payment and others. The segment total remains unchanged.

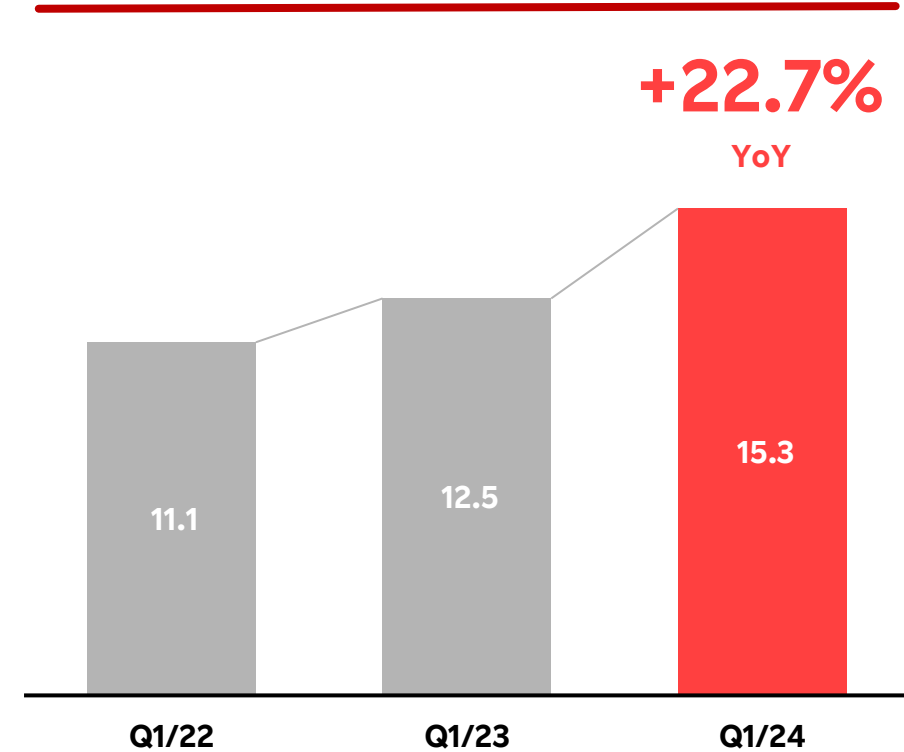
Rakuten Card Financial Results

- Revenue increased due to growth in shopping GTV and cash advances. Continued high growth in installment payments
- Achieved significant increase in OI, with a higher OI margin, thanks to maintaining low levels of bad debt-related expenses and optimizing marketing expenses

Revenue (JPY bn)



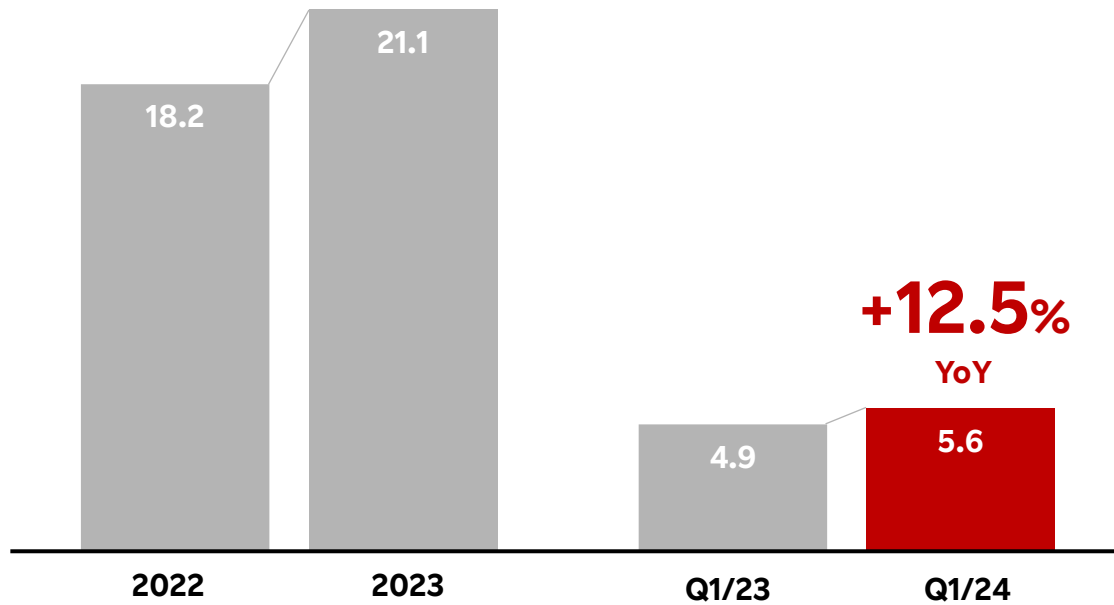
Non-GAAP Operating Income (JPY bn)



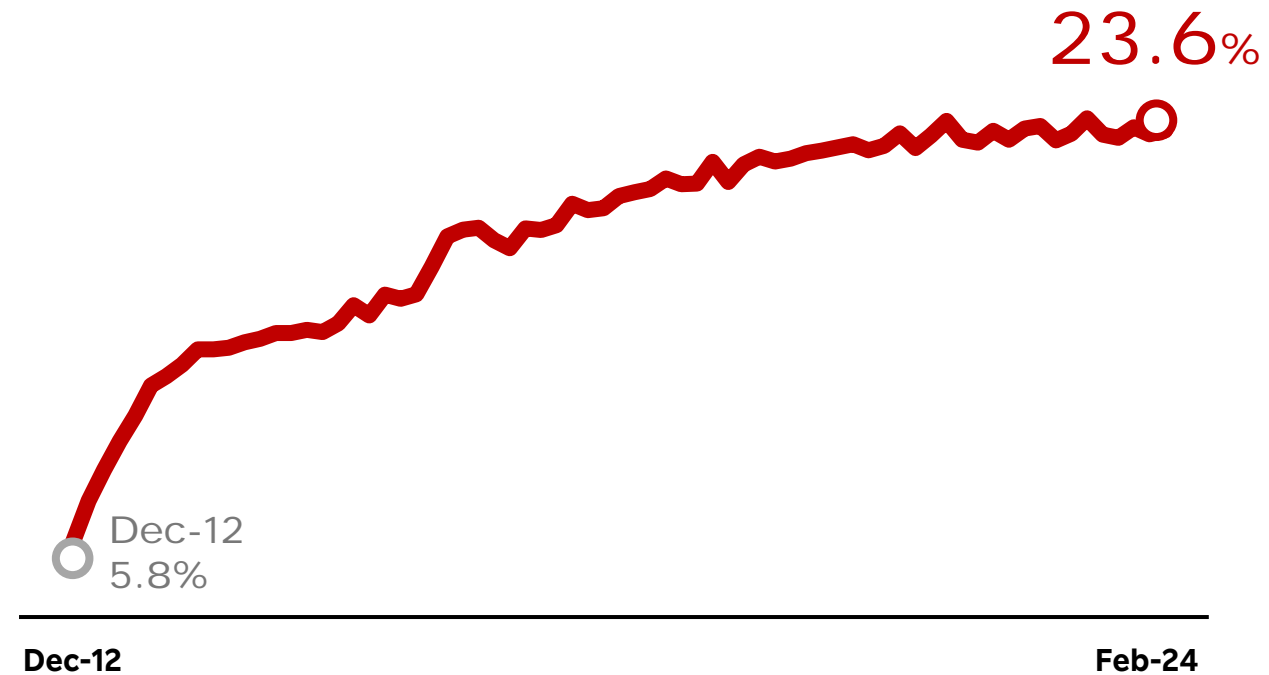
Rakuten Card KPIs

- Achieved 30 mm of card issued as defined in “Triple 3”.
Hereafter, focus will be on expansion of increasing shopping GTV and GTV share

Shopping GTV Target: JPY 30 bn



GTV Share* Target: 30%



*Calculated based on “Ministry of Economy, Trade and Industry, Specified Service Industry Statistics Survey, Credit Card Industry.”

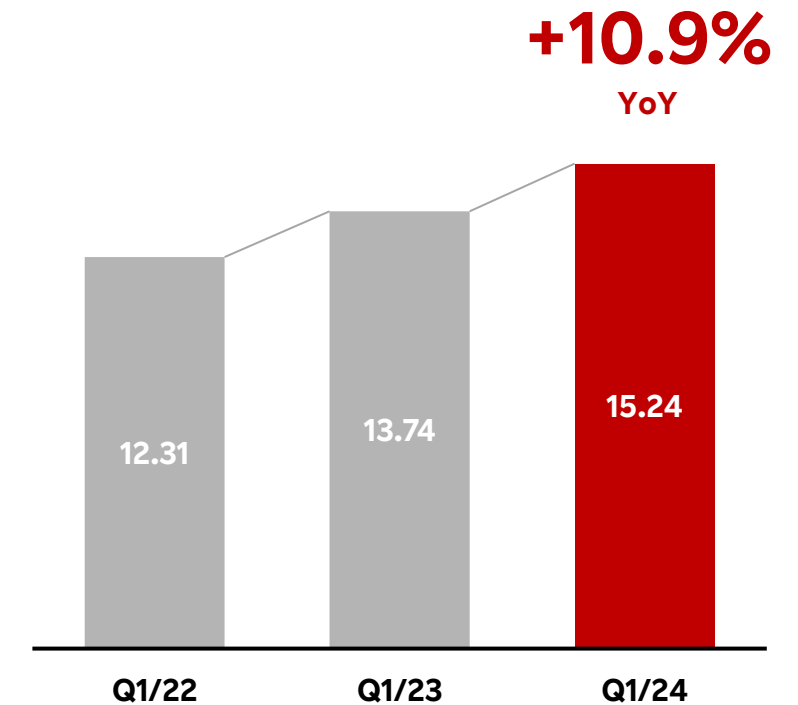
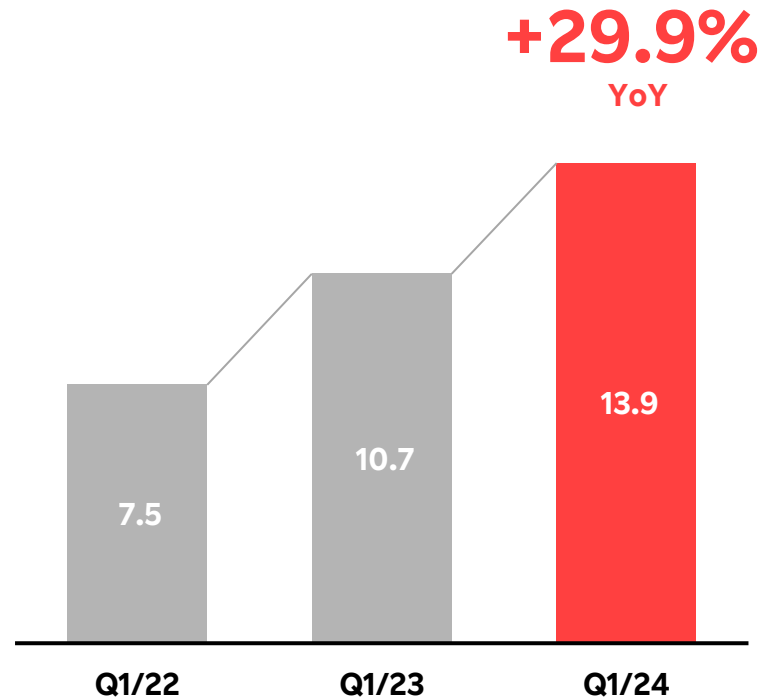
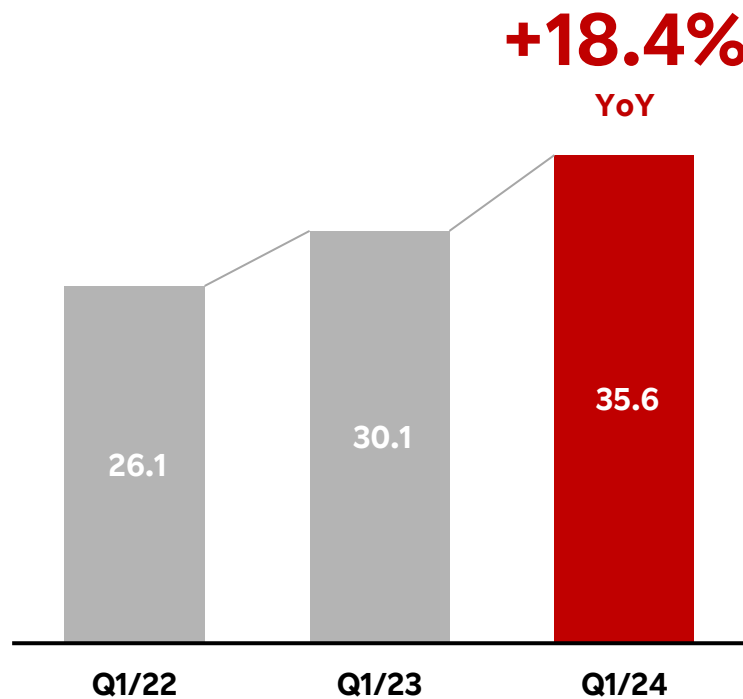
Rakuten Bank Financial Results and KPIs

- From Jan 2024, new NISA tailwinds drove strong growth in account openings via Rakuten Securities. Increase in number of accounts and deposit balances, alongside steady growth in AUM, led to significant increase in interest income and contributed to revenue growth
- Management efficiency improved alongside business scale, resulting in significant growth in profit

Revenue (JPY bn)

Non-GAAP Operating Income (JPY bn)

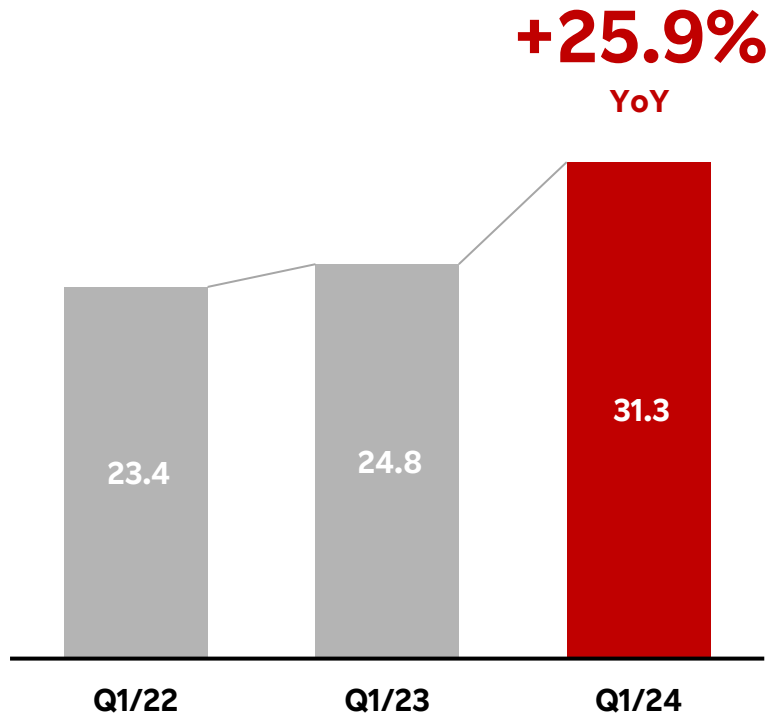
Rakuten Bank Accounts (mm)



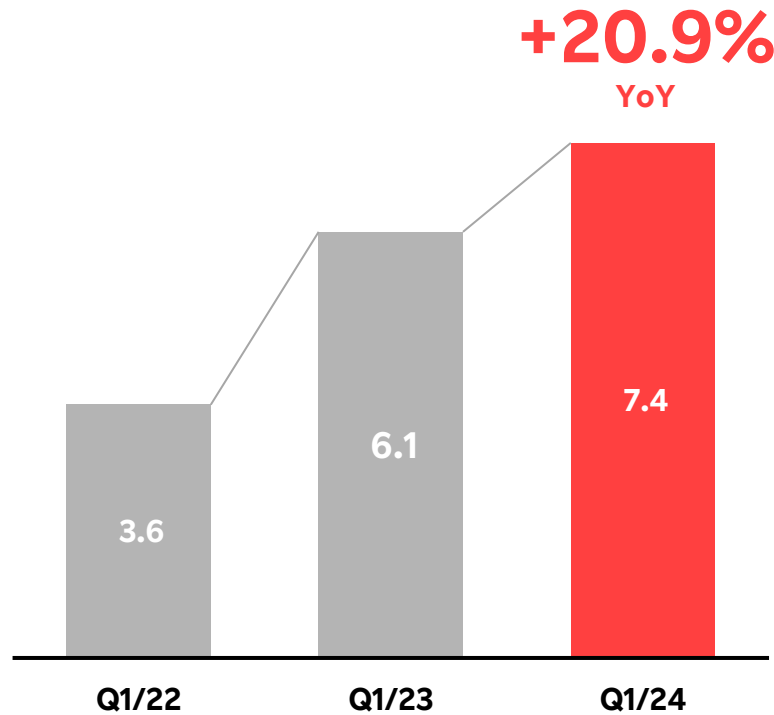
Rakuten Securities Financial Results and KPIs

- Number of general accounts and trading volume continued to expand due to the elimination of domestic stock transaction fees and the launch of new NISA
- With expansion of the customer base and the resulting increase in revenue from various transactions, we recorded profits that exceeded the pre-zero commission levels (before October 2023)

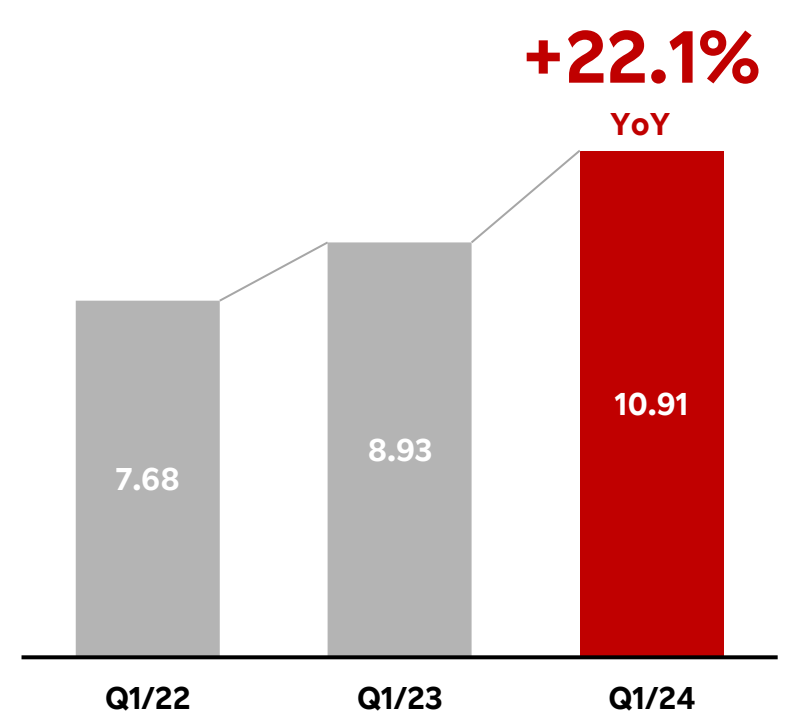
Revenue (JPY bn)



Non-GAAP Operating Income (JPY bn)



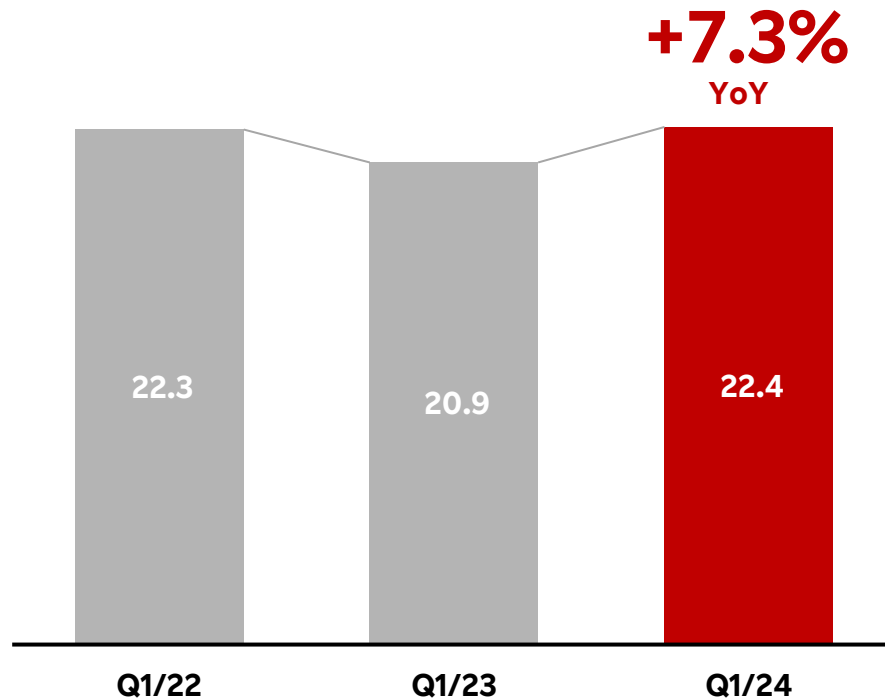
Rakuten Securities General Accounts (mm)



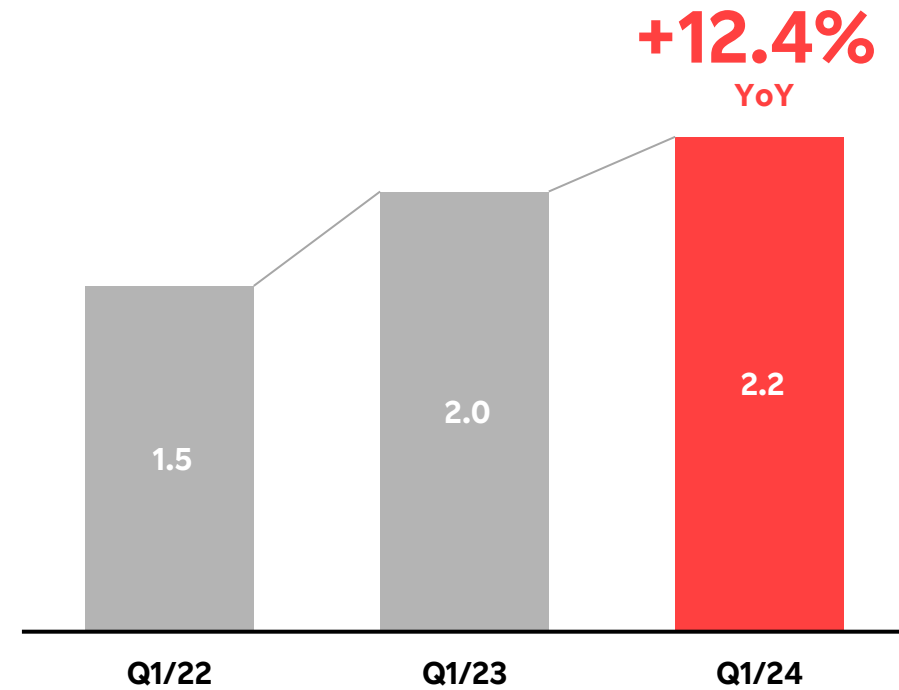
Insurance Business Financial Results

- In Life Insurance, revenue and profit grew due to an increase in insurance premium per policy and investment income
- In General Insurance, steady growth of “Drive Assist (personal auto insurance)” and increased investment income contributed to revenue and profit growth

Revenue (JPY bn)



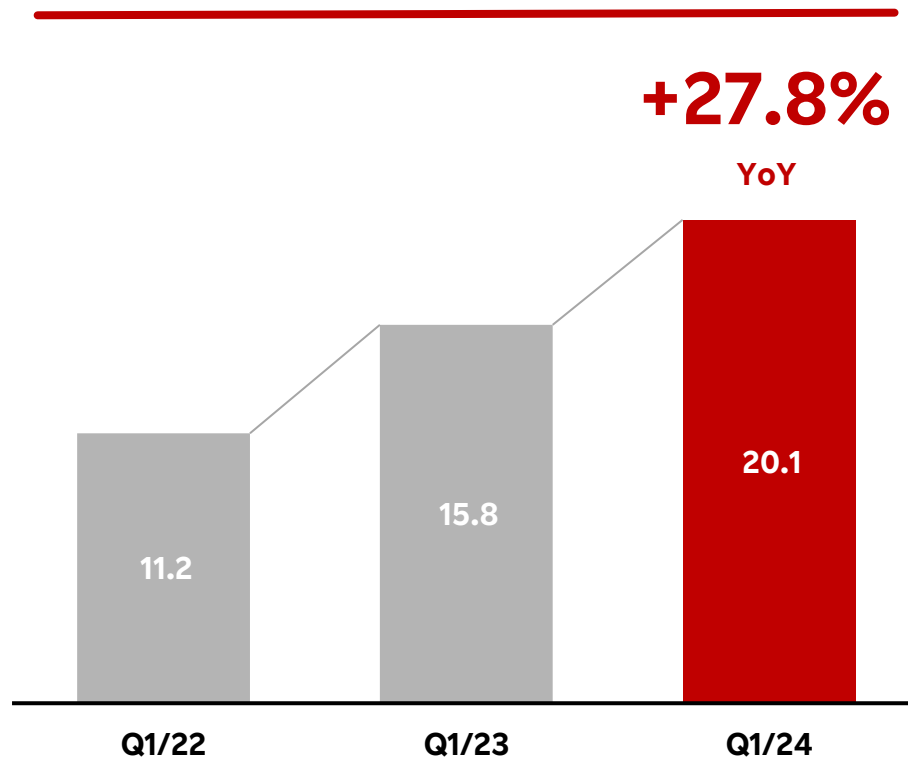
Non-GAAP Operating Income (JPY bn)



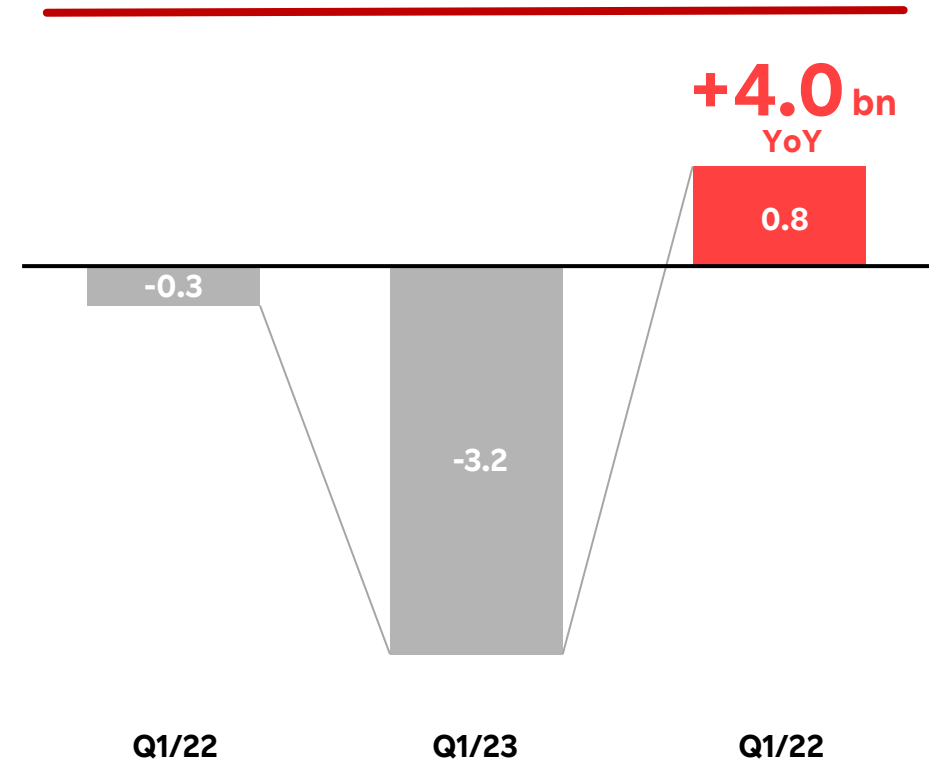
Rakuten Payment Financial Results*

- Rakuten Pay (app payments) saw a significant increase in revenue due to successful measures since 2022 to expand member stores and users
- Rakuten Payment achieved quarterly profitability. Expecting continued growth in the future

Revenue (JPY bn)



Non-GAAP Operating Income (JPY bn)



*Effective from Q3/23, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Service segment (Domestic EC) to the FinTech segment. Retrospective revisions were made to Rakuten Payment and others. The segment total remains unchanged.

Mobile Segment

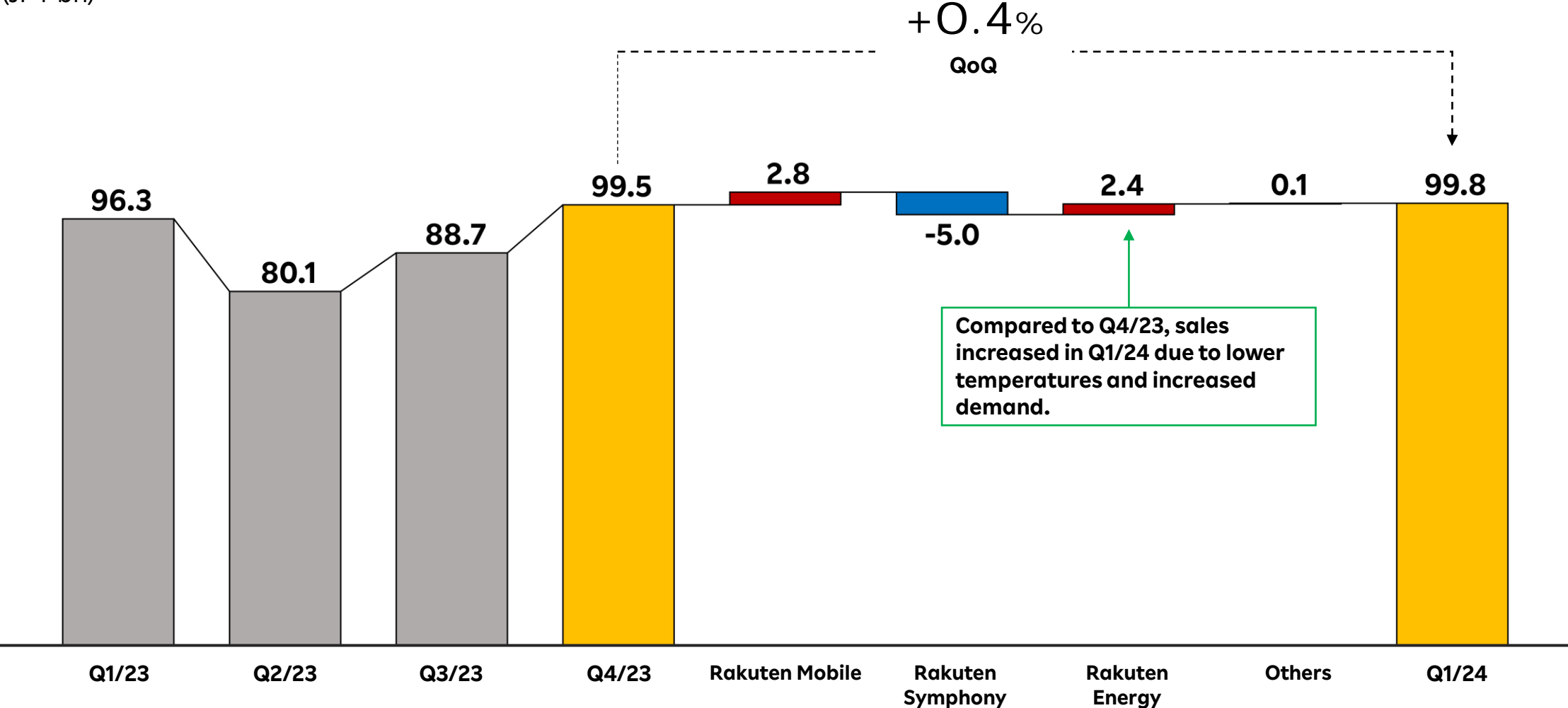
Mobile Segment Financial Results

| Q1/24 (JPY bn) | Revenue | QoQ | Non-GAAP Operating Income | QoQ |
|--|-------------|---------------|---------------------------|-------------|
| Rakuten Mobile ^{*1} | 62.0 | +4.8% | -73.0 | -5.0 |
| MNO | 36.2 | +9.0% | | |
| MVNO ^{*2} | 2.4 | -9.5% | | |
| Device Revenue | 13.5 | -3.4% | | |
| Other Revenue (including Rakuten Hikari, etc.) | 9.9 | +6.3% | | |
| Rakuten Symphony | 16.4 | -23.5% | | |
| Rakuten Energy | 14.7 | +19.7% | 1.0 | +4.3 |
| Others | 6.7 | +2.2% | | |
| Segment Total | 99.8 | +0.4% | -71.9 | -0.7 |

*1: Breakdown of Rakuten Mobile revenue has been revised. Past figures have been retroactively adjusted. *2: From April 7, 2020, we ceased accepting new registrations for MVNO services.

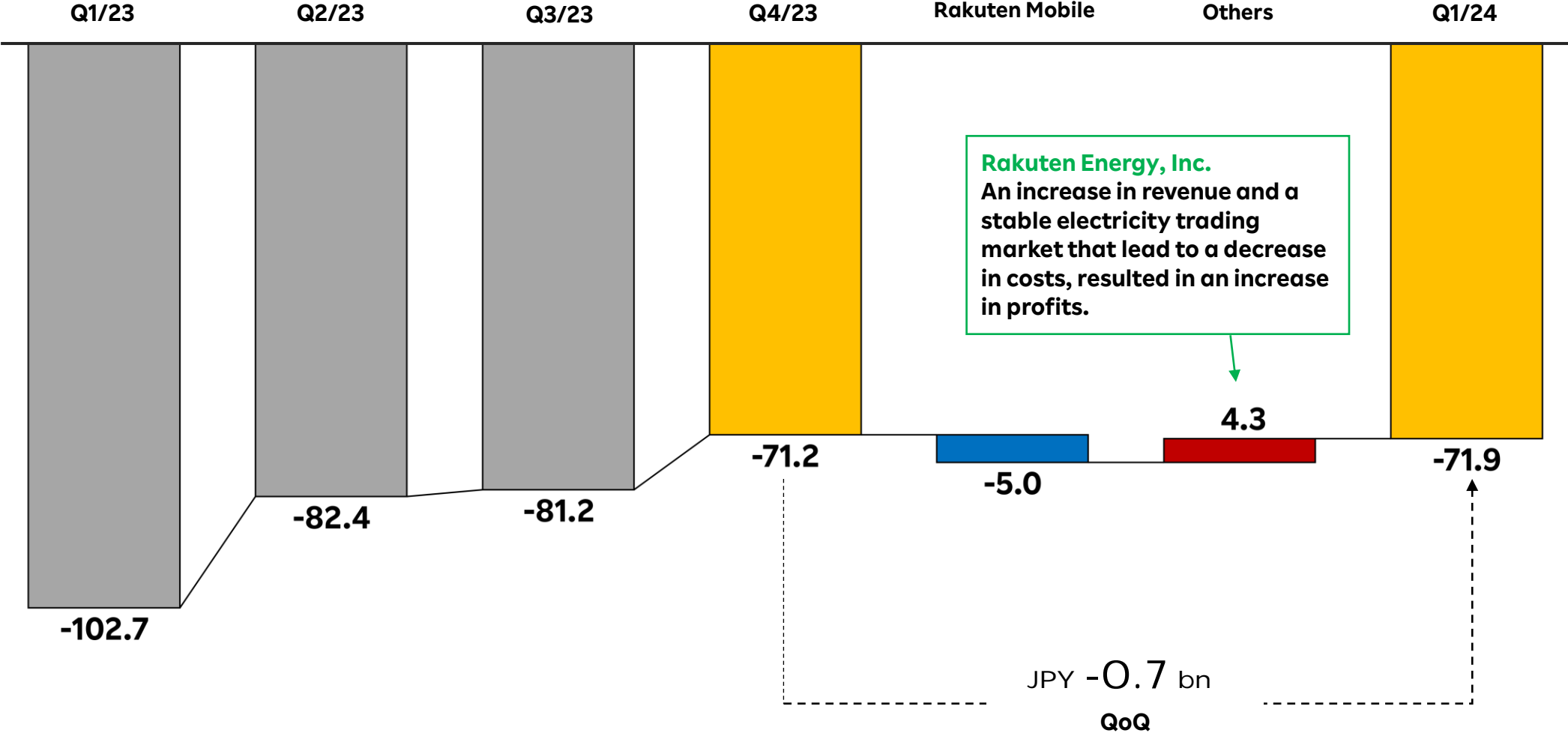
Mobile Segment Revenue Breakdown

(JPY bn)



Mobile Segment Non-GAAP Operating Income/Loss Breakdown

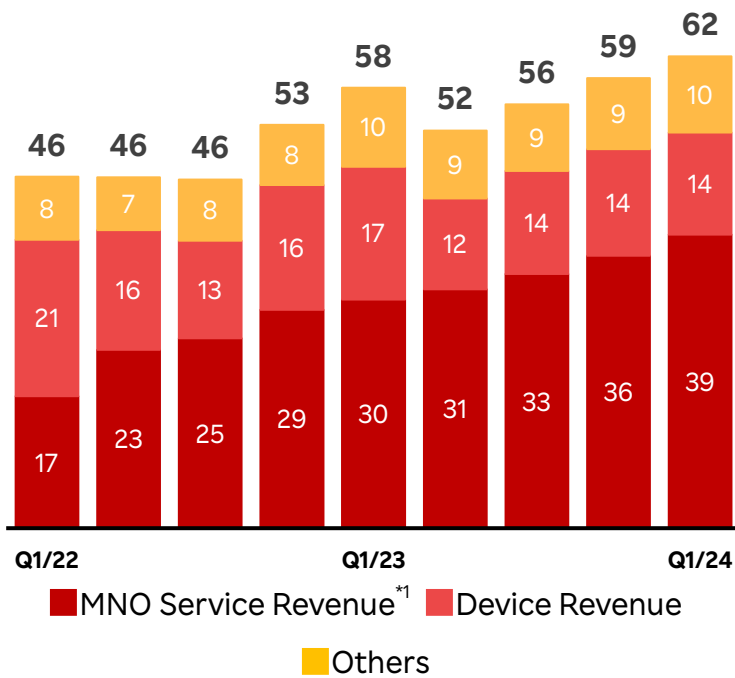
(JPY bn)



Rakuten Mobile, Inc. Quarterly Financial Results

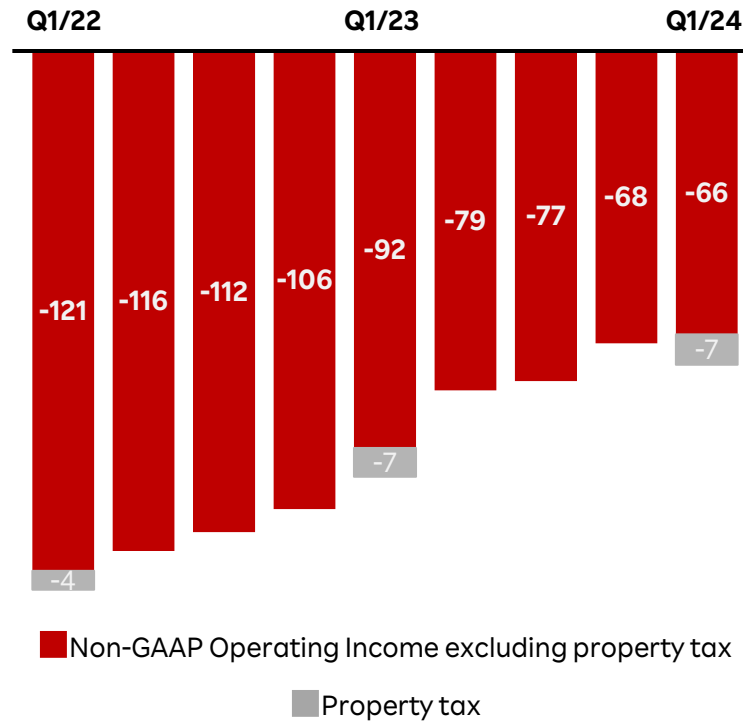
Revenue*1

(JPY bn)



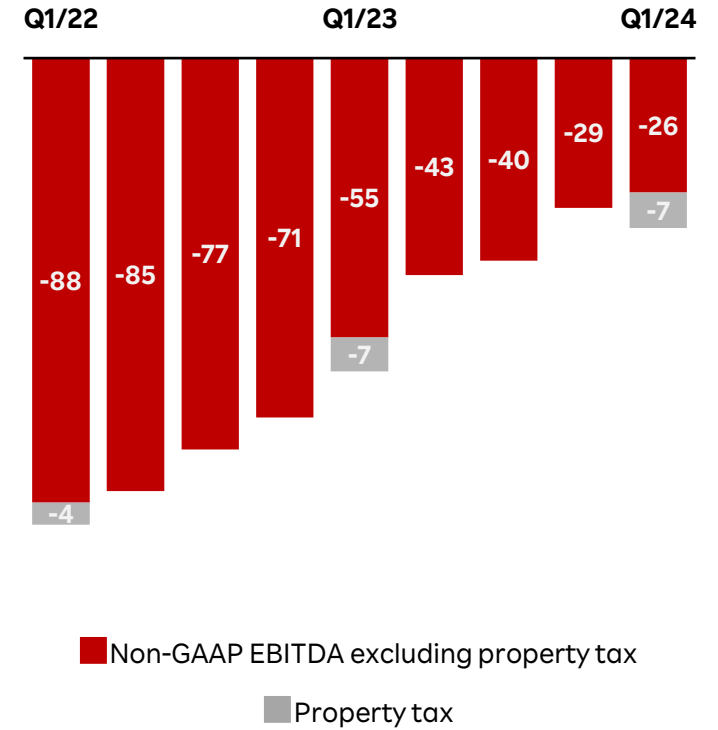
Non-GAAP Operating Income

(JPY bn)



EBITDA*2

(JPY bn)



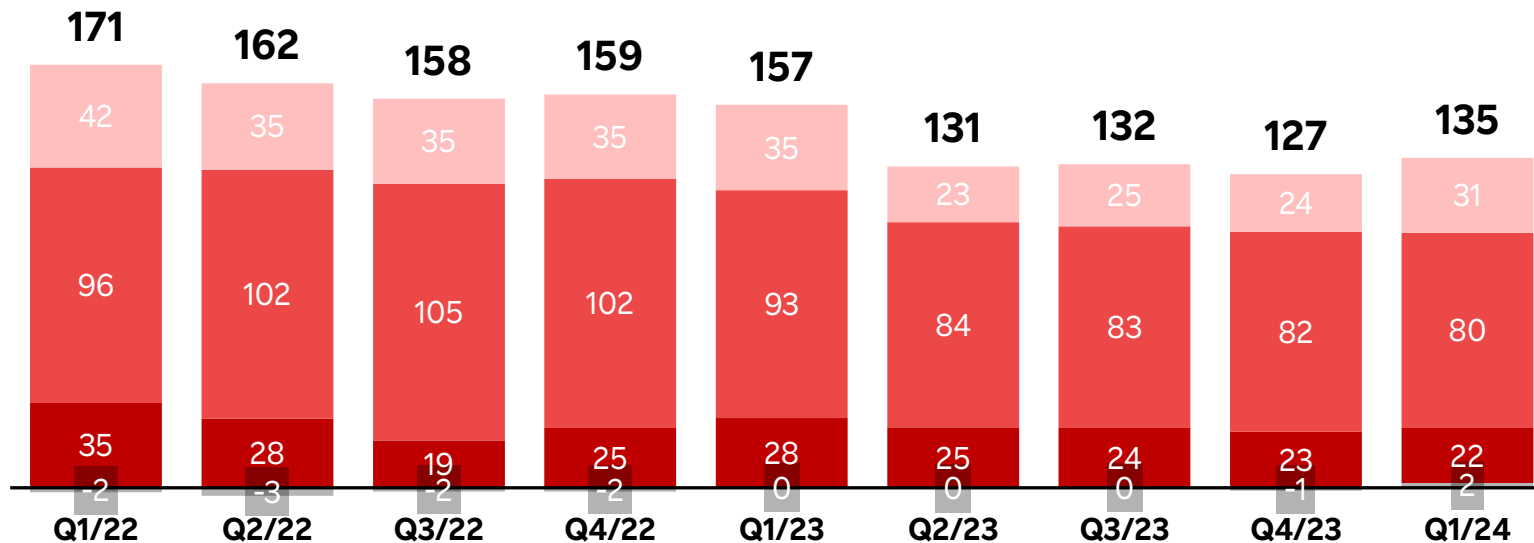
*1: MNO Service Revenue includes revenue generated from Turbo. Retroactive adjustments are also applied to past figures. *2: EBITDA = Non-GAAP OI + depreciation and amortization etc.

Rakuten Mobile, Inc. Operating Cost and Capital Expenditure

- Maintaining operating expenses (excluding depreciation and amortization) at optimized levels through the completion of network capex. Going forward, continuing to work on cost optimization
- Network-related Capex in FY2024 is scheduled to be approx. JPY 100bn

Operating Cost (including depreciation)

(JPY bn)



SG&A (Including Marketing, Shops, etc.)^{*4}

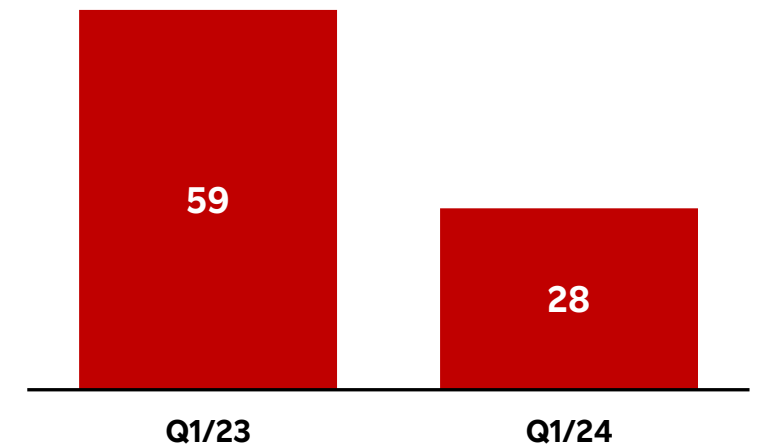
Network Cost (including Depreciation, Roaming, etc.)

COGS (including Devices, Options, Rakuten Hikari etc.)

Others (Foreign Exchange Adjustment, etc.)

Network-related Capex^{*1*2*3}

(JPY bn)

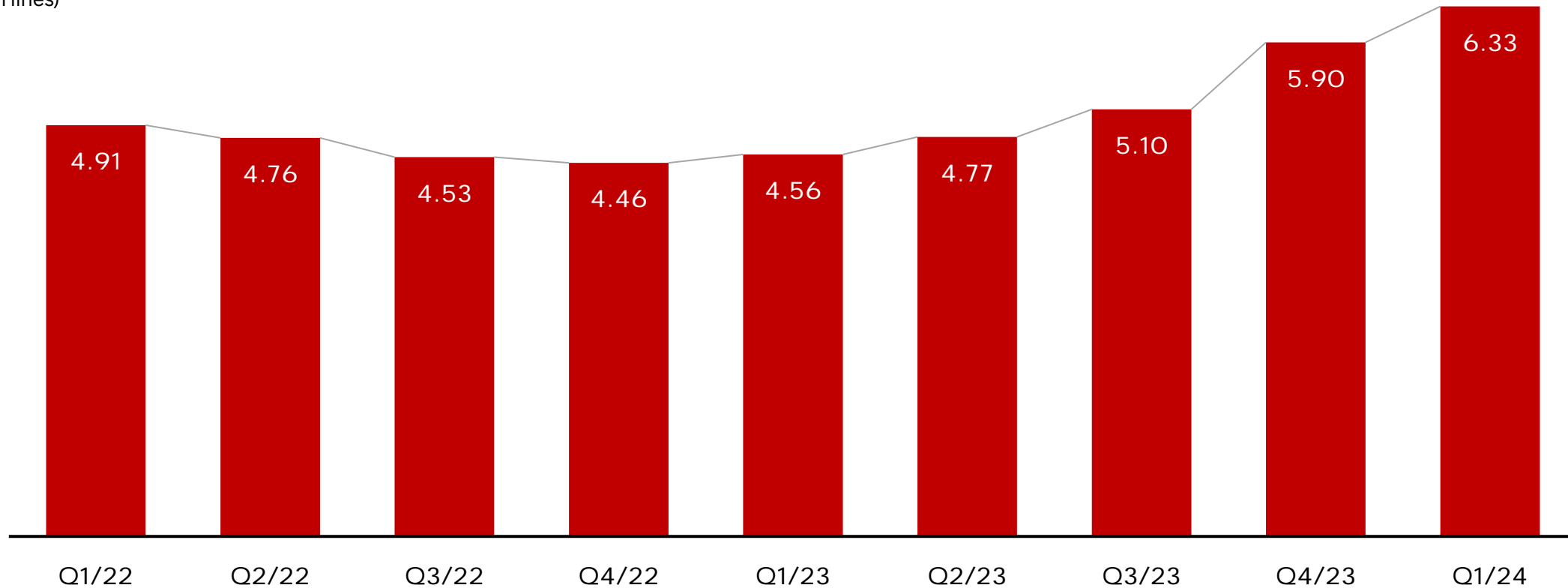


*1: Including 1.7GHz, 3.7GHz, 28GHz, and indoors and excluding IFRS16 right-of-use assets, capitalization for specified base stations opening fee for 5G 1.7 GHz, etc. *2: May be affected by the delivery status of equipment related to base station construction. *3: Platinum Band related capital expenditure is not fully included. *4: Property tax is included.

Rakuten Mobile MNO Subscribers (B2C+B2B)*

■ Subscribers increased driven by the marketing efforts during the March peak sales season etc.

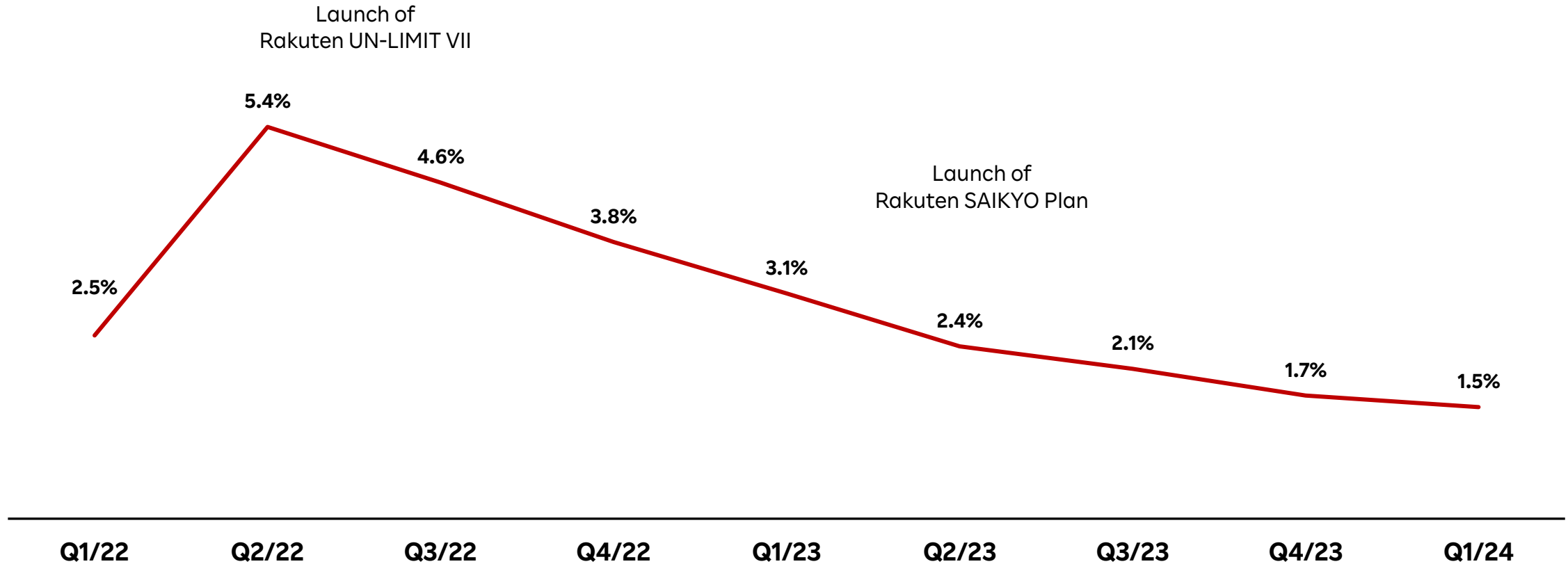
(mm lines)



*Only MNO subscribers (B2C including Rakuten Turbo + B2B excluding BCP and MVNE). MVNE is wholesale of bandwidth from Rakuten Mobile to Rakuten Communications. BCP (Business Continuity Plan) is a corporate plan sold for business continuity purposes.

Rakuten Mobile MNO Churn* (B2C+B2B)

■ Churn should decline further as network quality improves



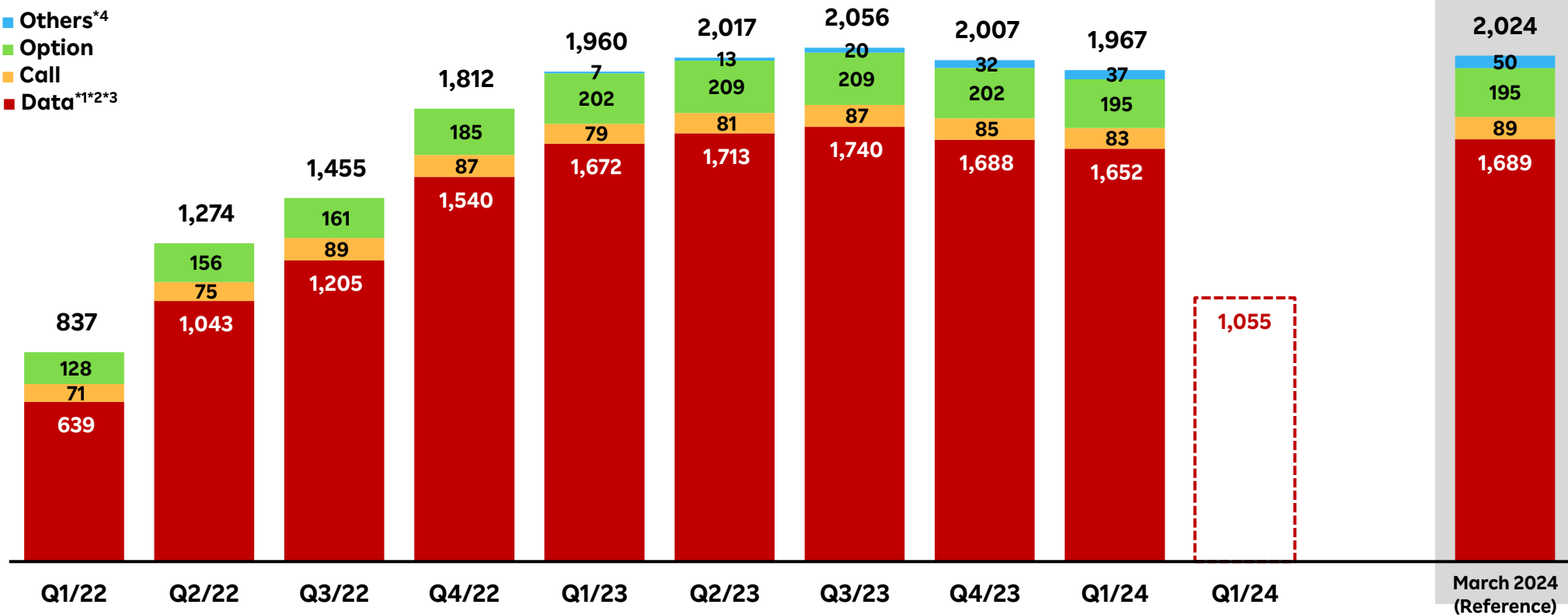
*Churn ratio = total number of churns in the most recent quarter ÷ average number of subscribers between the end of the most recent quarter and the previous quarter. Includes B2C, B2B and Rakuten Turbo, excluding BCP/MVNE. BCP refers to plans sold for Business Continuity Plan purposes in B2B.

ARPU (MNO*1)

- ARPU for both B2C and B2B rose QoQ, but the concentration of B2C and B2B contract acquisitions in the last month of Q1/24 was a temporary negative factor. Monthly ARPU in March was 2,024 yen

(JPY)

■ Others*4
■ Option
■ Call
■ Data*1*2*3

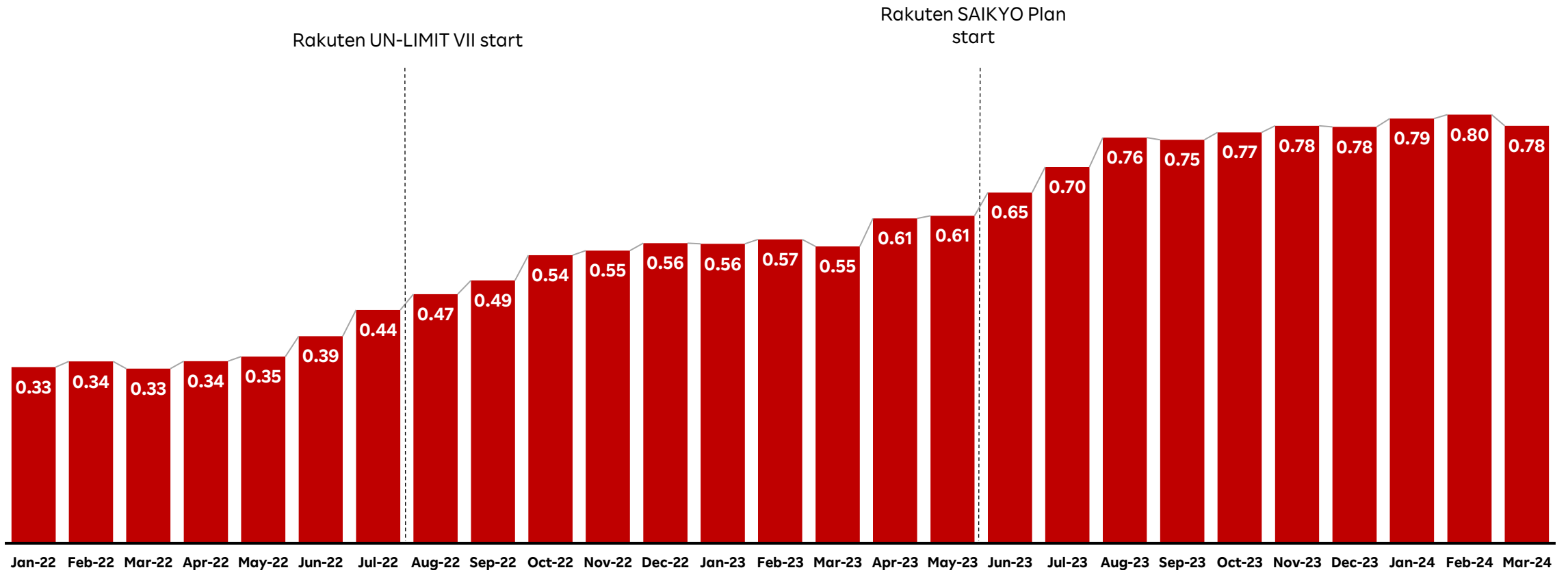


*1: Including Rakuten Turbo's subscriber lines and sales revenue. The figures have been retroactively adjusted accordingly.*2: Excluding BCP, MVNE. BCP refers to plans sold for Business Continuity Plan purposes in B2B.
 *3: Data ARPU: The point back program implemented in September-October 2022 for users consuming less than 1 GB of data was recorded as decreased sales but is included in this data ARPU calculation. *4: Including advertising and B2B miscellaneous revenues

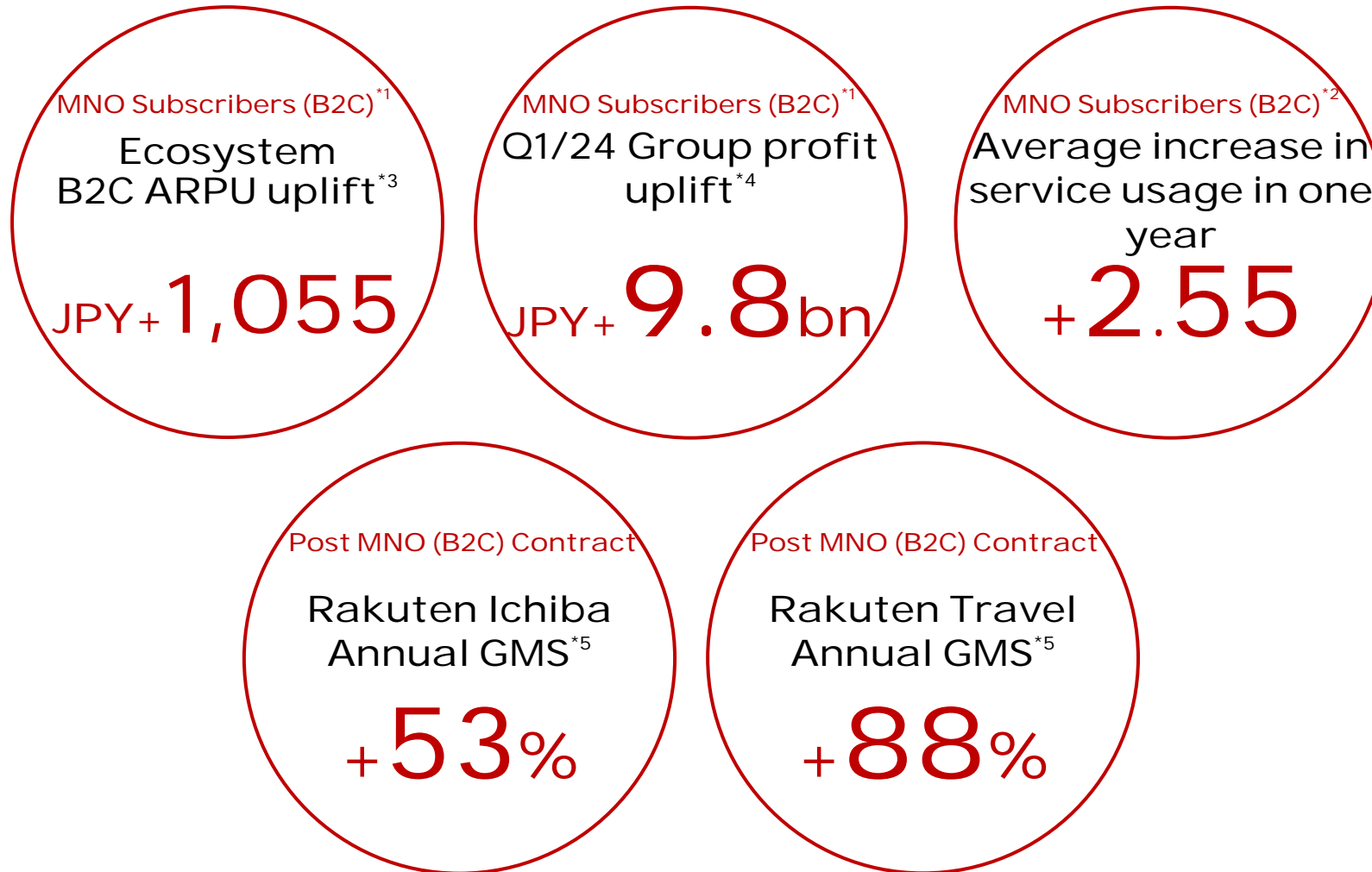
Rakuten Mobile MNO Average Data Volume (B2C)

■ Data usage in B2C is steadily increasing QoQ

Averaged data consumption volume per day (GB)



Rakuten Mobile Ecosystem Contribution



*1: MNO contracts from Mar 2020 – Mar 2024. *2: MNO contracts from Mar 2020 – Apr 2023. *3: For 16 businesses (Rakuten Ichiba, Rakuten Books, Rakuten Direct, Rakuten Bic, Rakuten Kobo, Rakuten Fashion, Rakuten Travel, Rakuten Seiyu Netsuper, Rakuten Beauty, Rakuten Pay app payment, Rakuten Pay online payment, Rakuten Card, Rakuten Bank, Rakuten Securities, Rakuten Life Insurance, Rakuten General Insurance) calculating the difference in average sales per user between non-MNO and MNO users for the most recent one-year period. Calculating the weighted average of the last 3 month's worth of increases, taking into account the number of MNO (B2C) subscribers at the end of each month *4: The sum of the monthly ecosystem ARPU uplift for each of the 16 businesses multiplied by gross profit margin rate of each business. Total monthly increase for the most recent 3 months multiplied by the number of contracted lines at the end of each month. *5: MNO contracts from Apr 2020 – Apr 2023 (users for > 1 year). Growth in GMS value: weighted average of the values comparing GMS for the 12 months before the contract and the most recent 12 months (Apr 2023 – Mar 2024) for each contract start month. Travel figures include the effects of demand recovery following the coronavirus pandemic.

Ecosystem Contribution Value

ARPU uplift for each service

Transaction-based businesses

Difference in purchase amount (GTV) between MNO and non-MNO subscribers for each service \times Take rate for each service

Other financial services

Difference in active usage between MNO and non-MNO subscribers for each service \times Average ARPU for each service

Ecosystem ARPU uplift

ARPU uplift for each service $+$ ARPU uplift for each service \dots $+$ ARPU uplift for each service **16 businesses***

*Ecosystem ARPU uplift disclosed each quarter is calculated by the weighted average of ecosystem ARPU uplift for the target three months, taking into account the number of MNO subscribers at the end of each month.

Group profit uplift

$\left\{ \left(\text{ARPU uplift for each service} \times \text{Gross profit margin for each service} \right) + \left(\quad \right) \dots + \left(\quad \right) \right\} \times \text{Number of MNO (B2C) subscribers at end of each month}$ **16 businesses***

*Gross profit uplift disclosed each quarter is the total increase in group profit for the applicable three months.

*16 businesses are Rakuten Ichiba, Rakuten Books, Rakuten Direct, Rakuten Bic, Rakuten Kobo, Rakuten Fashion, Rakuten Travel, Rakuten Seiyu Net Super, Rakuten Beauty, Rakuten Pay app payments, Rakuten Pay online payments, Rakuten Card, Rakuten Bank, Rakuten Securities, Rakuten Life Insurance, and Rakuten General Insurance.

Rakuten Mobile Owned and Roaming Frequency Bands

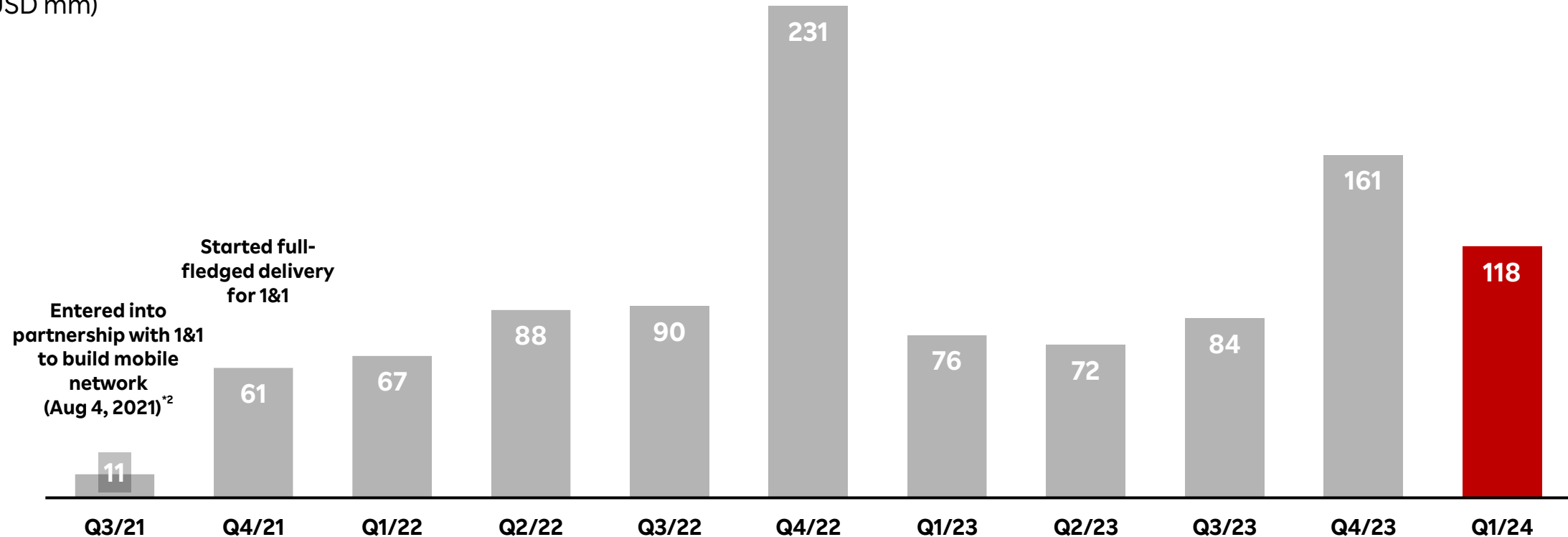
| Spectrum | | Status | Bandwidth |
|----------|--|--|---|
| 4G | 1.7GHz | Allocated | 40MHz Up : 1,730 – 1,750MHz Down : 1,825 - 1,845MHz |
| | 700MHz | Allocated in October 2023 Radio wave testing started in April 2024 Scheduled to be on-air sequentially after the start of commercial service | 6MHz Up : 715 - 718MHz Down : 770 - 773MHz |
| | Reference: Roaming | Roaming provided by KDDI (until September 30, 2026) | |
| | Reference: Including 800/900MHz | Rakuten Mobile can decide when to submit application for frequency allocation | Multiple bandwidths allocated to existing licensees |
| 5G | 1.7GHz (Other than Tokyo, Nagoya, Osaka) | Allocated | 40MHz Up : 1,765 – 1,785MHz Down : 1,860 - 1,880MHz |
| | 3.7GHz (Sub6) | Allocated | 100MHz Up and Down total: 3,800 - 3,900MHz |
| | 28GHz (mmW) | Allocated | 400MHz Up and Down total : 27.0 - 27.4GHz |

*Further extension of roaming offer period will be decided after consultation between KDDI and Rakuten Group.

Rakuten Symphony Revenue

- Deliveries continued to progress for existing global customers but with more focus on anchor clients
- Revenue tends to be volatile due to timing of deliveries to clients etc.
- On December 8, 2023, 1&1 and Rakuten launched Europe's first Open RAN mobile service^{*1}

(USD mm)

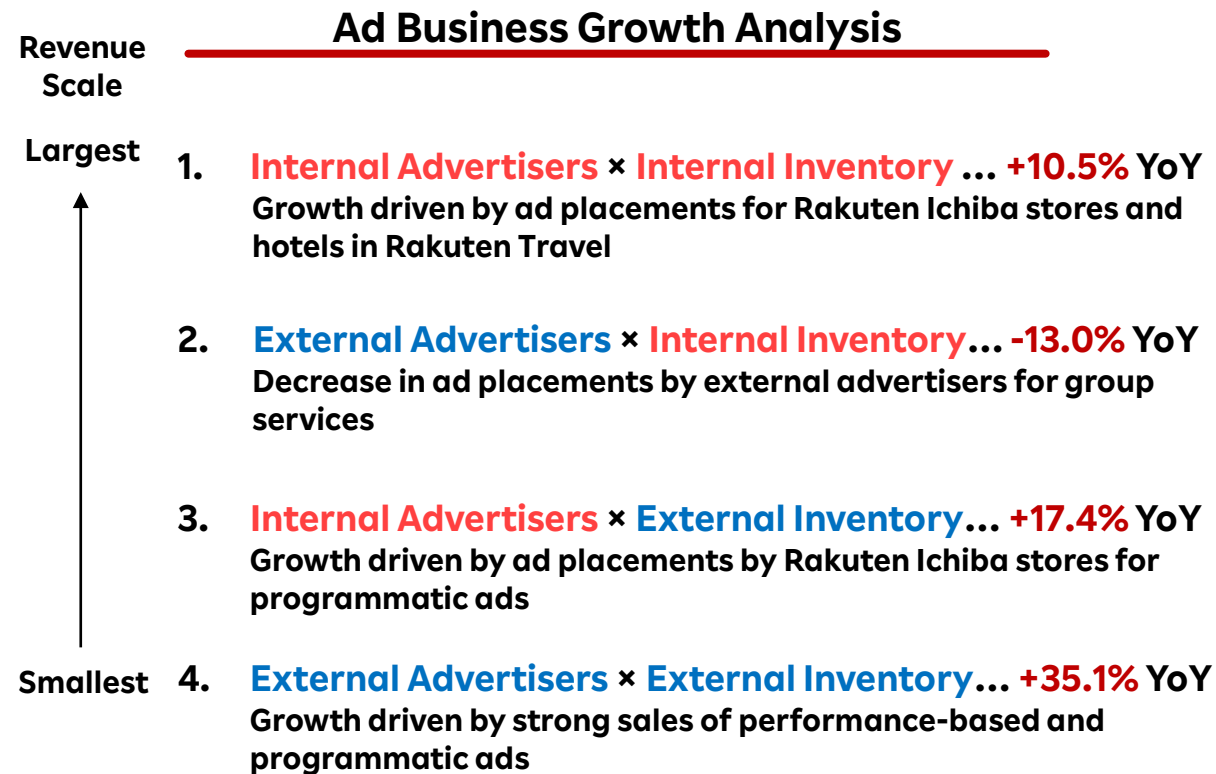
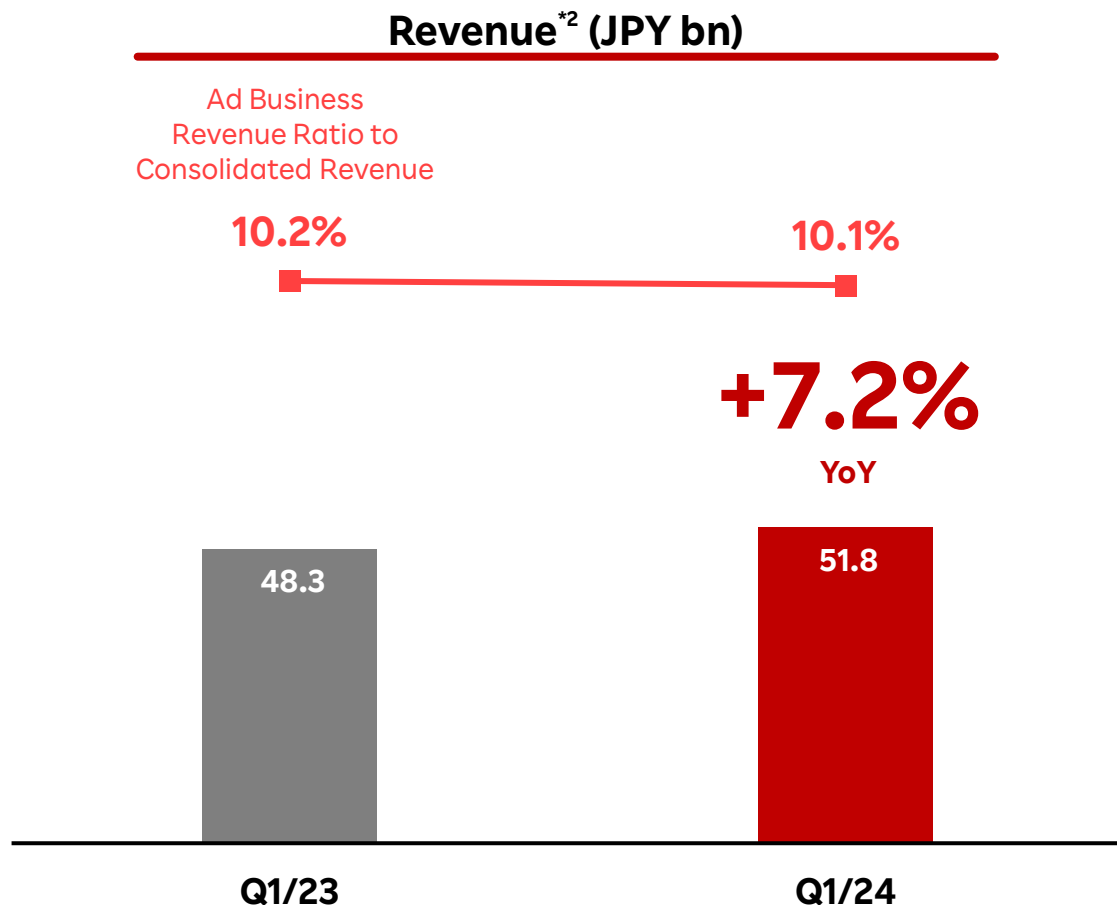


*1: [Europe's first Open RAN is fully functional - Rakuten and Mavenir are technology partners in 1&1's cloud-native mobile network](#)

*2: [1&1 and Rakuten agree far-reaching partnership to build Europe's first fully virtualized mobile network based on new OpenRAN technology](#)

Ad Business

Ad Business*1 Financial Results

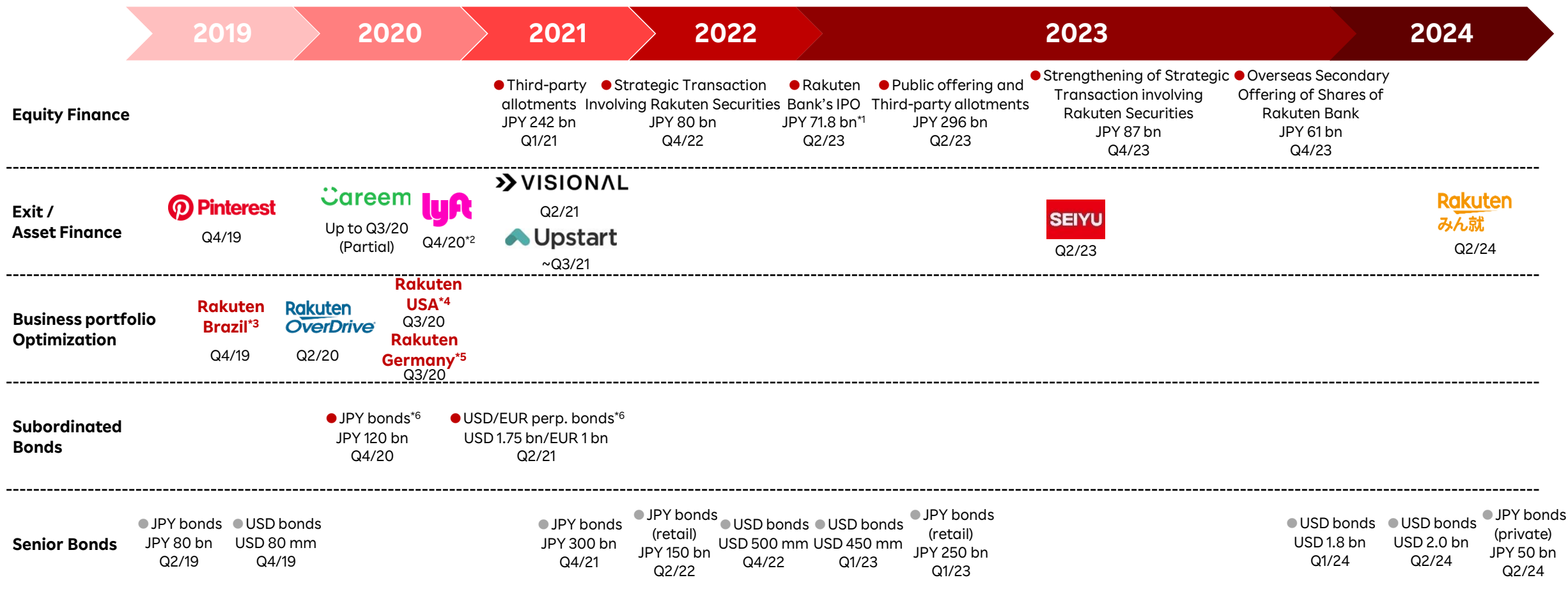


Internal Advertisers: Merchants in Rakuten Ichiba, facilities in Rakuten Travel, etc.
 External Advertisers: Advertisers such as major brands and manufacturers
 Internal Inventory: Ad spots on Rakuten Group websites, apps, etc.
 External Inventory: Ad spots on websites and apps etc. that are outside of Rakuten Group

*1: Aggregates advertising revenues from domestic operating entities. The advertising business outside of Japan is included in the "Other Internet Services" segment. *2: Total domestic advertising revenue recorded in each segment (Internet Services, FinTech, Mobile), including internal transactions.

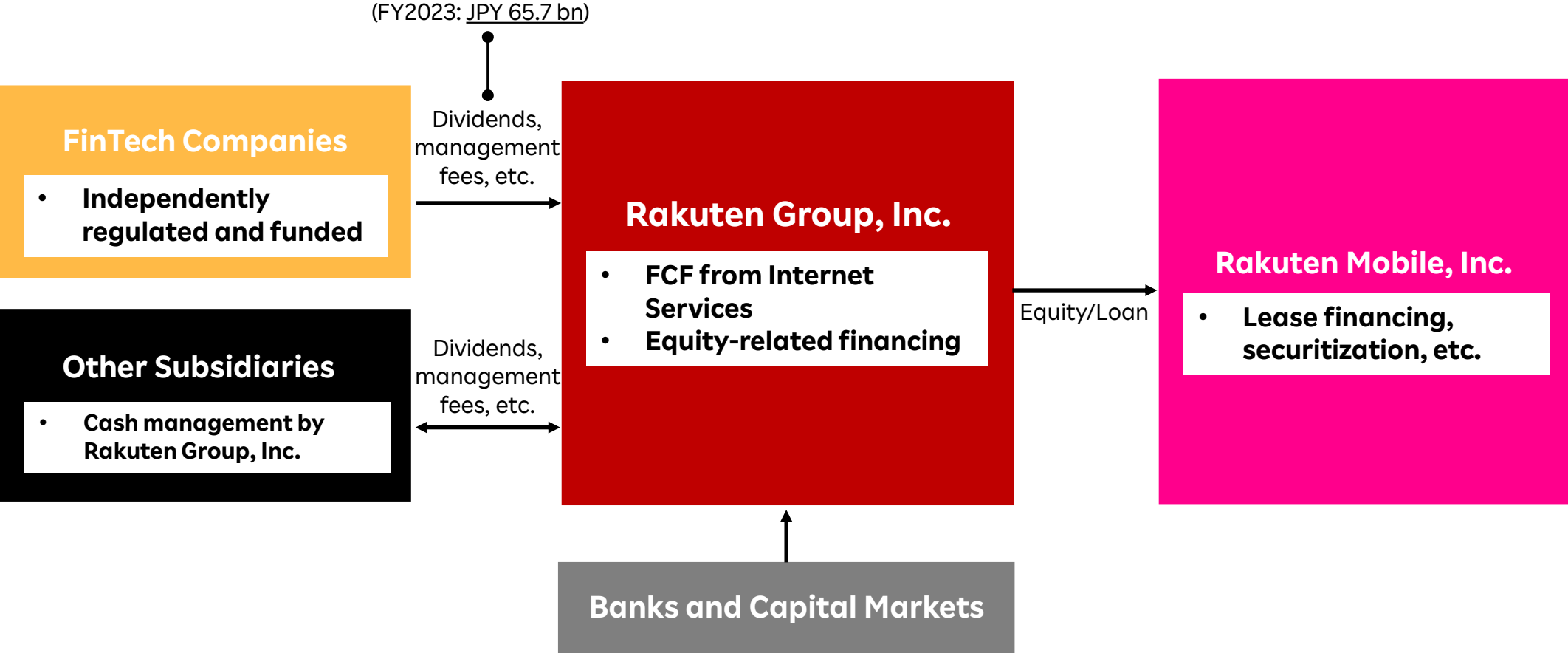
4. Finance

Diversifying Financing Sources including Equity, Asset Financing and Bonds



*1: On April 13, 2023, Rakuten Bank, Ltd. priced its global IPO for JPY 1,400 per share. We sold 53,951,300 shares of Rakuten Bank through the IPO. Based on net proceeds. *2: Monetization of Lyft shares using collar transaction (variable prepaid forward sales). *3: Sale of E-commerce business (GenComm). *4: Exit of Marketplace business (formerly Buy.com) in the United States and switch to an open E-Commerce model (Rakuten Rewards). *5: Exit of Marketplace business in Germany and consolidation into membership-based online reward sites in the United Kingdom, Spain and Germany. *6: 50% equity credit from S&P, R&I and JCR. USD/EUR perp. subordinated bonds are treated as 100% equity under IFRS.

Rakuten Mobile Funding Flow



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