

FY2024 Second Quarter Consolidated Financial Results Appendix

August 9, 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/24Q2Datasheet.xlsx>.

Executive Summary

Consolidated Results

- Revenues increased across all segments, including Internet Services, FinTech, and Mobile, resulting in record Q2 revenue of JPY 537.3bn (+8.1% YoY)
- In addition to higher revenue, Non-GAAP Operating Loss improved by JPY 27.6bn YoY to JPY 11.8bn due to higher profitability at Domestic EC Growth Investment Businesses and overseas businesses, strength in various FinTech businesses, and an improvement in losses at Rakuten Mobile. Making steady progress toward achieving annual profitability
- EBITDA* jumped to JPY 66.8bn (+98.6% YoY), an important KPI to evaluate cash flow generation ability of business activities

Finance Activities

- Liquidity gap up to end of 2025 eliminated through foreign bond issuance in the first half of 2024
- Self-funding for Rakuten Mobile is established by lease financing for this business
- Rakuten Mobile has secured the funds it needs for the near future, which improved Rakuten Group's liquidity, enabling us to use cash flow from Internet Services, FinTech, and other businesses to reduce its interest-bearing debt

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

Executive Summary

Internet Services

- Segment revenue: JPY 303.9bn (+3.1% YoY), Non-GAAP OI: JPY 18.9bn (+30.3% YoY), achieving increases in both revenue and profit
- Domestic EC GMS: JPY 1.4tn (-4.8% YoY), due to a high YoY hurdle at Rakuten Travel on nationwide travel support that partially ended in July 2023, and the SPU revisions implemented in December 2023. However, excluding these impacts, it maintained positive growth with +3.1%* YoY
- Rakuten Ichiba GMS grew steadily QoQ. Despite a high YoY hurdle in Q3 due to last-minute demand following the change in hometown tax donation rules (from October 2023), GMS should turn positive YoY from Q4 onwards, and we aim for GMS growth YoY overall for FY2024
- Logistics, which is a Growth Investment Business for Domestic EC, profitability improved through operational improvements and optimization of pricing
- Overseas businesses saw number of users for each service increasing steadily, and the four content businesses (Rakuten Viber, Rakuten Viki, Rakuten Kobo, and Rakuten TV) combined achieved operating profit

*Based on internal estimation

Executive Summary

FinTech

- **Segment revenue: JPY 202.7bn (+12.0% YoY), Non-GAAP OI: JPY 42.3bn (+28.1% YoY).** The customer base and transaction value continued to expand in each business
- Rakuten Card: Shopping GTV increased due to the expansion of card members and average customer spending. **Q2/24 Shopping GTV: JPY 5.9tn (+13.9% YoY)**, contributing to increased segment revenue. Combined with increased operating leverage through marketing optimization and the maintenance of low levels of bad debt-related expenses, Rakuten Card achieved **double-digit profit growth**
- Rakuten Bank: Ongoing success in acquiring new accounts by leveraging group synergies. **Number of accounts: 15.87 million (as of end of June, +12.9% YoY)**. As more customers use these accounts as their main accounts or for daily living, the **deposit balance also increased, reaching JPY 10.9tn* (as of end of June, +15.3% YoY)**. **Steady accumulation of managed assets led to a large increase in interest income**, resulting in significant increases in both revenue and profit
- Rakuten Securities: **Record high revenue**, thanks to the continued expansion of its customer base and strong performance in various transactions. **Number of general securities accounts: exceeded 11.33 million accounts (+22.7% YoY) as of end of June**. Profits also increased QoQ, exceeding the figure for the quarter immediately prior to the introduction of free commissions
- Rakuten Payment: Increased revenue due to an **expansion in transaction value**, mainly at Rakuten Pay and Rakuten Cash. By achieving revenue growth while maintaining a lean operating structure, achieved an **operating profit for the second consecutive quarter**

*J-GAAP basis

Executive Summary

Mobile

- Segment revenue: JPY 95.0bn (+18.6% YoY), Non-GAAP OI: JPY -60.6bn (+JPY 21.8bn YoY)
- Rakuten Mobile, Inc. revenue: JPY 67.9bn (+29.9% YoY) due to an increase in number of subscribers and an increase in ARPU. Combined with the effects of ongoing cost reductions, Non-GAAP OI: JPY -59.5bn (+JPY 19.4bn YoY), EBITDA^{*1} JPY -20.2bn (+JPY 22.6bn YoY)
- Due to the growth in the number of subscribers, mainly B2C, on strong acquisitions via the Rakuten Ecosystem, MNO subscribers^{*2} exceeded 6.88 million subscribers as of Q2/24. The churn ratio also continued to decrease to an adjusted MNO churn rate^{*3} of 1.04% (as of Q2/24)
- **Commercial platinum band service** began on June 27, 2024. In addition to continuing to expand Rakuten Mobile 4G and 5G base stations, continuing to take various steps to improve network quality, such as expanding 5G area coverage by mitigating interference with satellite communications
- MNO ARPU^{*4} steadily increasing for both B2C and B2B, especially driven by data ARPU, led by growth in proportion of B2C subscribers. Q2/24 ARPU: 2,021 yen, +55 yen QoQ

*1: EBITDA = Non-GAAP OI + depreciation and amortization etc. *2: B2C and B2B, excluding MVNE and contracts. Preliminary figures. *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.

Appendix Contents

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4 Finance

1. Ecosystem KPIs

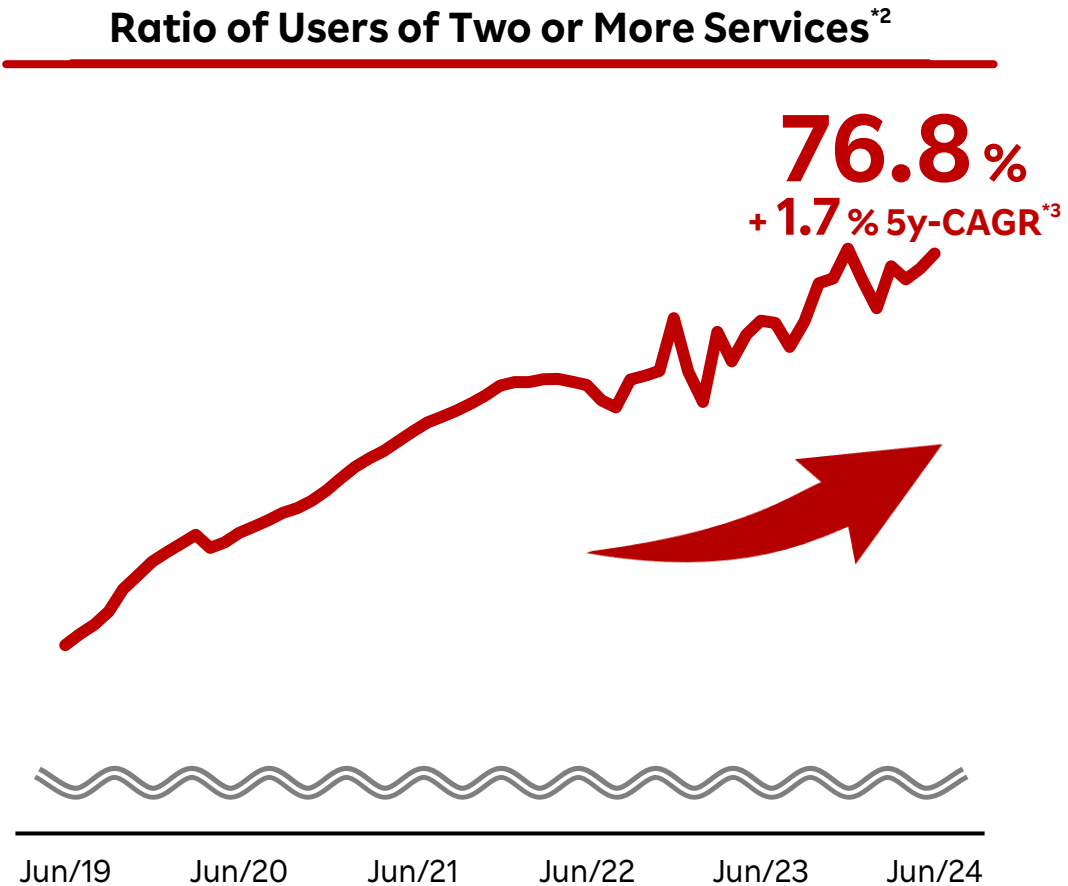
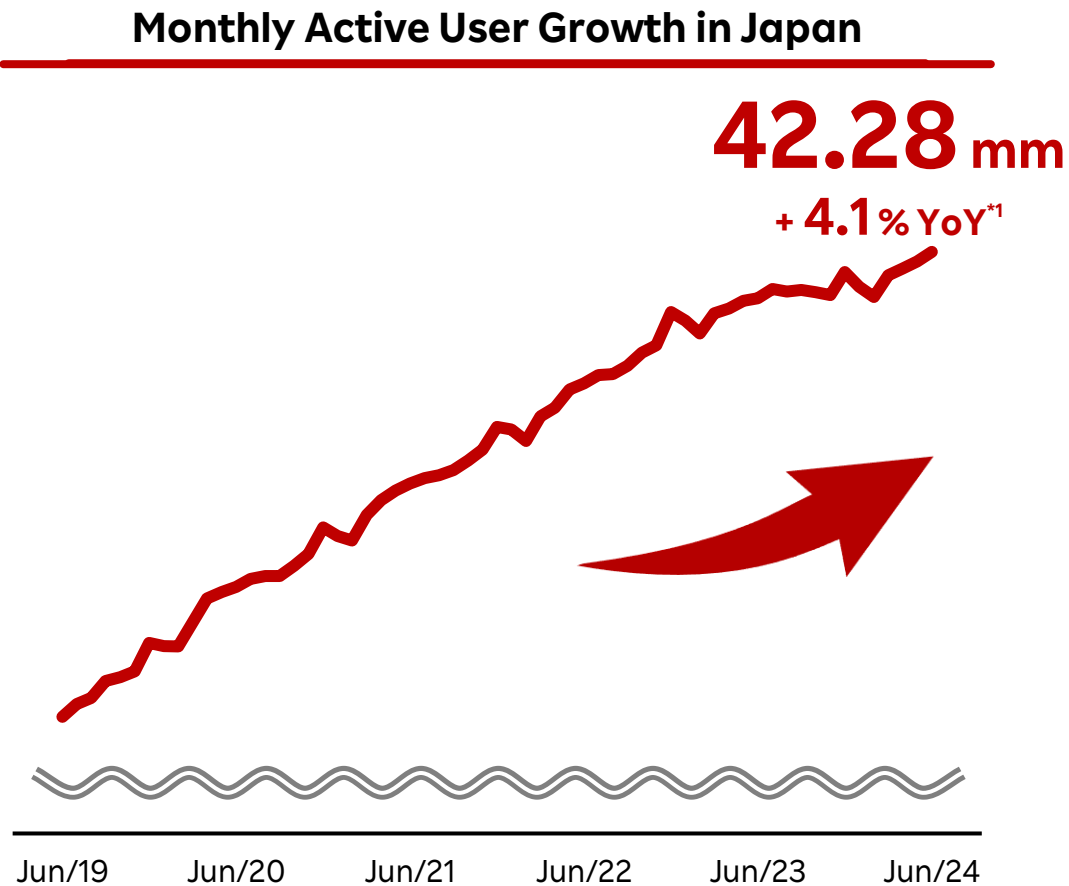
Rakuten Ecosystem Services Line-Up (Excerpt)

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

Internet Services Segment		FinTech Segment			Mobile Segment	
Internet Services	Overseas Businesses	Payment	Insurance	Securities	Bank	Mobile
<div>Rakuten <small>(Rakuten Ichiba)</small></div> <div>Rakuten Travel</div> <div>Rakuten Rakuma</div> <div>Rakuten GORA</div> <div>Rakuten Fashion <small>Rakuten</small></div>	<div>Rakuten <small>(Rakuten Rewards)</small></div> <div>Rakuten kobo</div> <div>Rakuten Viber</div> <div>Rakuten Advertising</div> <div>Rakuten Viki</div> <div>Rakuten TV</div>	<div>Rakuten Card</div> <div>R Pay</div> <div>R POINT</div> <div>R Edy</div>	<div>Rakuten 楽天生命 <small>(Rakuten Life Insurance)</small></div> <div>Rakuten 楽天損保 <small>(Rakuten General Insurance)</small></div>	<div>Rakuten Securities</div> <div>Rakuten Wallet</div>	<div>Rakuten Bank</div>	<div>Rakuten Mobile</div> <div>Rakuten Symphony</div>

*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

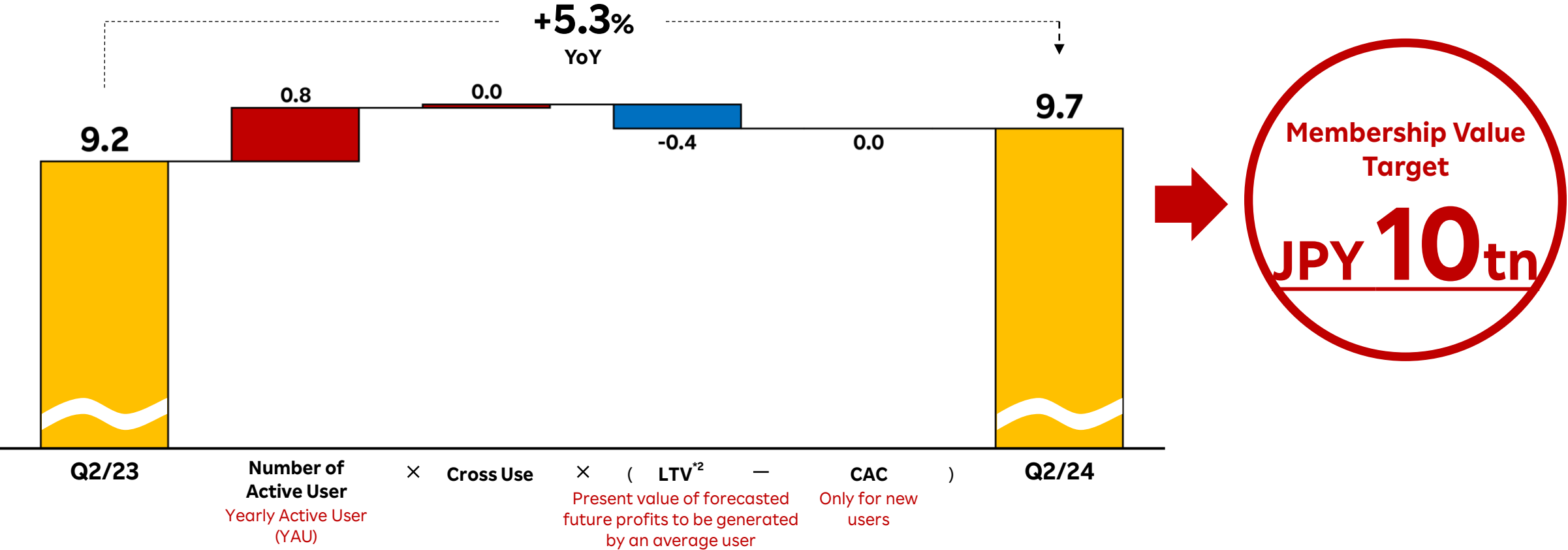


^{*1}: Comparison of monthly active users in June 2024 versus June 2023. ^{*2}: Percentage calculated by dividing the number of users of two or more services in the past 12 months by the number of users of all services in the past 12 months. (As of the end of June 2024. Limited to the use of services that can earn Rakuten Points.) ^{*3}: Calculated using monthly use ratio from June 2019 to June 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

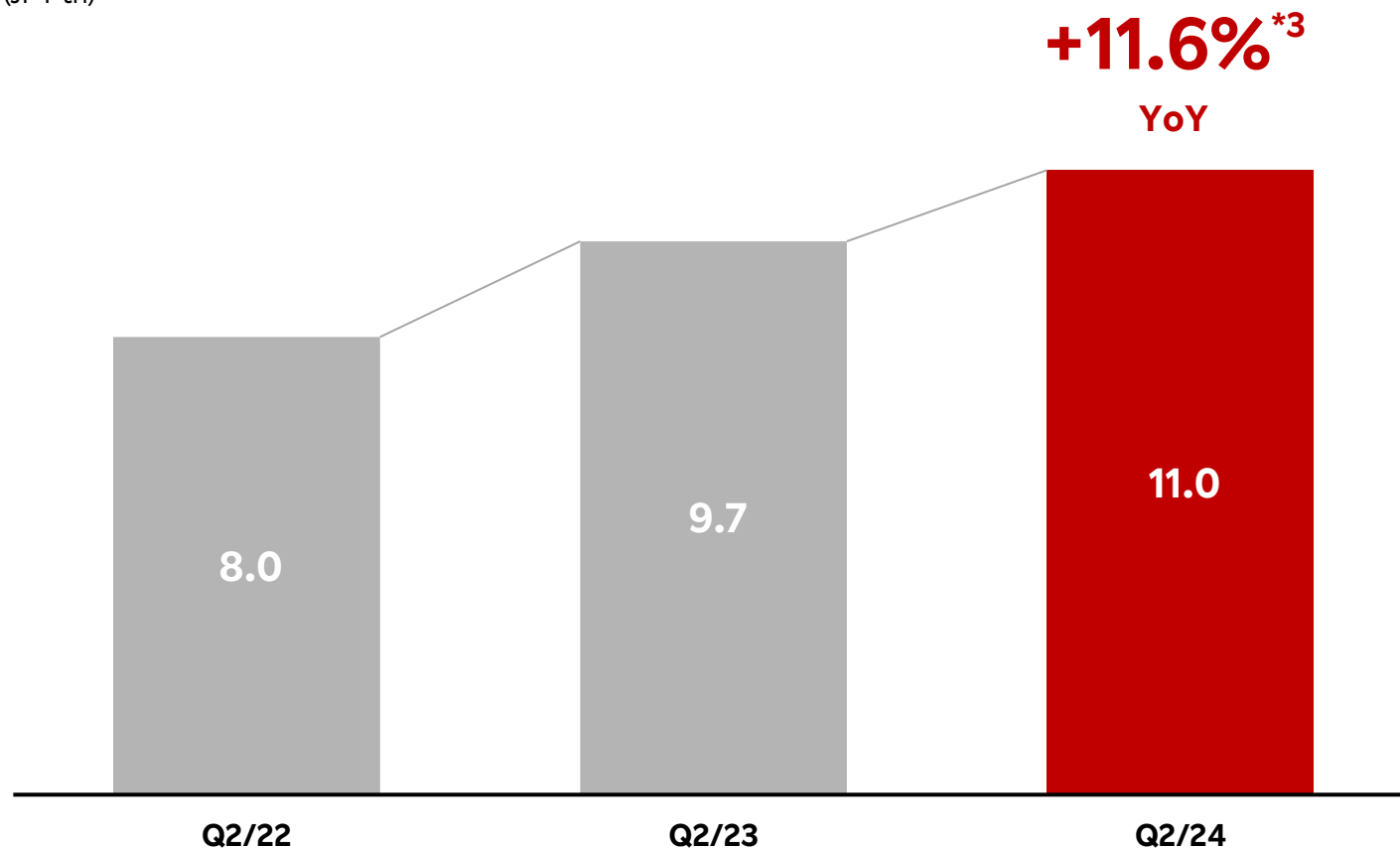
(JPY tn)



^{*1}: Calculated by Rakuten Group (KPI calculated internally). ^{*2}: LTV = Lifetime Value. $LTV = \sum (ARPU \times Profit\ Rate^{\ast 3} \times Retention\ Rate) \div (1 + Discount\ Rate)^{K-1}$ ①K is Projection Years ②ARPU = Revenue/YAU
^{*3}: Profit Rate = {(Revenue x Marginal profit ratio) - Retention cost^{*4}} ÷ 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)



LTM Total Global GTV
JPY **42.3**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

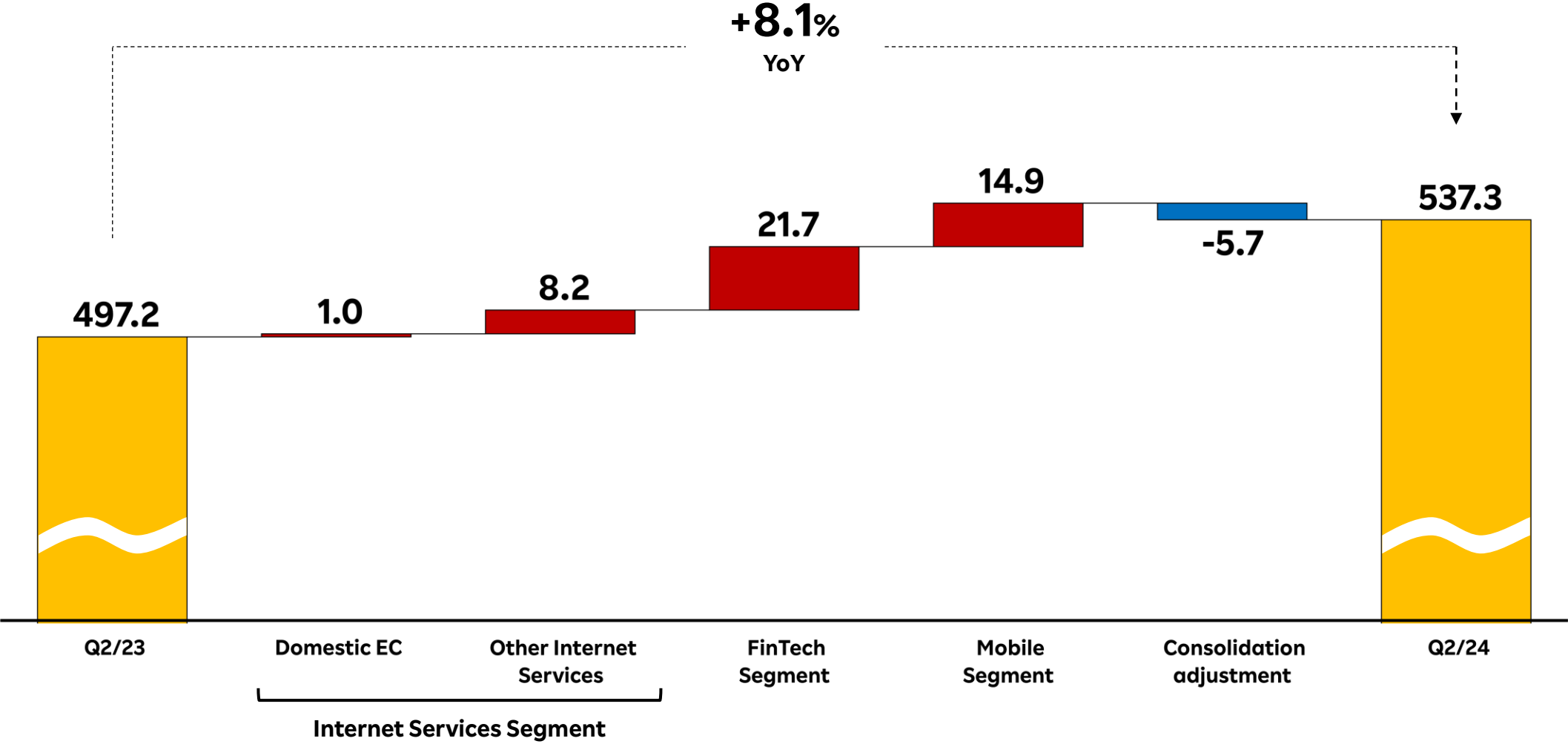
Consolidated Financial Results Summary^{*1}

(JPY bn, rounded)		Q2/23	Q2/24	YoY
Consolidated Revenue		497.2	537.3	+8.1%
	Internet Services Segment	294.7	303.9	+3.1%
	FinTech Segment	181.0	202.7	+12.0%
	Mobile Segment	80.1	95.0	+18.6%
	Adjustments	-58.6	-64.3	-5.7
Non-GAAP Operating Income (Loss)		-39.4	-11.8	+27.6
	<i>(Reference only: Excluding Mobile Segment & Minority Investment Business)</i>	<i>45.6</i>	<i>50.8</i>	<i>+11.3%</i>
	Internet Services Segment	14.5	18.9	+30.3%
	FinTech Segment	33.0	42.3	+28.1%
	Mobile Segment	-82.4	-60.6	+21.8
	Adjustments	-4.5	-12.3	-7.8
Amortization of Intangible Assets		-2.2	-1.9	+0.2
Stock Based Compensation		-3.9	-3.9	-0.0
One-Off Items		-3.4	-0.6	+2.8
IFRS Operating Income (Loss)		-48.9	-18.3	+30.6
EBITDA^{*2}		33.6	66.8	+98.6%
	Internet Services Segment	23.8	28.6	+19.9%
	FinTech Segment	47.3	58.0	+22.7%
	Mobile Segment	-44.0	-18.7	+25.3
	Adjustments	6.5	-1.1	-7.6

*1: Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Services 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*

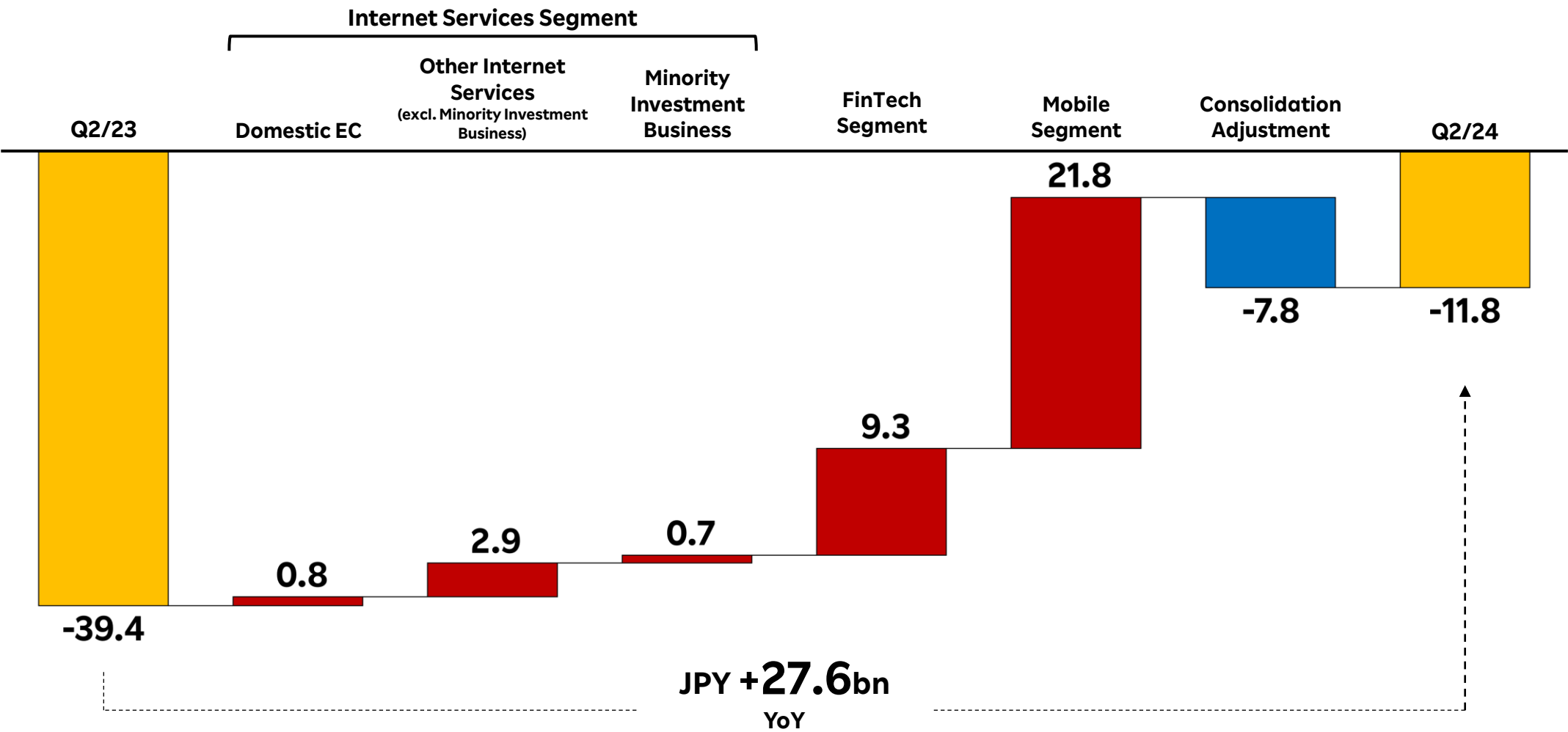
(JPY bn)



*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Services 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*

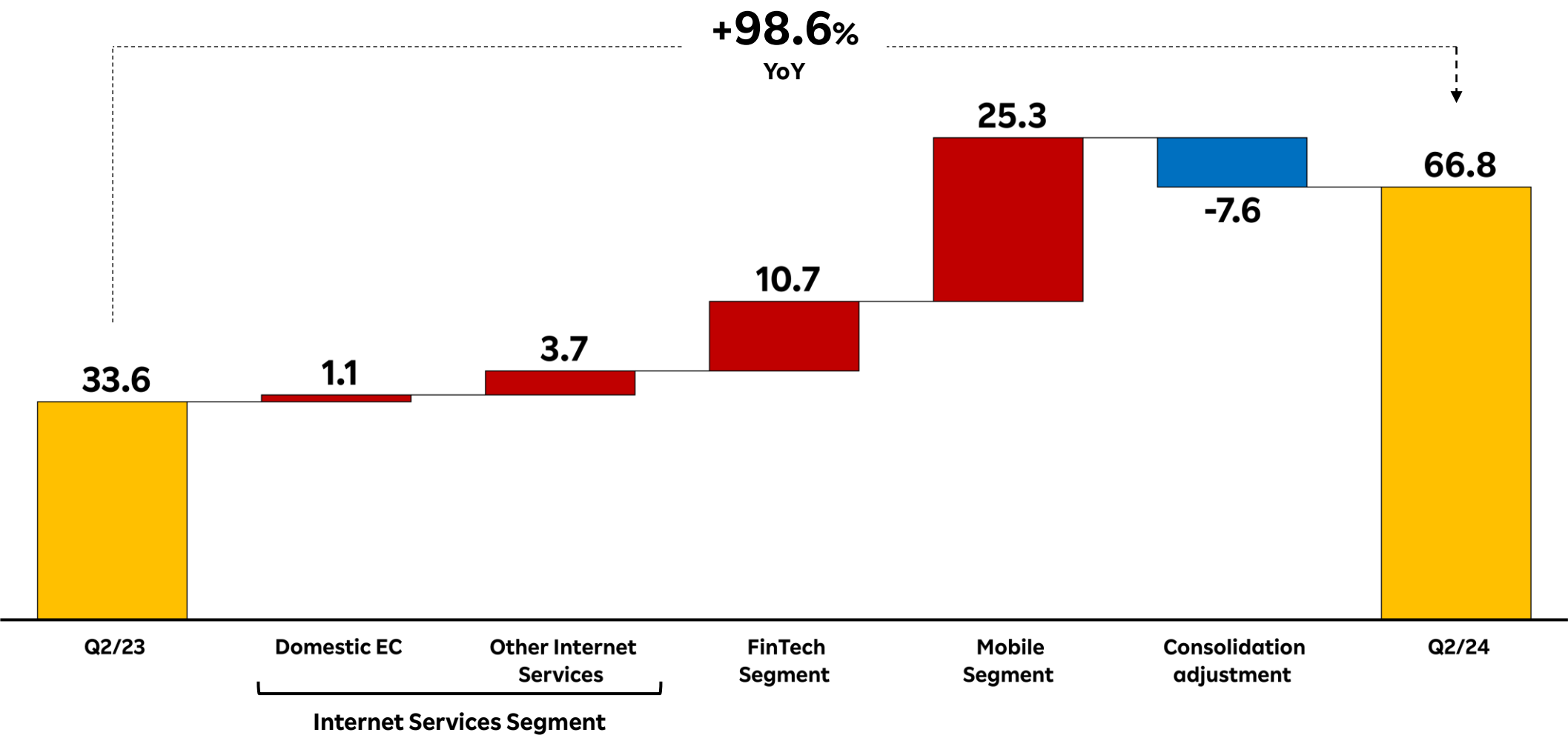
(JPY bn)



*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Services 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)

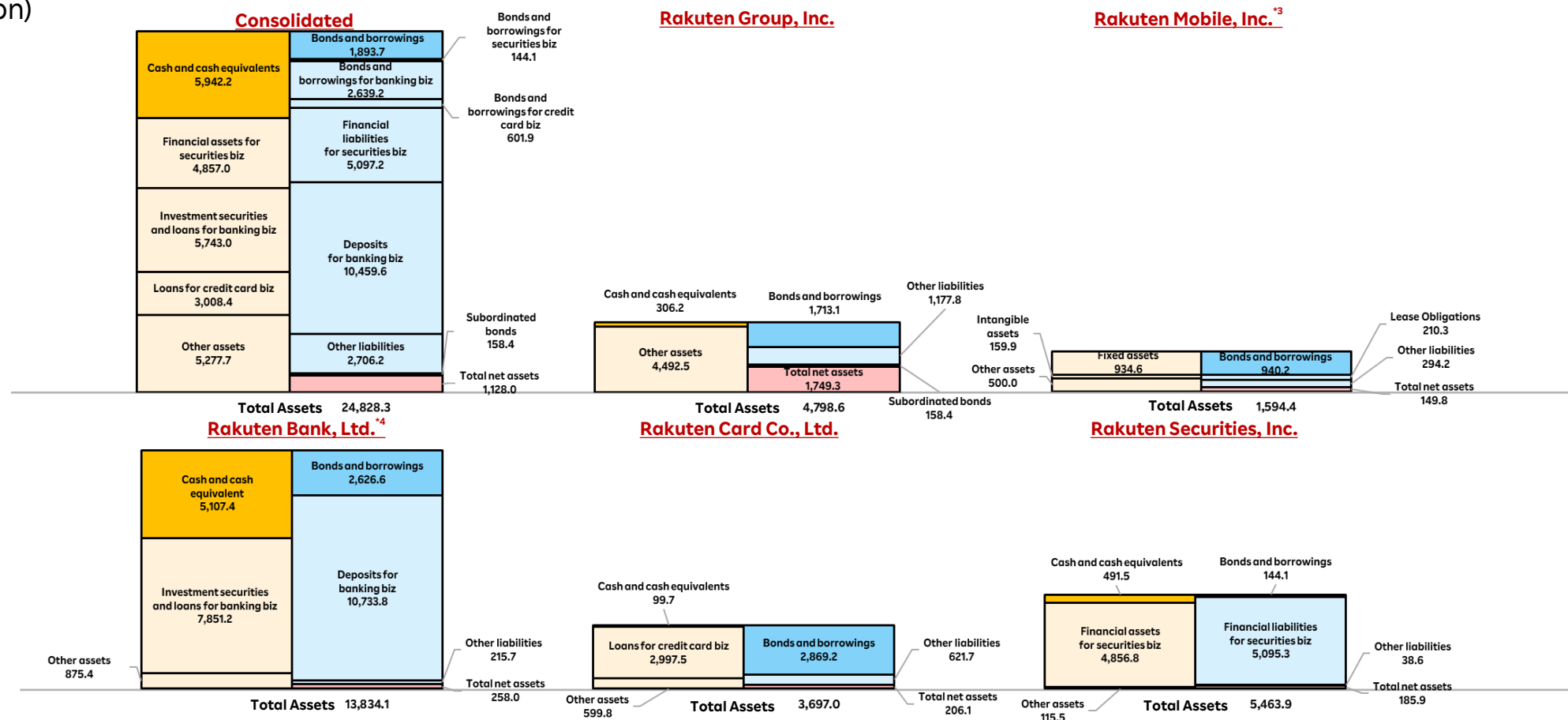


^{*1}: Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Services segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible. ^{*2}: EBITDA =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

Consolidated and Major Subsidiaries' Balance Sheets – As of June 30, 2024^{*1*2}

※Non-consolidated balance sheets include internal transactions

(JPY bn)



*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 June 30, 2024

(JPY bn, rounded)	Q1/24	Q2/24	QoQ
Rakuten Group, Inc. (Consolidated)			
Total Assets	23,851.1	24,828.3	+4.1%
Cash and Equivalents ^{*1}	5,369.1	5,942.2	+10.7%
Financial Assets for Securities Business	4,910.2	4,857.0	-1.1%
Investment Securities and Loans for Banking Business	5,312.8	5,743.0	+8.1%
Loans for Credit Card Business	2,957.6	3,008.4	+1.7%
Other Assets	5,301.3	5,277.7	-0.4%
Total Liabilities	22,739.2	23,700.2	+4.2%
Bonds and Borrowings ^{*2}	1,764.7	2,052.1	+16.3%
Subordinated Bonds	158.3	158.4	+0.0%
Borrowings for Securities Business	154.6	144.1	-6.8%
Bonds and Borrowings for Credit Card Business	598.3	601.9	+0.6%
Borrowings for Banking Business	2,580.2	2,639.2	+2.3%
Deposits for Banking Business	9,952.7	10,459.6	+5.1%
Financial Liabilities for Securities Business	4,956.6	5,097.2	+2.8%
Other Liabilities	2,732.2	2,706.2	-1.0%
Total Net Assets	1,111.8	1,128.0	+1.5%
Total Liabilities and Equity	23,851.1	24,828.3	+4.1%

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

Consolidated and Major Subsidiaries' Balance Sheets (2) – As of June 30, 2024^{*1*2}

(JPY bn, rounded)	Q1/24	Q2/24	QoQ
Rakuten Group, Inc. (Non-consolidated) *Including internal transactions			
Total Assets	4,435.2	4,798.6	+8.2%
Cash and Equivalents	333.3	306.2	-8.1%
Other Assets	4,102.0	4,492.5	+9.5% ^{*3}
Total Liabilities	2,677.3	3,049.3	+13.9%
Bonds and Borrowings	1,566.0	1,871.5	+19.5%
Debt from External Financial Institutions	1,537.6	1,842.7	+19.8%
Subordinated Bonds	158.3	158.4	+0.0%
Internal Transactions	28.4	28.8	+1.4%
Other Liabilities	1,111.3	1,177.8	+6.0%
Total Net Assets	1,758.0	1,749.3	-0.5%
Total Liabilities and Equity	4,435.2	4,798.6	+8.2%

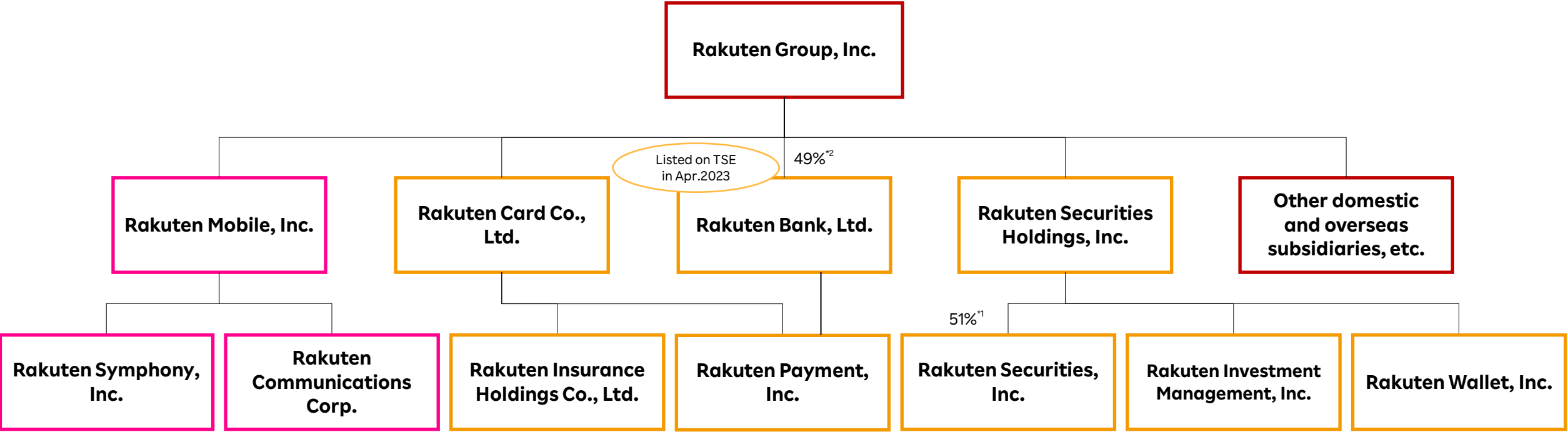
(JPY bn, rounded)	Q1/24	Q2/24	QoQ
Rakuten Mobile, Inc.			
Total Assets	1,642.8	1,594.4	-2.9%
Fixed Assets	950.2	934.6	-1.6%
Intangible Assets	182.6	159.9	-12.4%
Other Assets	510.0	500.0	-2.0%
Total Liabilities	1,544.7	1,444.6	-6.5%
Loans, Lease Finance, and Others	993.3	940.2	-5.4%
Debt from External Financial Institutions	227.1	209.3	-7.8%
Internal Transactions	766.3	730.8	-4.6%
Lease Obligations	213.3	210.3	-1.4%
Other Liabilities	338.1	294.2	-13.0%
Total Net Assets	98.1	149.8	+52.8%
Total Liabilities and Equity	1,642.8	1,594.4	-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: In order to make effective use of cash on hand, increased allocation of some cash and deposits to short-term operations

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



Kazunori Takeda

President of
Commerce & Marketing
Company

FinTech



Segment Leader

Masayuki Hosaka

President of FinTech
Group Company



Vice Segment Leader

Hiroshi Takasawa^{*2}

Senior Vice President of
FinTech Group Company

Mobile



Segment Leader

Kentaro Hyakuno

COO
President of
Communications & Energy
Company



Sharad Sriwastawa

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



Kazuhiro Suzuki^{*3}

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



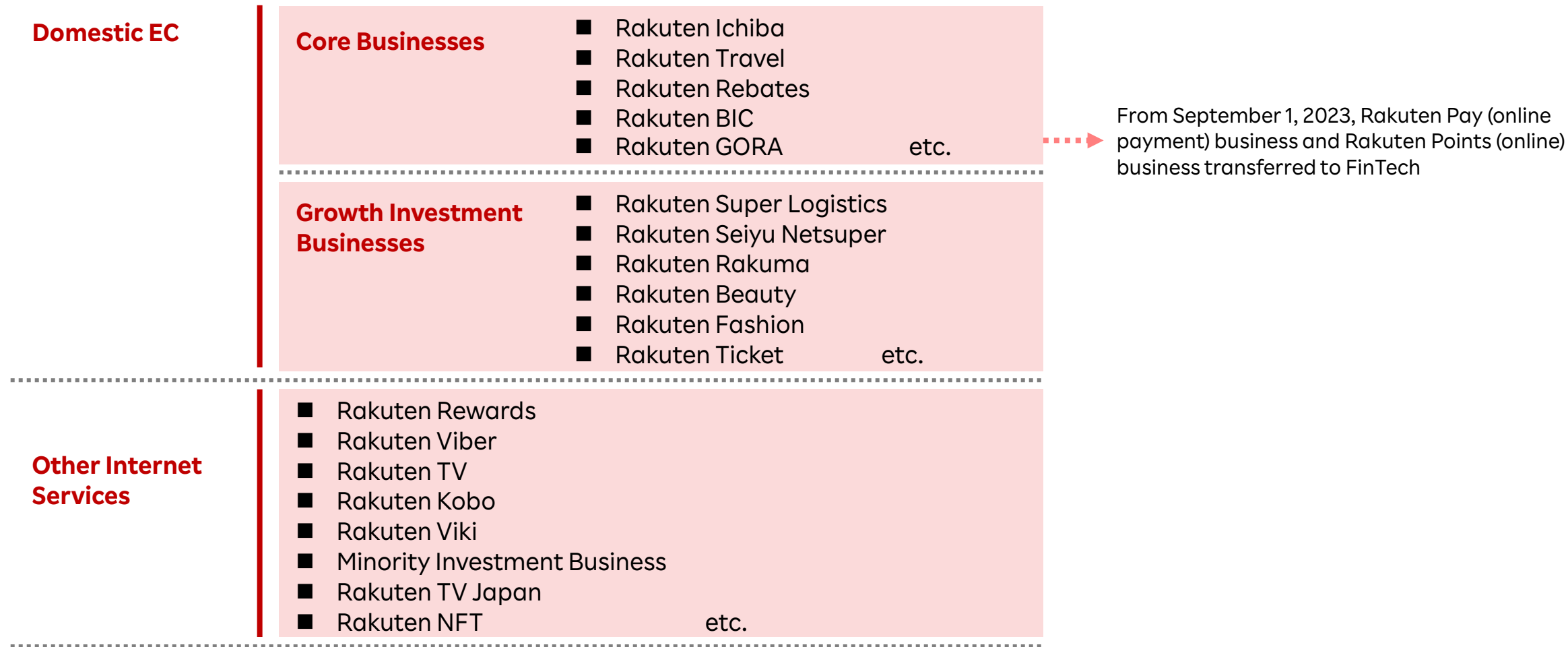
Shunsuke Yazawa

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 Businesses and Growth Investment Businesses. The main definition of classification are as follows:

- Core Businesses → "Accomplished structural profitability," "Realized profitability exceeding WACC," "Businesses essential to domestic EC business portfolio even if profitability is low."
- Growth Investment Businesses → "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 Businesses of Domestic EC)

Mobile Segment Structure

Mobile Segment

Rakuten Mobile	■ Rakuten Mobile
Rakuten Symphony	■ Rakuten Symphony
Rakuten Energy	■ Rakuten Electricity ■ Rakuten Gas etc.
Others	■ Rakuten Communications etc.

Internet Services Segment

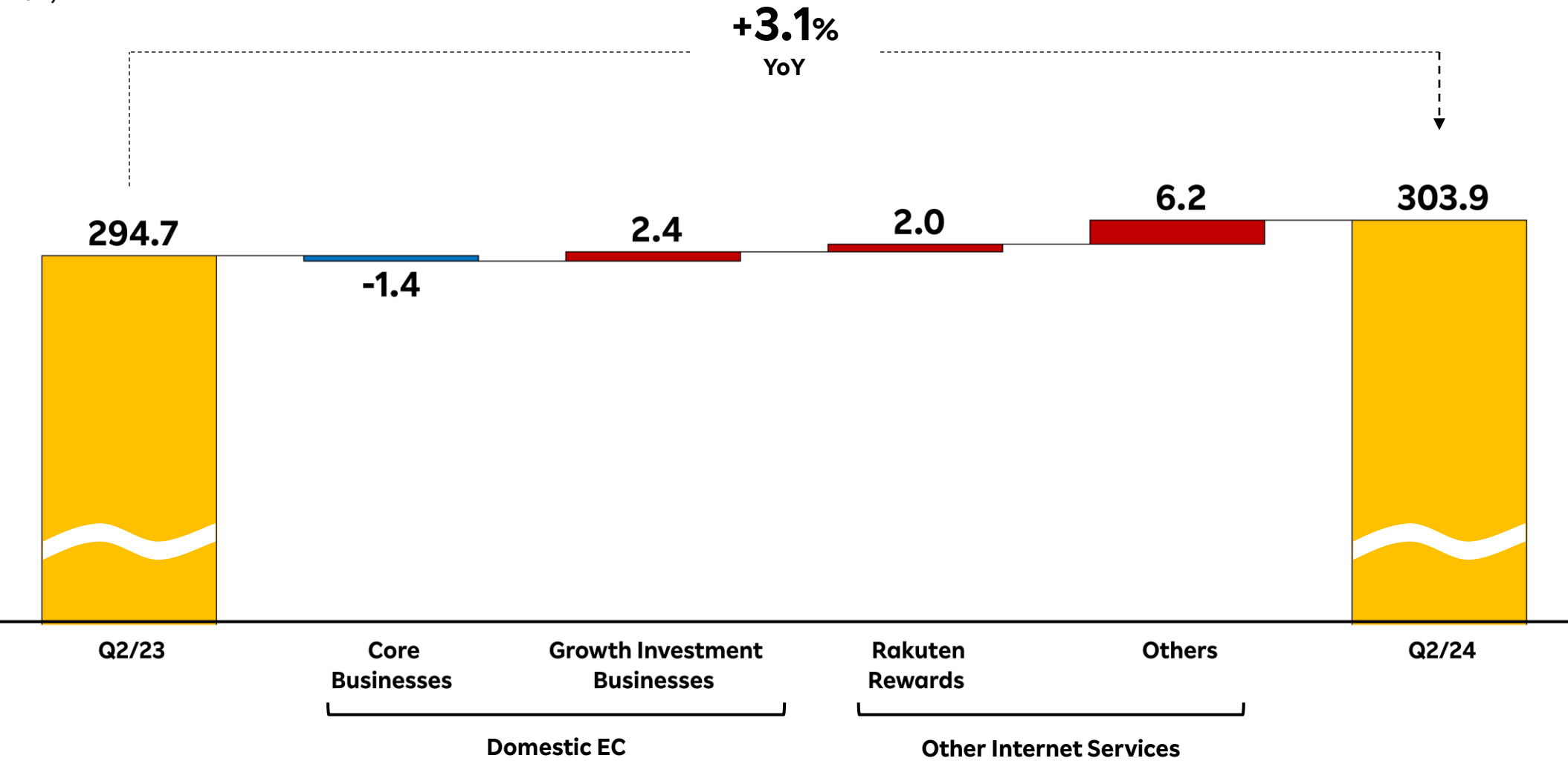
Internet Services Segment Financial Results^{*1}

Q2/24 (JPY bn)	Revenue	YoY	Non-GAAP Operating Income	YoY
Domestic EC	217.8	+0.5%	21.3	+3.8%
Core Businesses	186.2	-0.7%	30.0	-4.2%
Growth Investment Businesses	31.5	+8.4%	-8.7	+2.1
Other Internet Services	86.1	+10.5%	-2.5	+3.6
Rakuten Rewards ^{*2}	30.6	+6.8%	1.4	-11.2%
Minority Investment Business			-2.0	+0.7
Others ^{*2}	55.6	+12.6%	-2.0	+3.1
Segment Total	303.9	+3.1%	18.9	+30.3%

*1: Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Services 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*

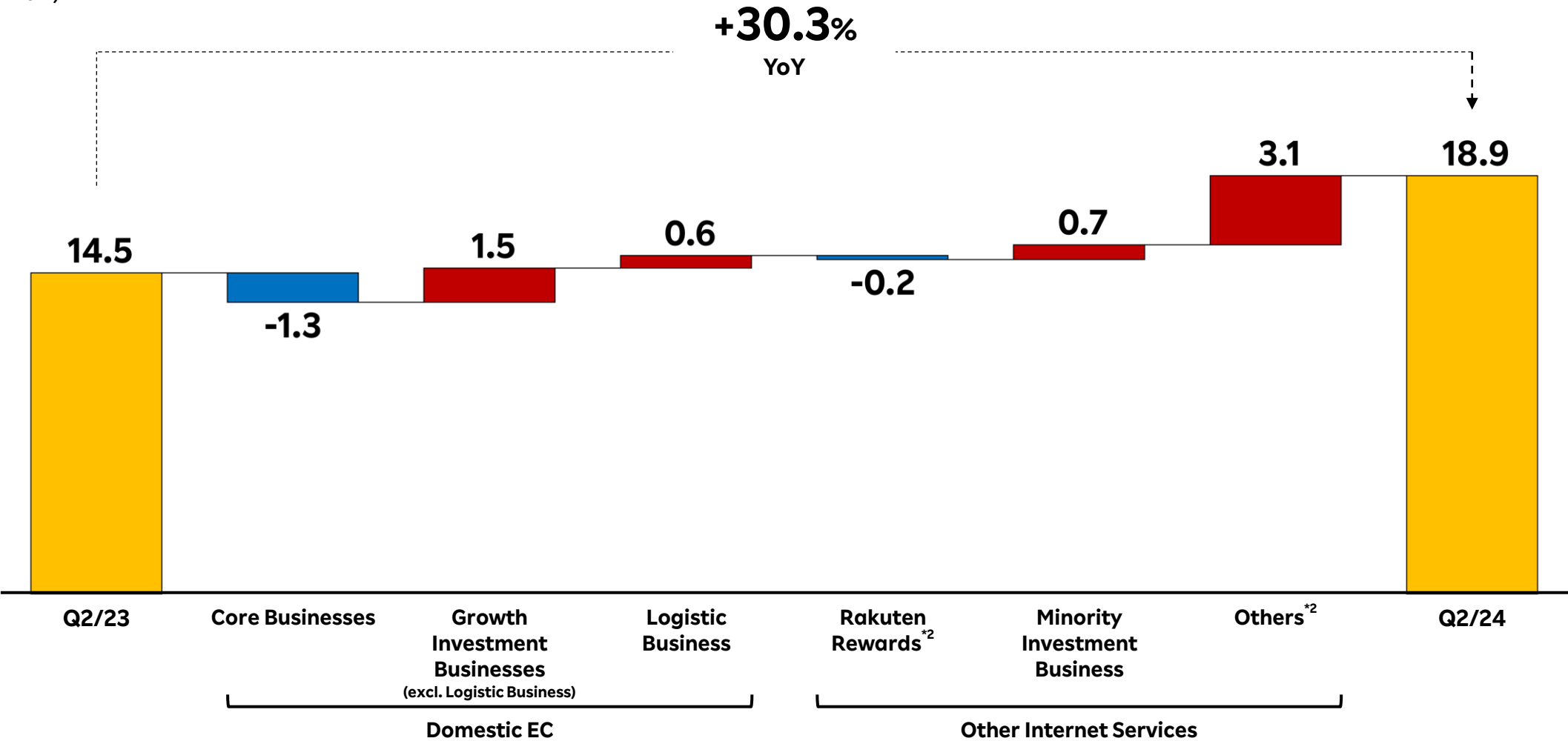
(JPY bn)



*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Services 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)



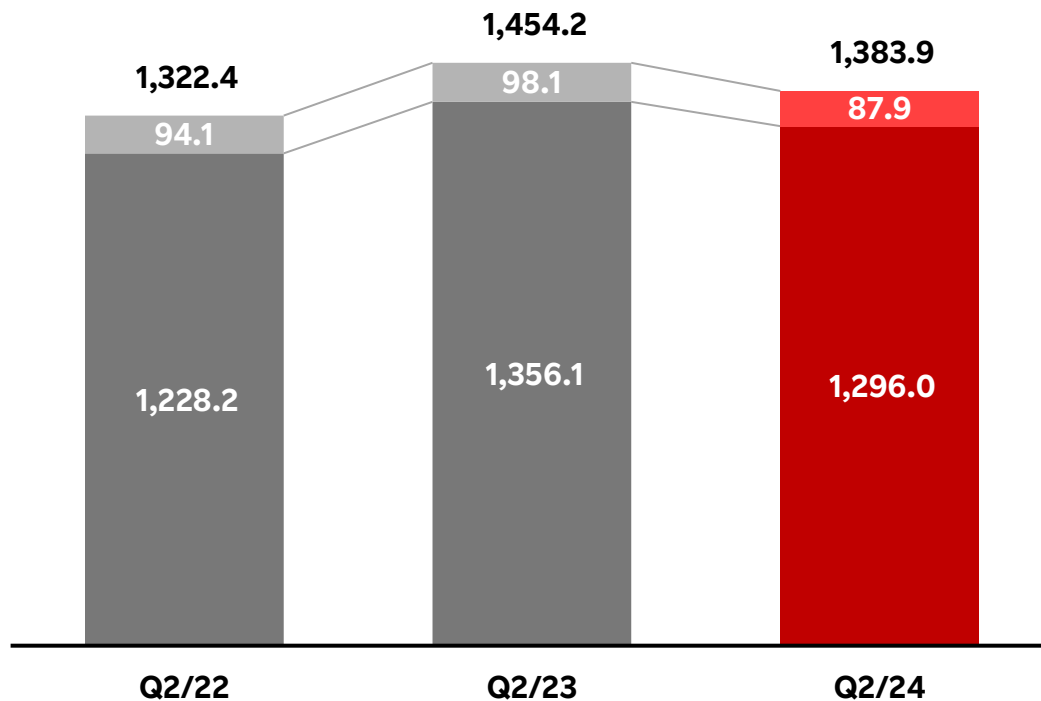
^{*1}: Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Services segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible. ^{*2}: Although 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 change and 0/5 rule revisions (Dec 2023), and the nationwide travel support (Jul 2023) impacting Rakuten Travel, and the payment online transfer (Sep 2023) resulting in negative YoY growth, total GMS remains positive when excluding the temporary impacts from the above

(JPY bn)



Domestic EC

-4.8%
YoY

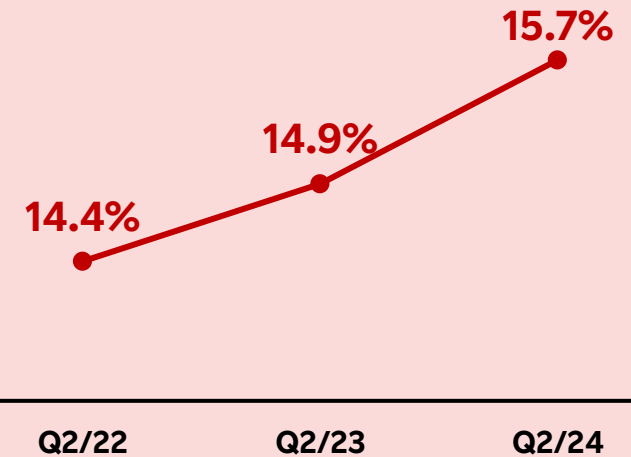
Growth Investment
Businesses

-10.4%
YoY

Core Businesses

-4.4%
YoY

Domestic EC Take Rate

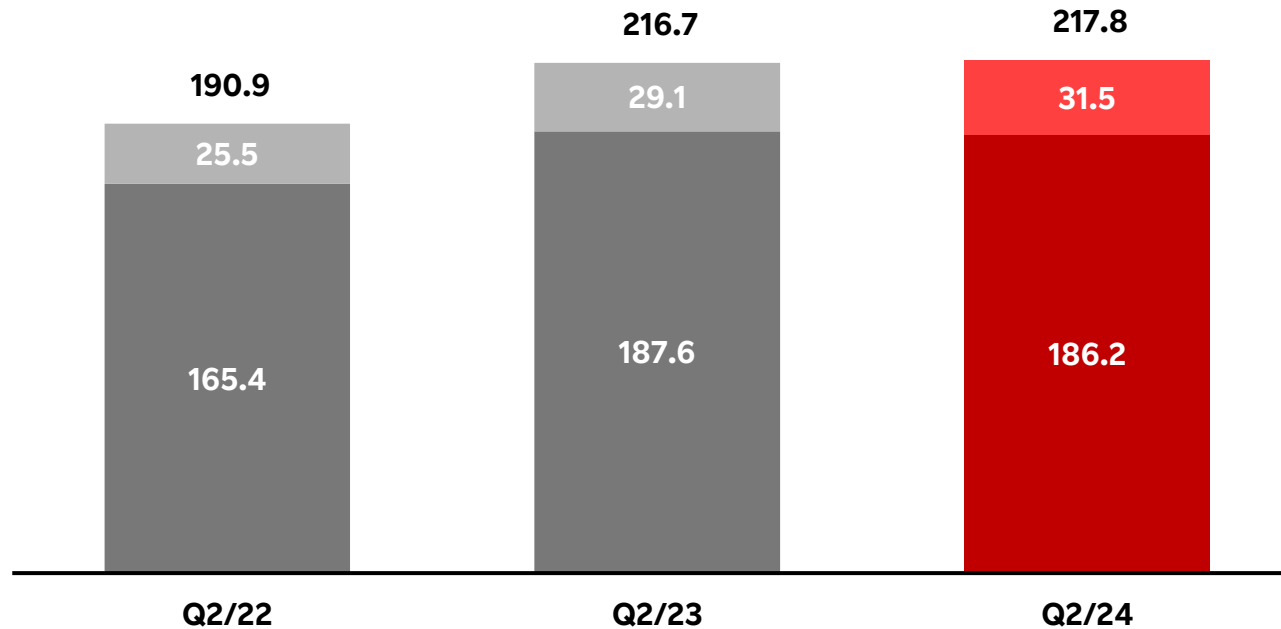


*1: Domestic E-commerce GMS (excludes certain tax-exempt businesses, includes consumption tax.) is the combined transaction amount for Rakuten Ichiba, Rakuten Travel (GTV on checkout basis), Rakuten Books, Books Network, Kobo (domestic), golf business, Rakuten Fashion, Rakuten Dream businesses, Rakuten 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 Services 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 the impact of SPU changes and 0/5 rule revisions, and the nationwide travel support impacting Rakuten Travel
- Growth Investment Businesses profitability improved due to “right-pricing” initiatives in the logistics business

(JPY bn)



Domestic EC

+0.5%

YoY

Growth Investment
Businesses

+8.4%

YoY

Core Businesses

-0.7%

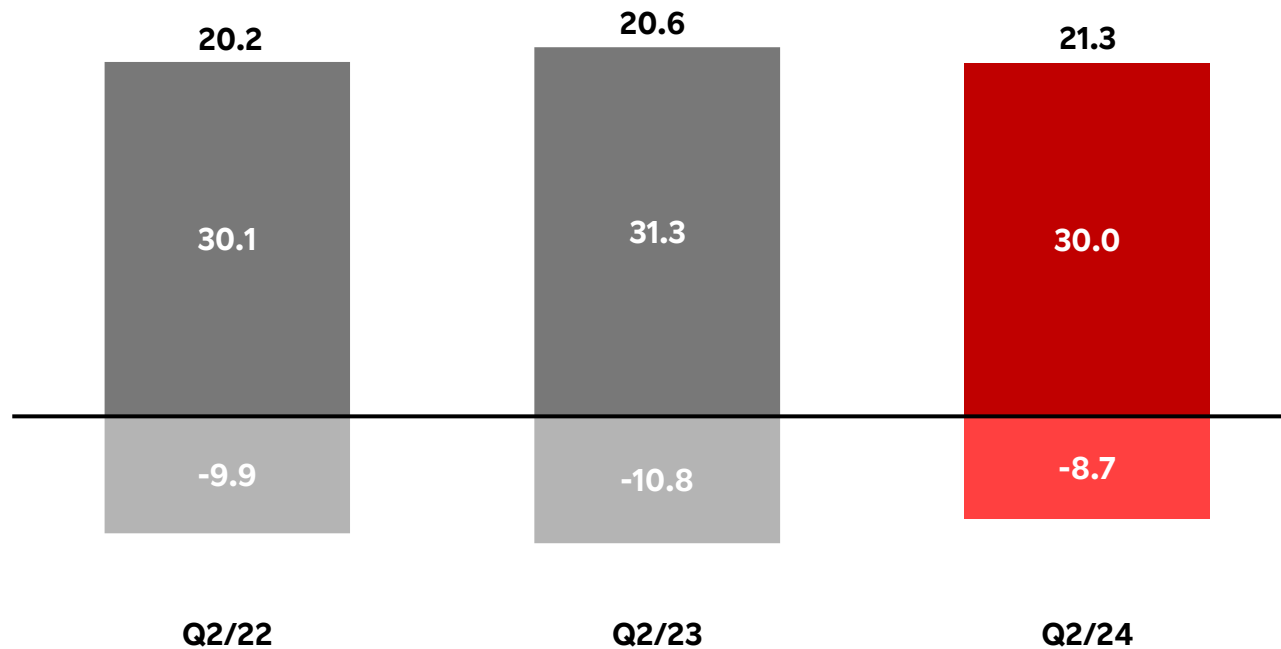
YoY

*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Services 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 one-off factors such as payment online transfer, SPU changes and 0/5 rule revisions, and the termination of the nationwide travel assistance, operating income is estimated to be approximately 25% higher YoY

(JPY bn)



Domestic EC

+3.8%
YoY

Core Businesses

-4.2%
YoY

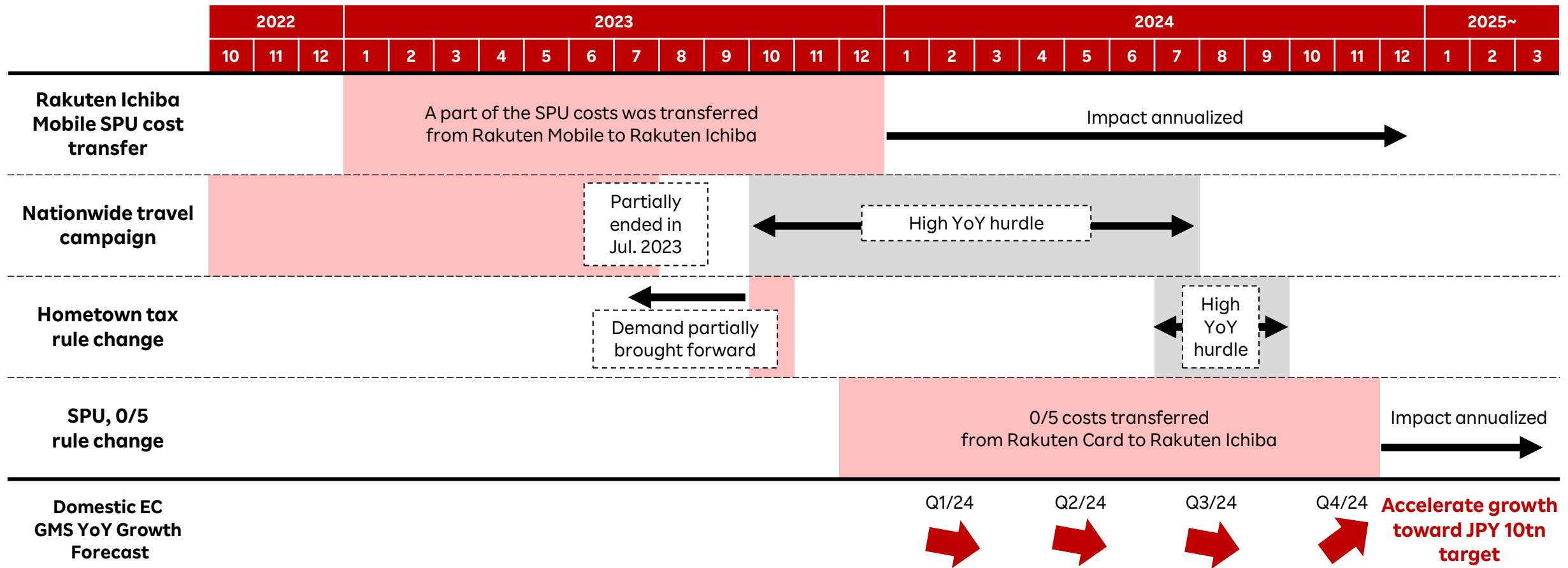
Growth Investment
Businesses

+2.1 bn
YoY

*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Services 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 JPY 10tn target

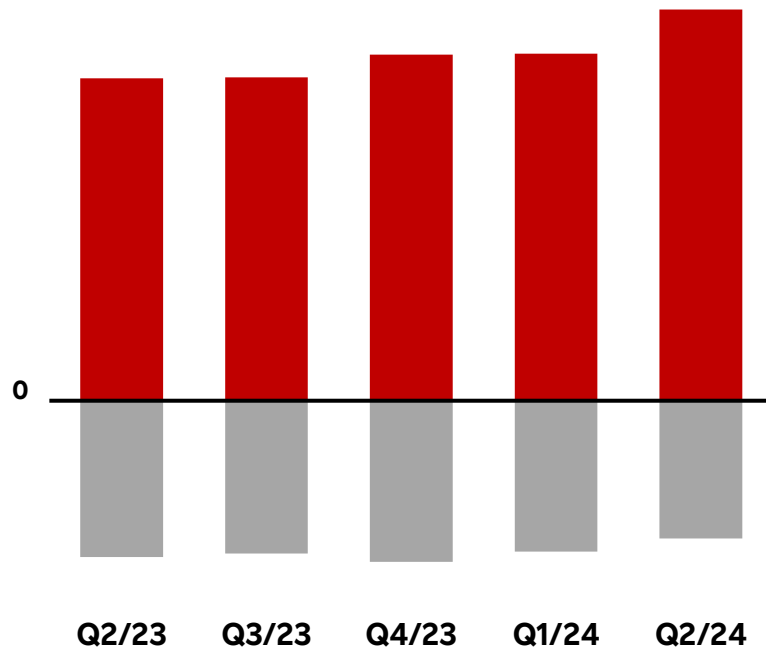


Logistics Business: Progress Towards Achieving Profitability

- Operational improvements and “right-pricing” accelerated loss improvements, leading to increased revenues and reduced operating loss
- Steady increase in merchants contracting with Rakuten Super Logistics

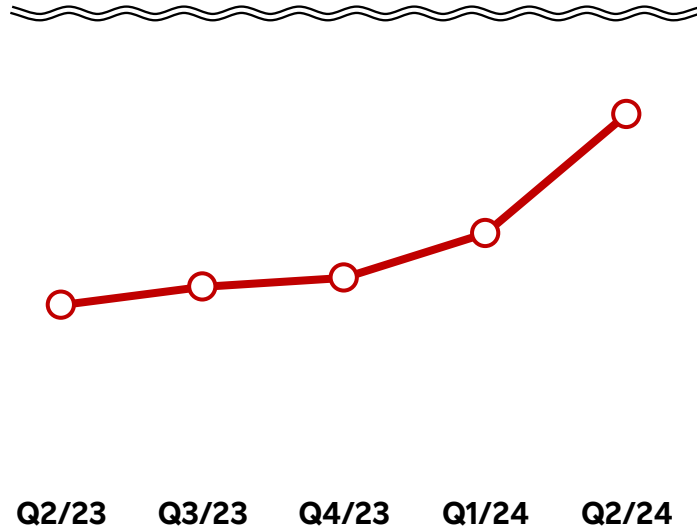
Revenue, Non-GAAP OI

■ Revenue ■ Non-GAAP OI



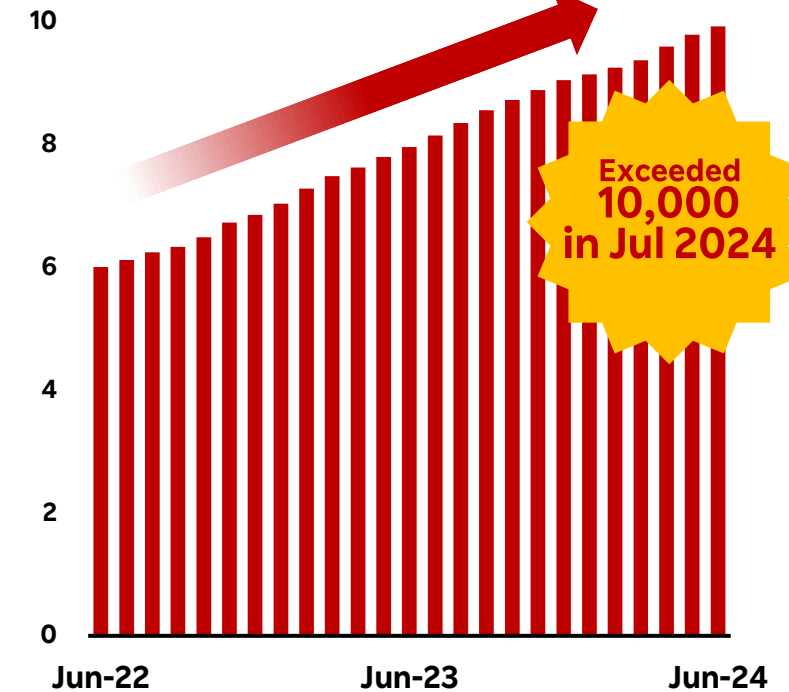
Operating Loss ÷ Revenue

0%



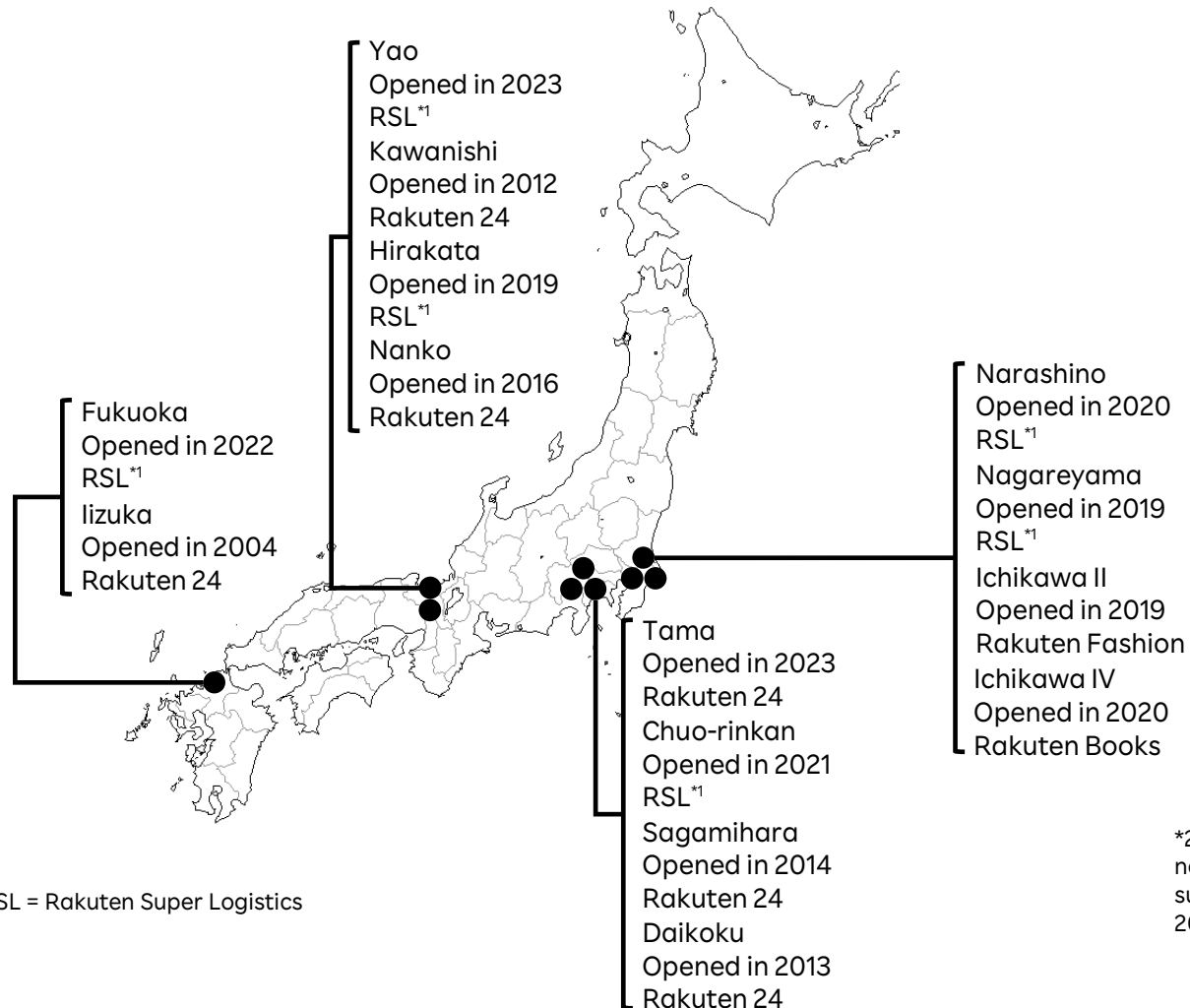
No. of Merchants Contracted with RSL

(thousands)



List of Logistics Centers

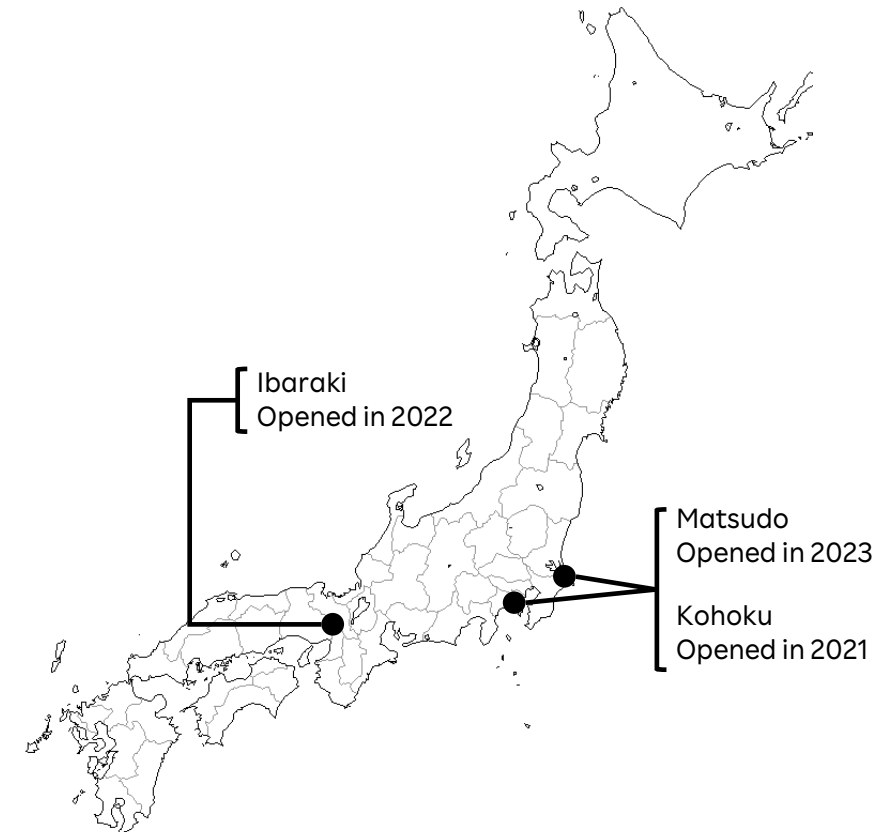
JP Rakuten Logistics



*1: RSL = Rakuten Super Logistics



Rakuten Seiyu Netsuper^{*2} Logistics Centers

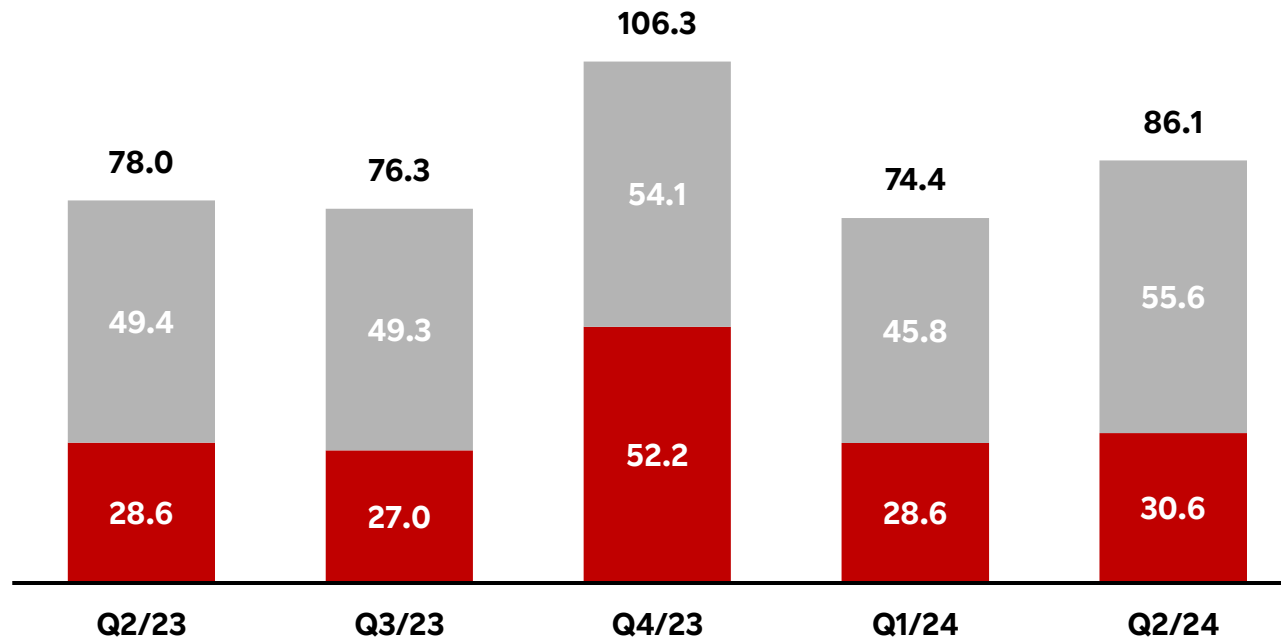


*2: Rakuten Seiyu Netsuper's warehouse will be operated by Rakuten Mart, Inc., which changed its name from Rakuten Seiyu Netsuper, Inc. on August 8, 2024 (Thursday). The warehouse-style online supermarket business operated by the company will be renamed "Rakuten Mart" on September 25, 2024 (Wednesday).

Other Internet Services Revenue

- Rakuten Viber Contents* sales improved significantly, and Telco* revenues etc., also contributed
- Rakuten Kobo saw strong sales of new color devices launched in Apr and subscription users grew, driving revenue growth

(JPY bn)



Others
+12.6%
YoY

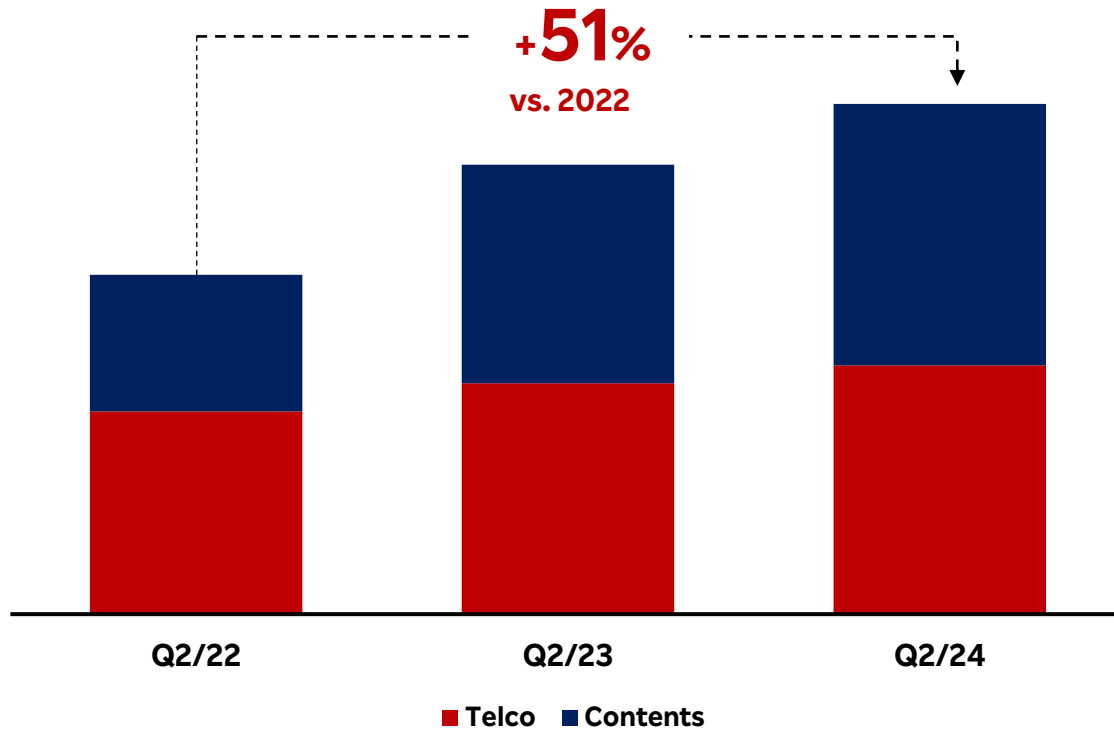
Rakuten Rewards
+6.8%
YoY

*Telco: Viber Out, Viber In, SMS. Contents: Business messages and chatbots, ads, sponsorships and partner deals

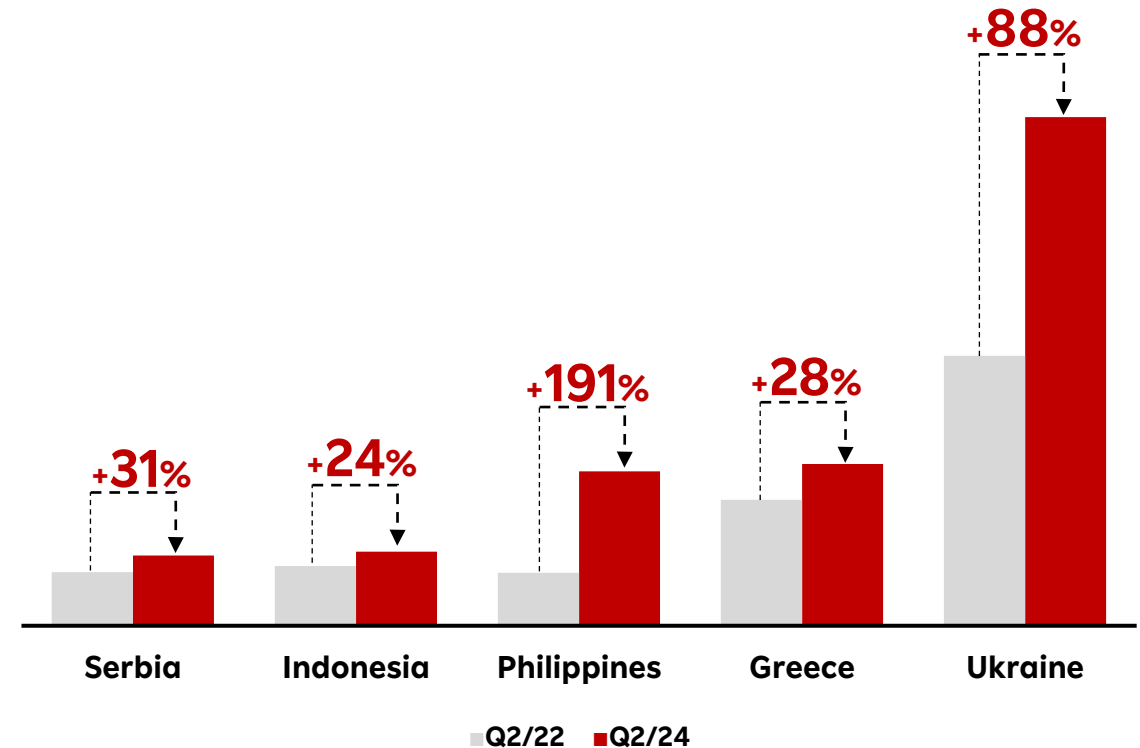
Rakuten Viber: Continues Strong Recovery, Growth in FY2024

- Healthy growth in Telco, strong recovery in Contents (mainly business messages and ads)
- Focus on priority countries (SEA, CEE regions) to further drive growth in FY2024

Viber Revenue*



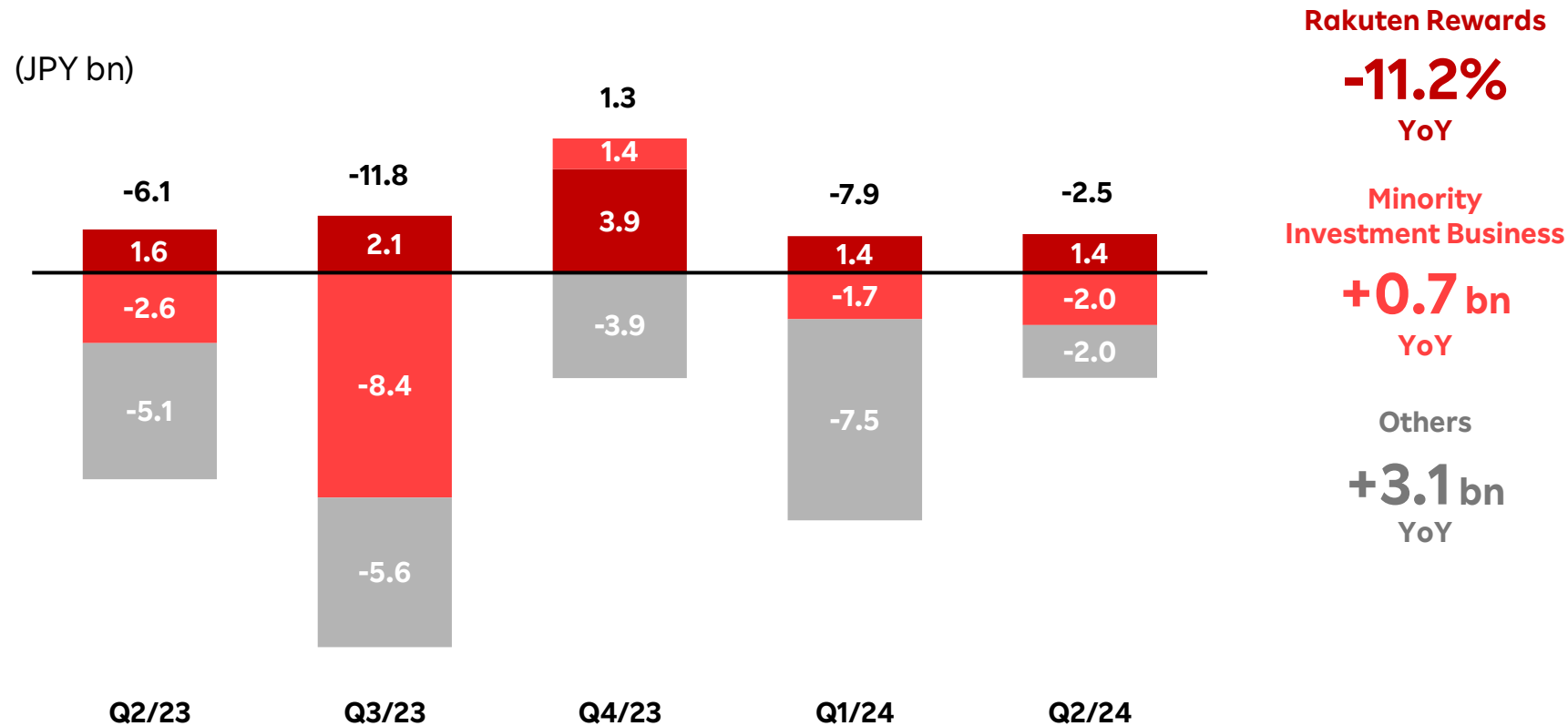
Top Revenue Growth Drivers



*Telco: Viber Out, Viber In, SMS. Contents: Business messages and chatbots, ads, sponsorships and partner deals

Other Internet Services Operating Income*

- In addition to significant improvements in Viber, Kobo, Viki, and other overseas businesses, Sports Businesses performance drove profit growth



*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*

■ Top-line continues to grow steadily

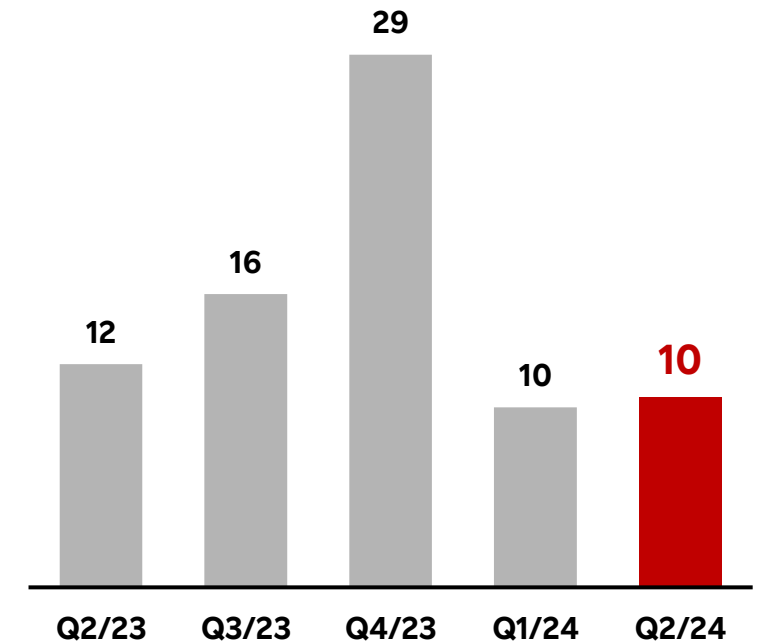
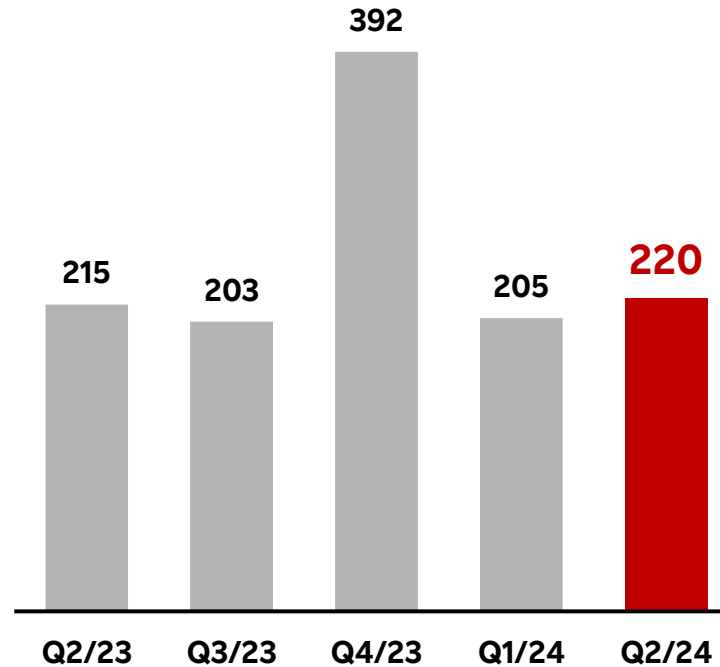
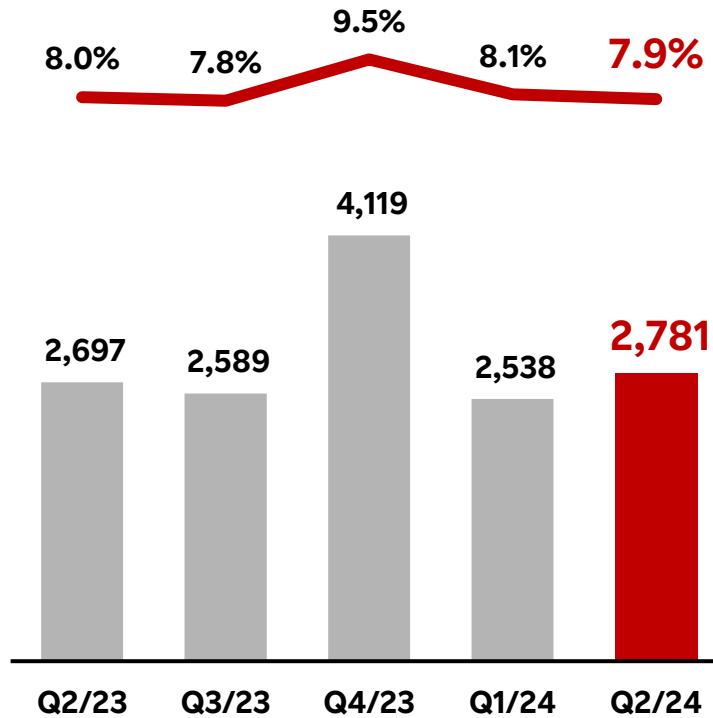
■ Profits decline due to change in cost allocations for overseas businesses, but cost reductions continue to progress

(USD mm)

GMS • Take Rate

Revenue

Non-GAAP Operating Income



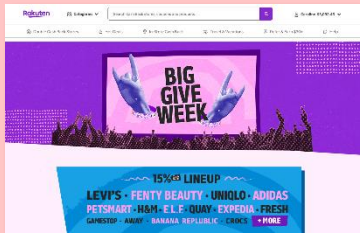
*Although internal cost allocations for overseas businesses were changed from Q1/24, judging from the scale of the amount, we have not made any retroactive revisions to past results.

Global Customer Base

■ The global customer base of Rakuten services are steadily expanding

Rakuten

(Rakuten Rewards)



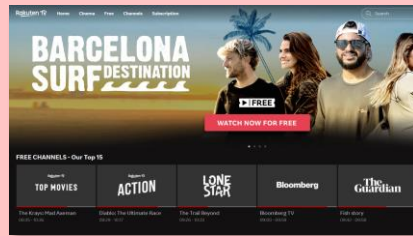
GMS
Q2/24

+3.1%

YoY

USD 2.78 bn

Rakuten TV



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

+44.2%

YoY

112.1 mm

Rakuten kobo



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

+6.2%

YoY

66.6 mm

Rakuten Viber



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

+5.3%

YoY

1.5 bn

Rakuten Viki



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

+21.7%

YoY

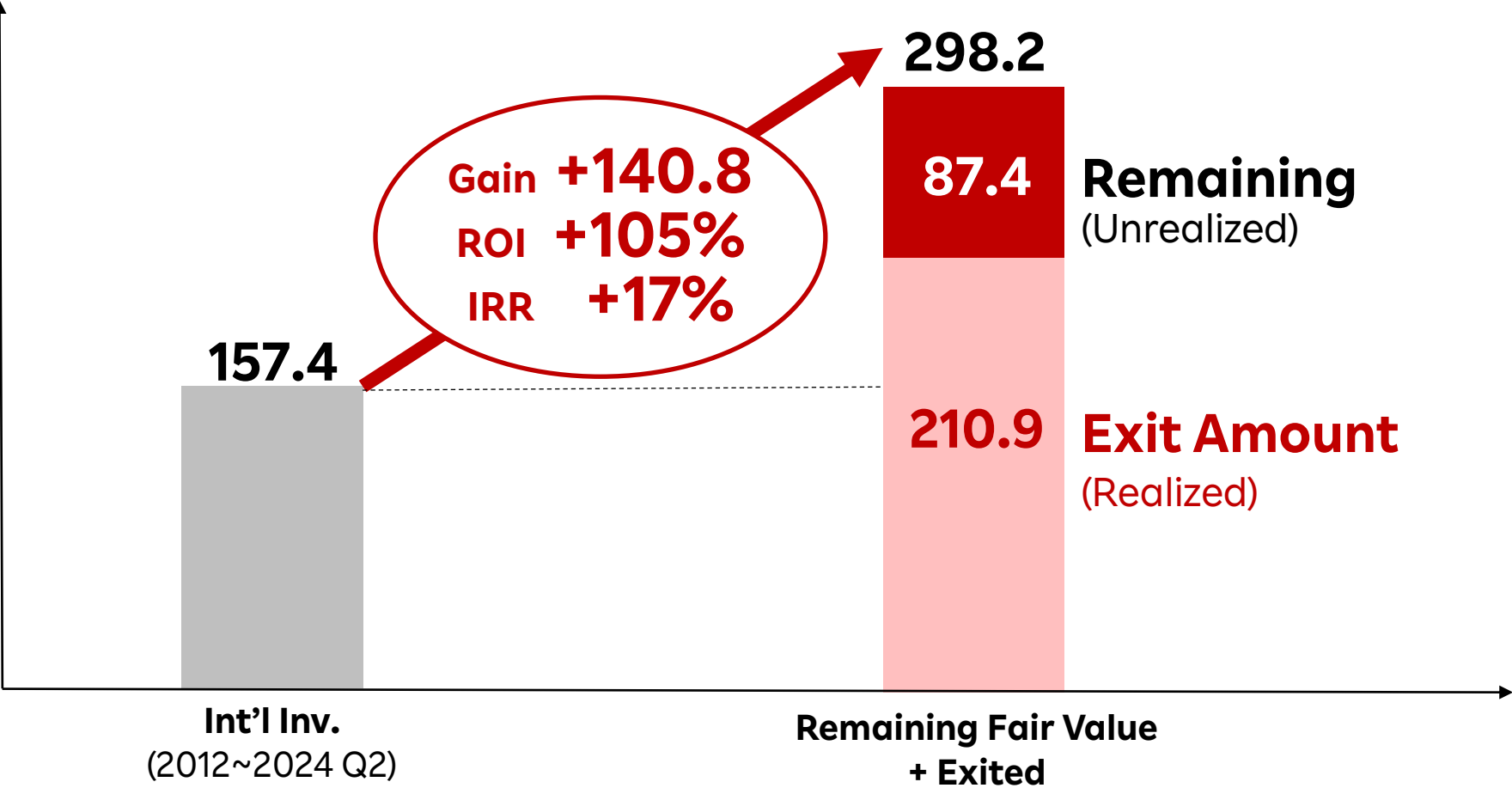
90.8 mm

*Total number of registered users and non-registered AVOD (Advertising Video On Demand) users.

Rakuten Capital^{*1} Investment Performance




























As of June 30, 2024^{*2}

(JPY bn)



^{*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 :			42	2
<u>Internet</u>	<u>Ride Sharing</u>	<u>Healthcare</u>		
				
	<u>DI/DX</u>			
				(Affiliated Company)
				
<u>Sustainability</u>	<u>Mobile / AI</u>	<u>Other</u>		
				
				
				

*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 Q2/24.

FinTech Segment

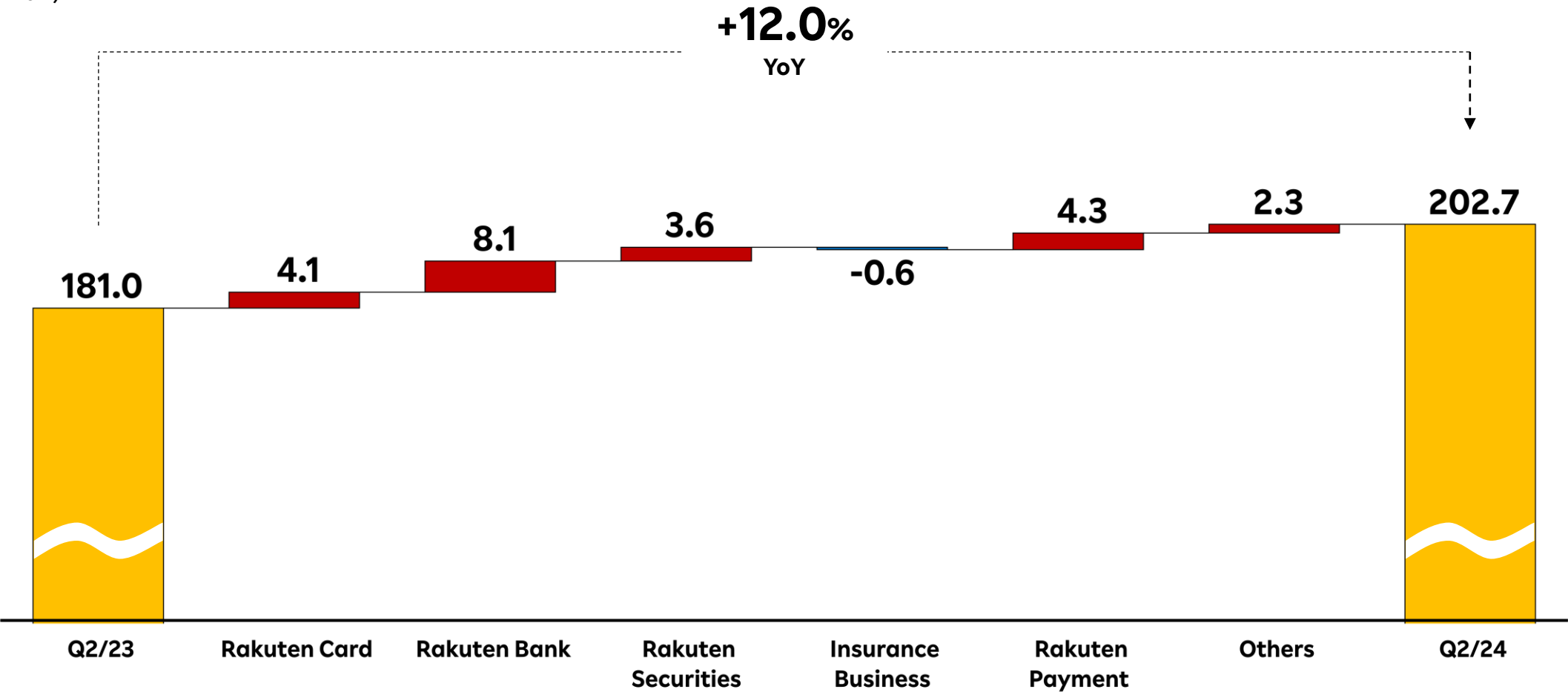
FinTech Segment Financial Results^{*1*2*3*4}

Q2/24 (JPY bn)	Revenue	YoY	Non-GAAP Operating Income	YoY
Rakuten Card	83.0	+5.2%	15.8	+18.4%
Rakuten Bank	39.5	+25.7%	16.5	+37.2%
Rakuten Securities	33.1	+12.0%	9.5	-3.3%
Insurance Business	20.5	-2.9%	-0.1	-2.1
Rakuten Payment	22.5	+23.5%	1.2	+3.9
Others	4.1	+121.9%	-0.6	+0.9
Segment Total	202.7	+12.0%	42.3	+28.1%

*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*

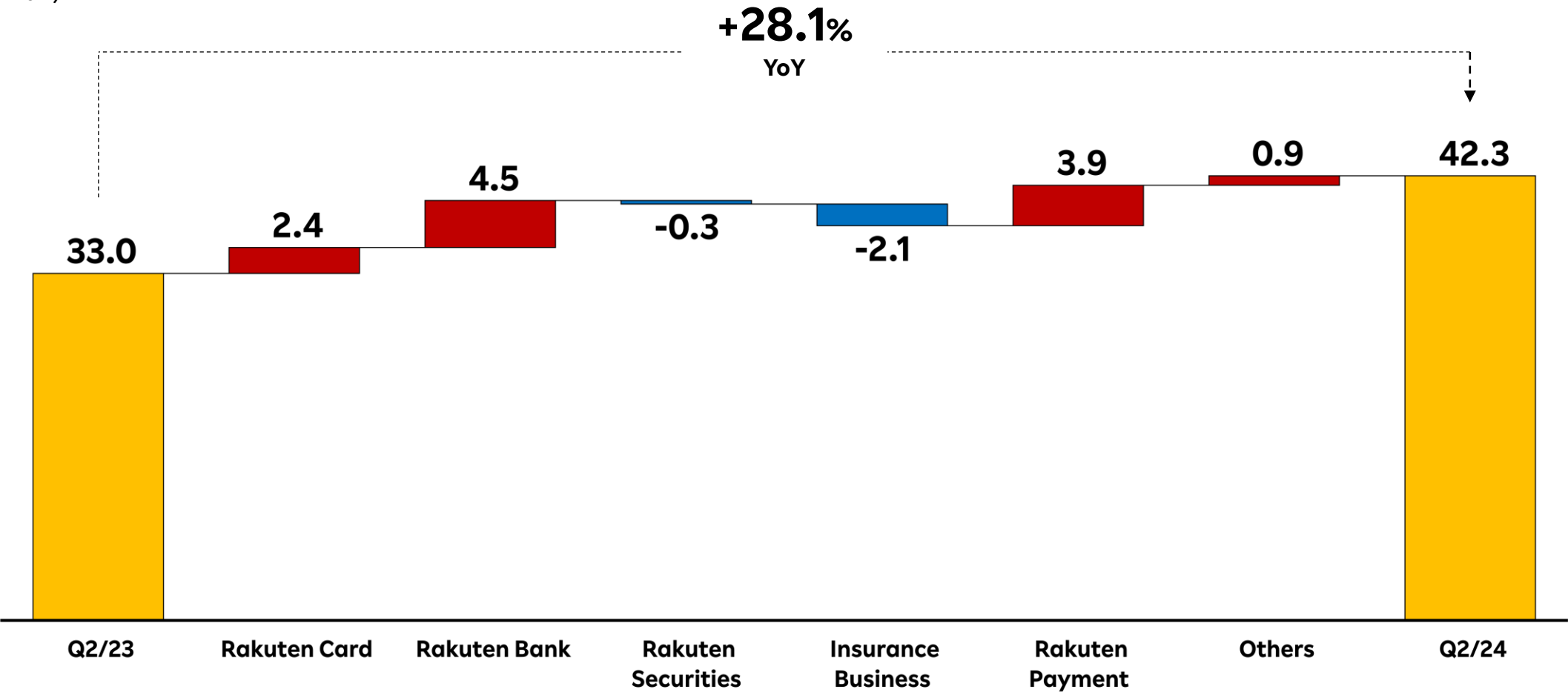
(JPY bn)



*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Services 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)

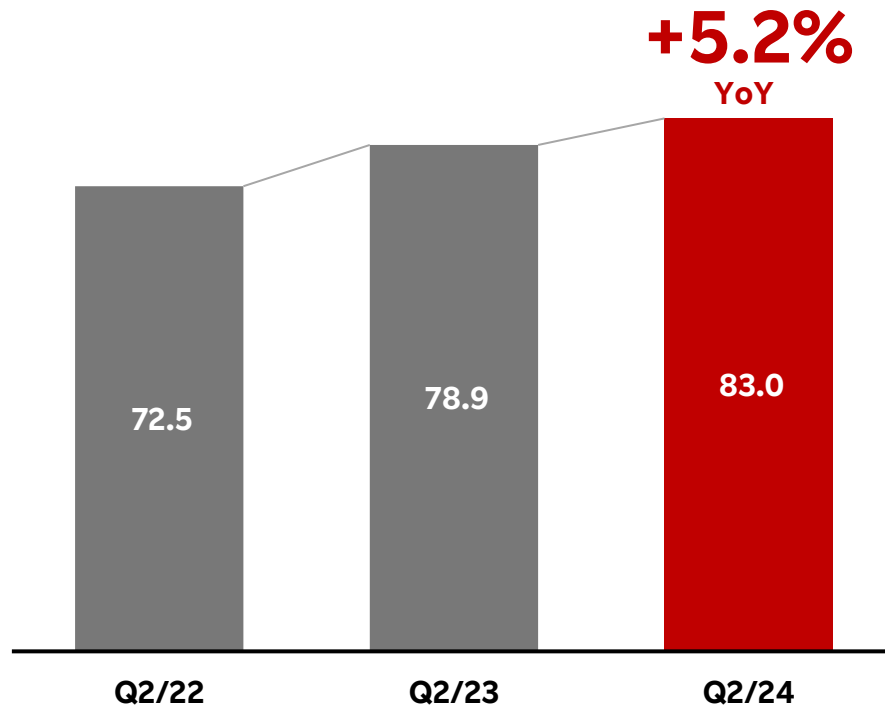


*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Services segment (Domestic EC) to the FinTech segment. Retrospective revisions were made to Rakuten Payment and others. The segment total remains unchanged.

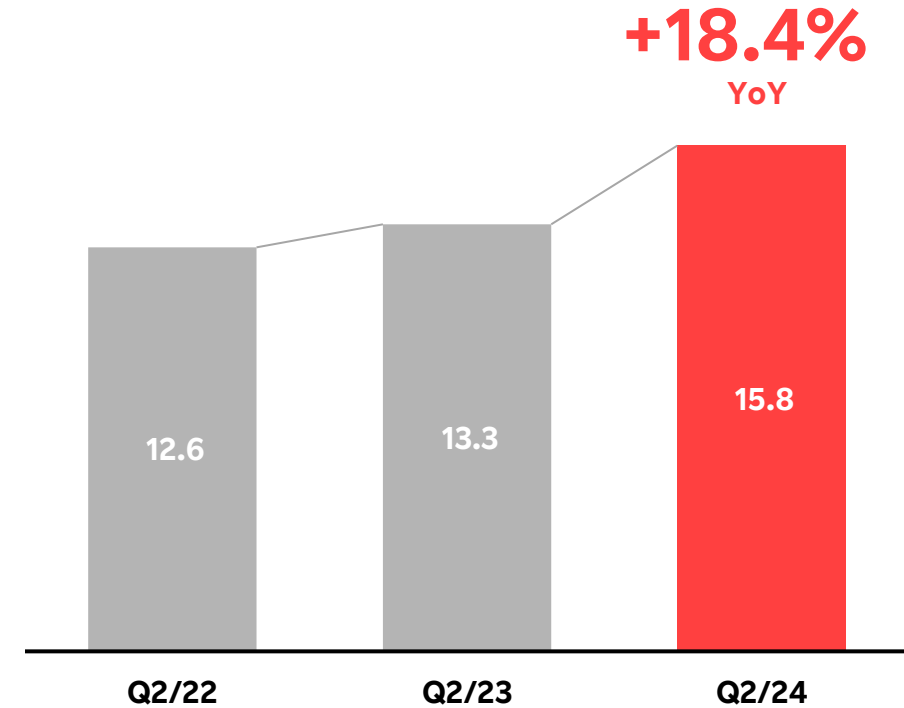
Rakuten Card Financial Results

- Revenue grew due to increased fee income from expanded shopping transaction value
- Profit increased significantly due to top-line growth, increased operating leverage from optimized marketing, and maintaining low levels of bad debt-related expenses

Revenue (JPY bn)



Non-GAAP Operating Income (JPY bn)

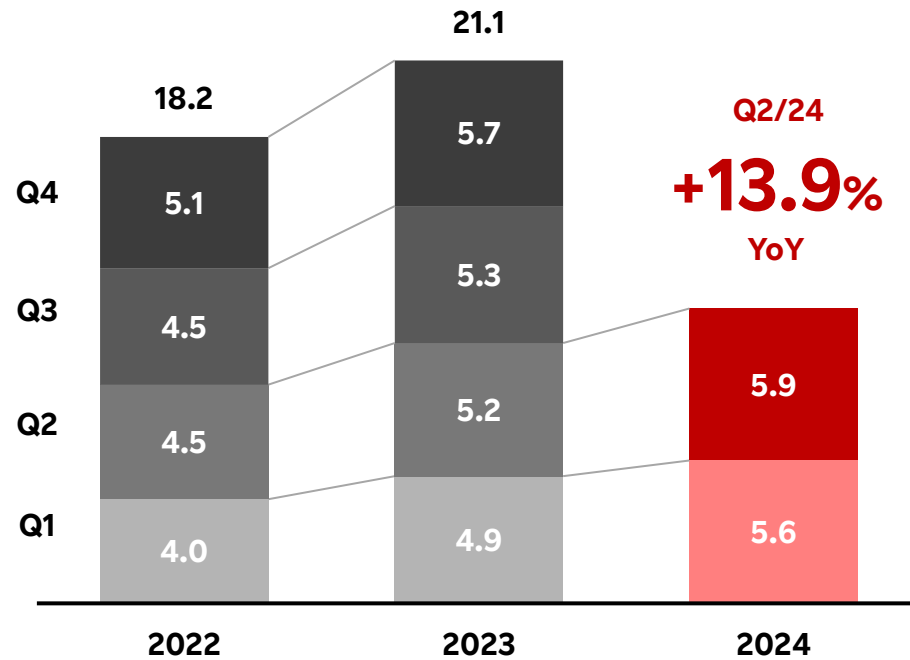


Rakuten Card KPIs

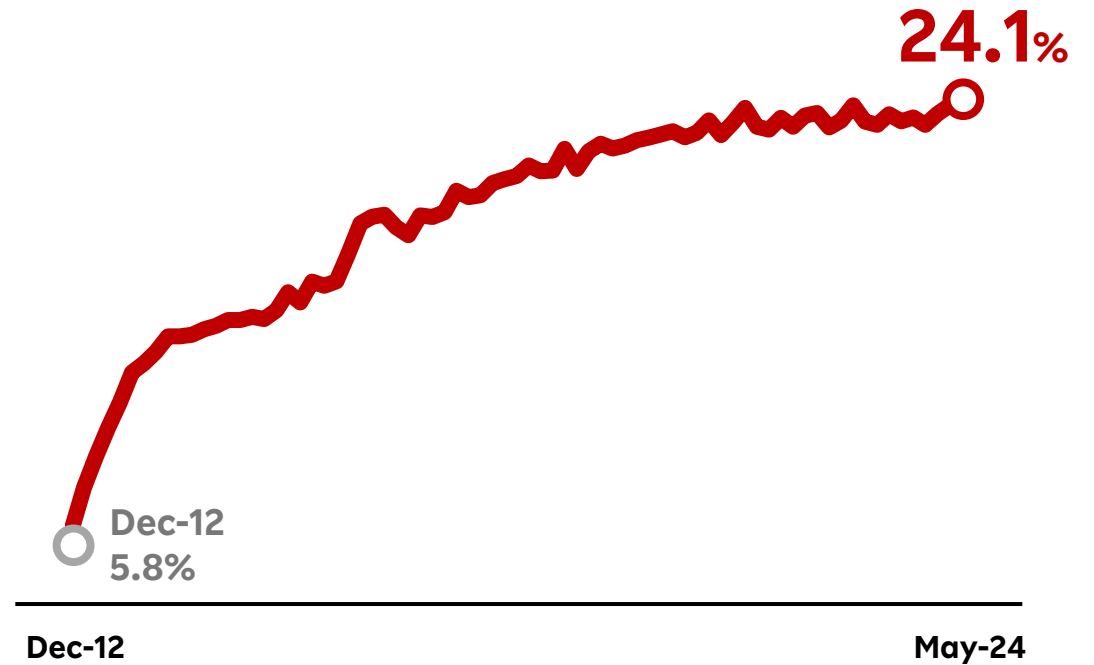
- Steady growth due to an increase in shopping, installments GTV accompanying an expansion in the membership base and average customer spending

Shopping GTV Target: JPY 30 tn

(JPY tn)



GTV Share* Target: 30%



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

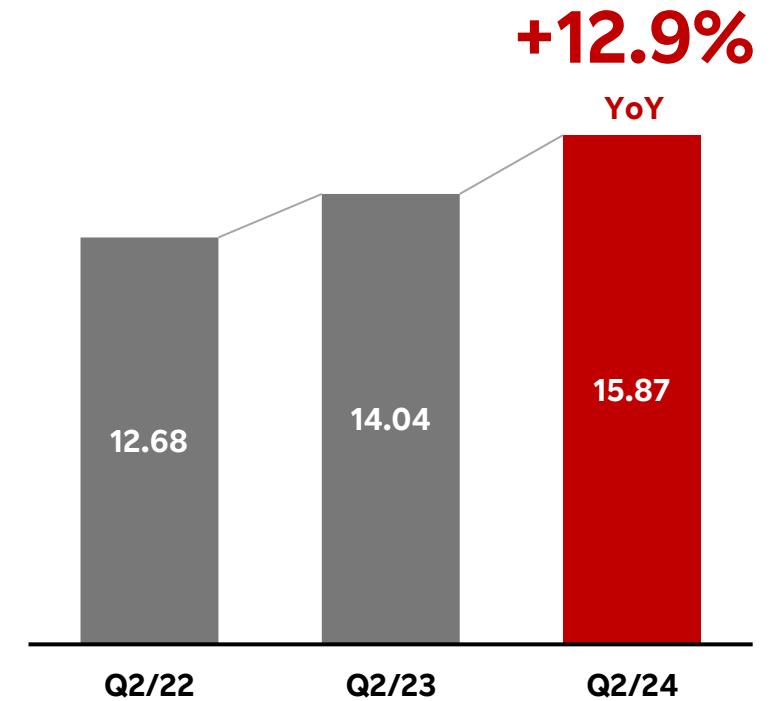
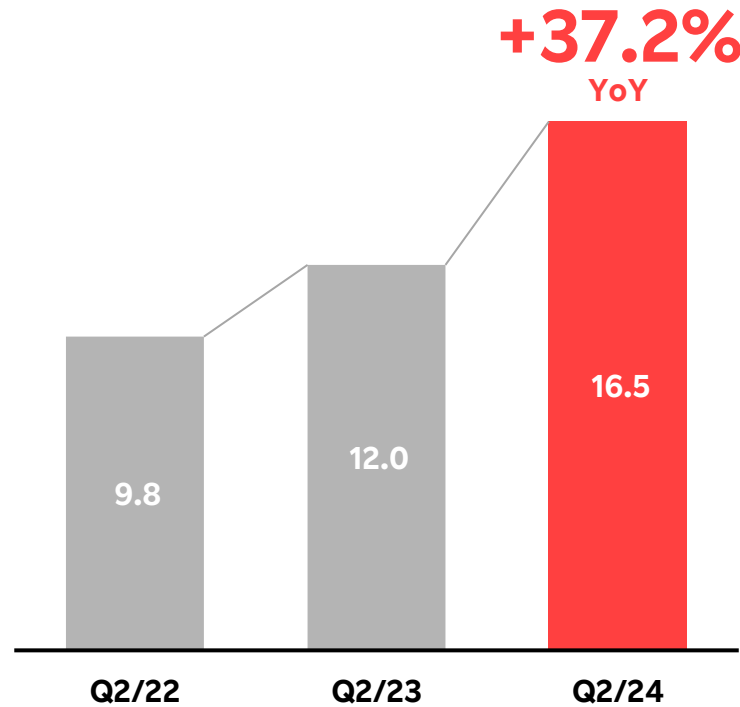
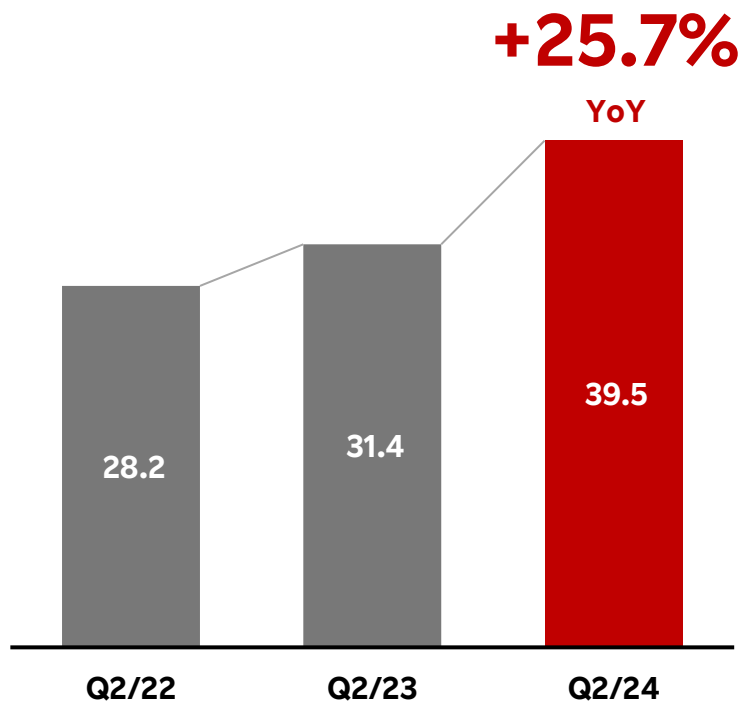
Rakuten Bank Financial Results and KPIs

- Ongoing success in acquiring new accounts through group synergistic effects. As main account and daily living usage rates increased, deposit balance also largely increased
- Steady accumulation of managed assets led to large increase in interest income, resulting in significant increases in revenue and profit

Revenue (JPY bn)

Non-GAAP Operating Income (JPY bn)

Rakuten Bank Accounts (mm)



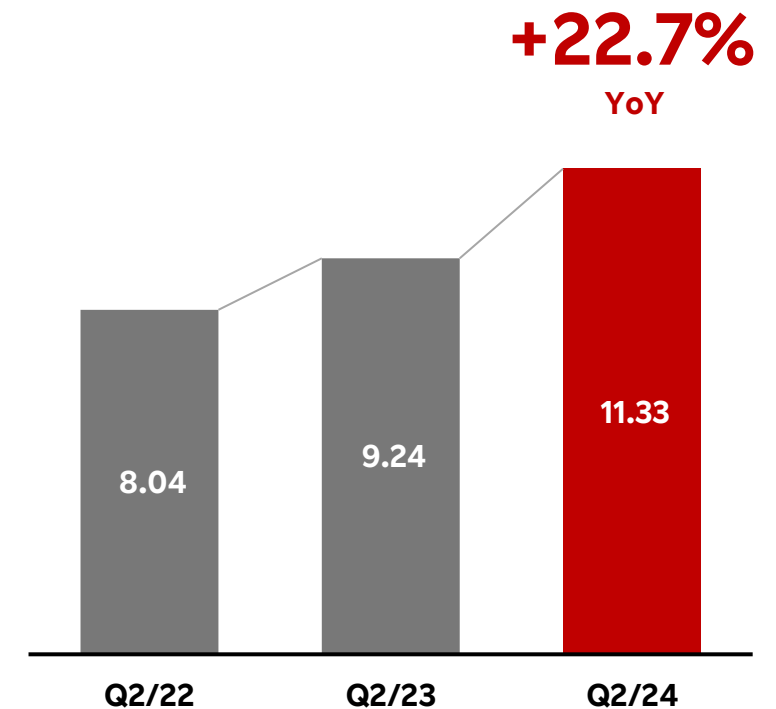
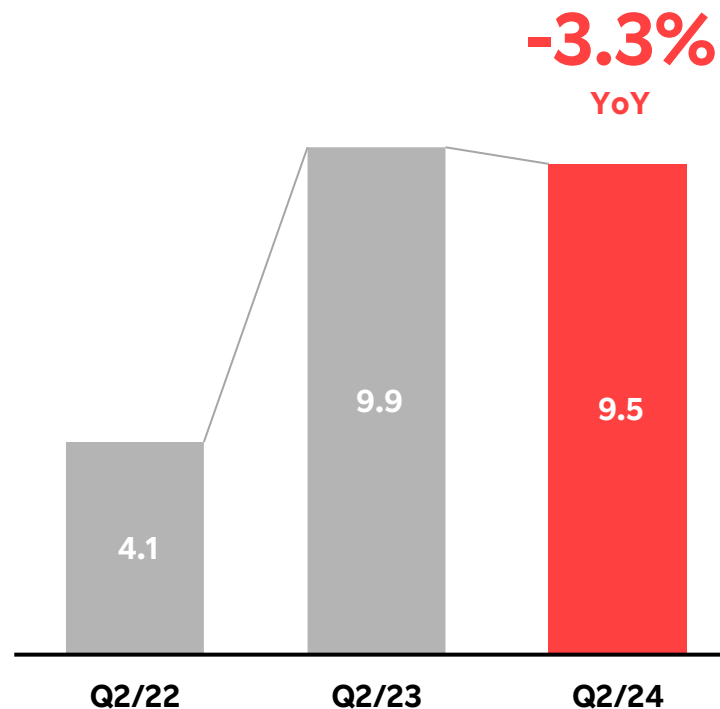
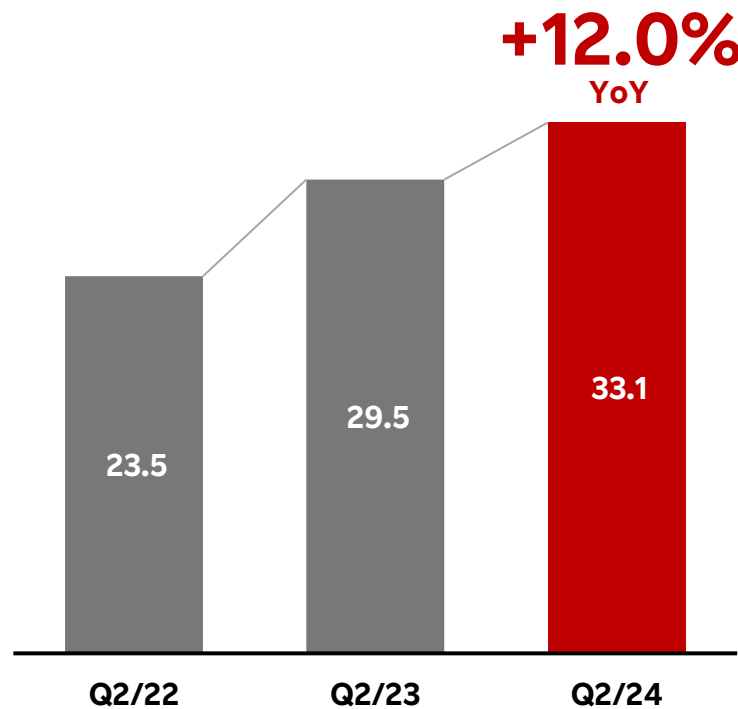
Rakuten Securities Financial Results and KPIs

- Record high revenue due to continued expansion of customer base and strong performance in various transactions
- Profit increased in 1H/24 overall as Q2 profits exceeded Q1, which already saw increased profits versus pre-zero commission, but high hurdles led to slight profit decline YoY

Revenue (JPY bn)

Non-GAAP Operating Income (JPY bn)

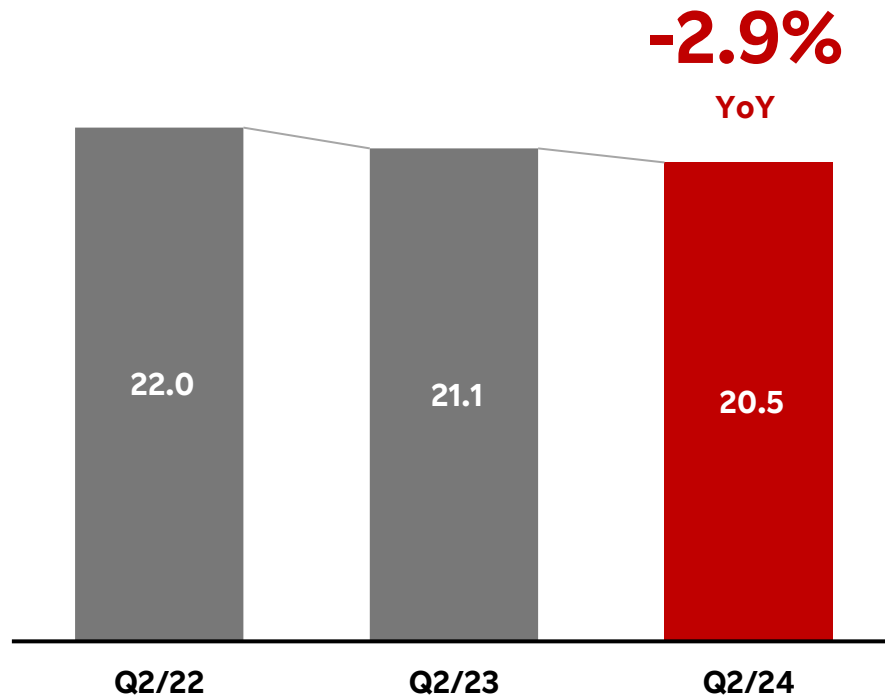
Rakuten Securities General Accounts (mm)



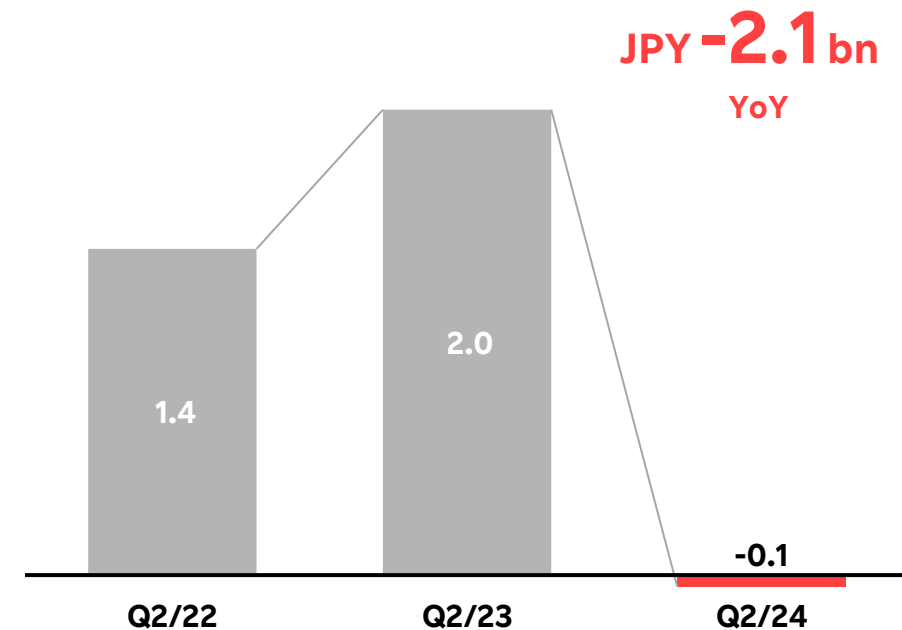
Insurance Business Financial Results

- In Life Insurance, although revenue grew due to an increase in insurance premium per policy and investment income, profits declined due to a temporary write-off of debt last year
- In General Insurance, although insurance payments increased due to hail damage that occurred in Hyogo Prefecture and other areas in Apr, new insurance applications via the Internet remained very strong, mainly for Drive Assist^{*1} and Travel Assist^{*2}

Revenue (JPY bn)



Non-GAAP Operating Income (JPY bn)

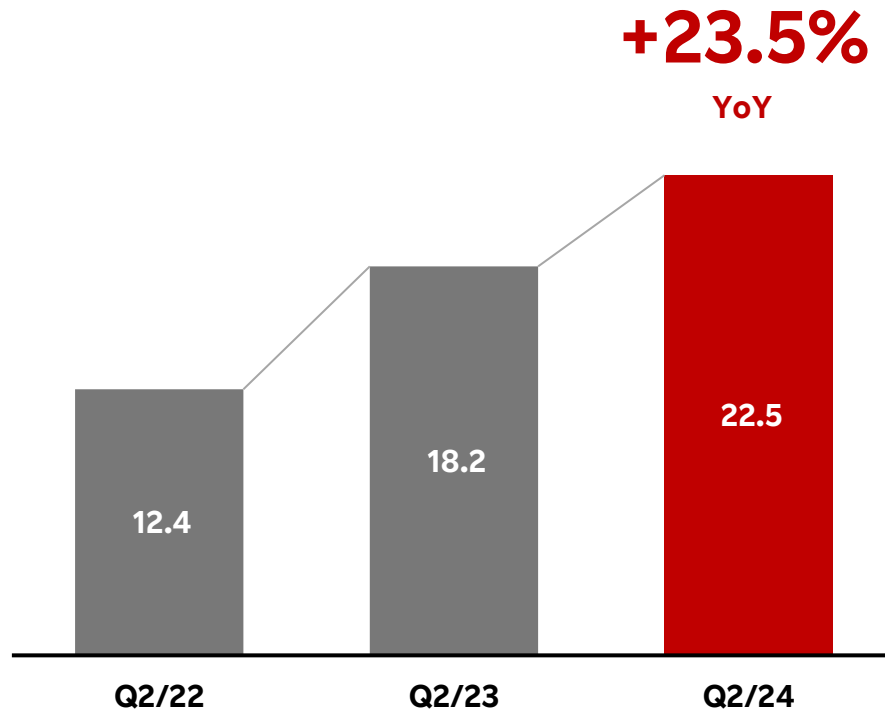


*1: Personal auto insurance *2: Overseas travel insurance, domestic travel insurance

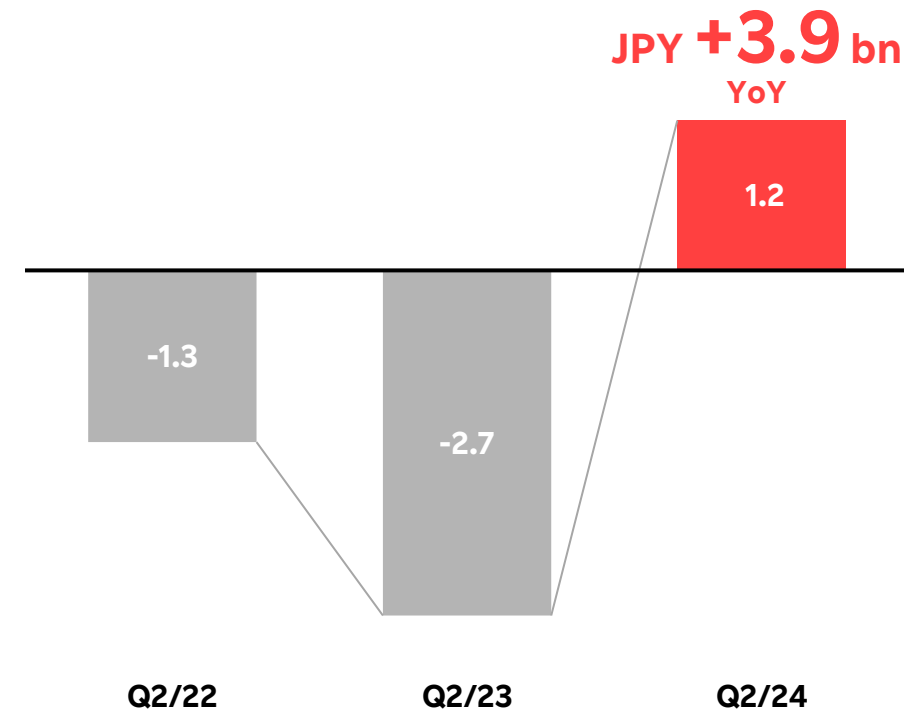
Rakuten Payment Financial Results*

- Revenue increase on GTV expansion, especially through Rakuten Pay and Rakuten Cash
- Operating profit expanded through continuous revenue growth while maintaining lean operational structure. Expecting sustained positive OI

Revenue (JPY bn)



Non-GAAP Operating Income (JPY bn)



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

Mobile Segment

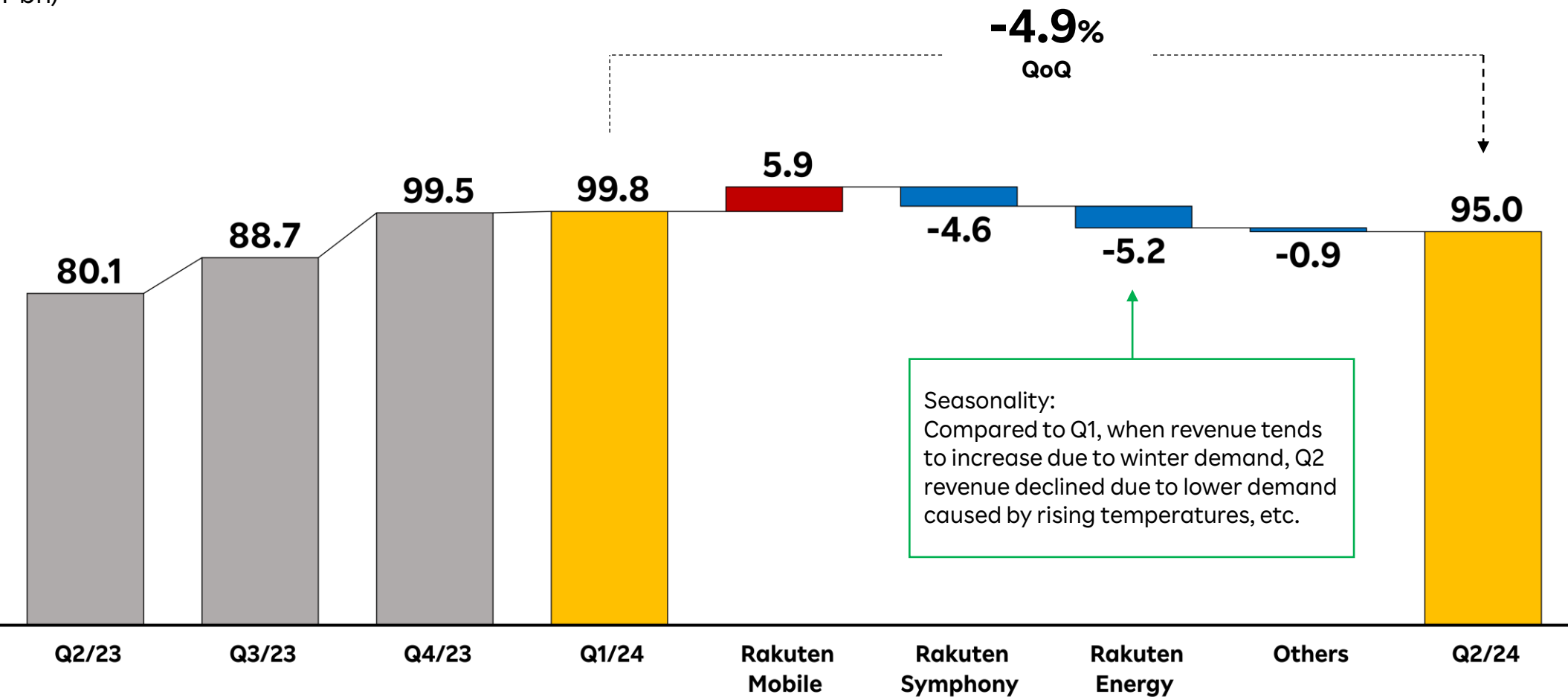
Mobile Segment Financial Results

Q2/24 (JPY bn)	Revenue	QoQ	Non-GAAP Operating Income	QoQ
Rakuten Mobile^{*1}	67.9	+9.5%	-59.5	+13.5
MNO	40.1	+11.0%		
MVNO ^{*2}	2.0	-15.7%		
Device Revenue	12.9	-4.4%		
Other Revenue (including Rakuten Hikari, etc.)	12.8	+29.2%		
Rakuten Symphony	11.8	-28.1%		
Rakuten Energy	9.5	-35.6%	-1.2	-2.2
Others	5.8	-13.5%		
Segment Total	95.0	-4.9%	-60.6	+11.3

*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.

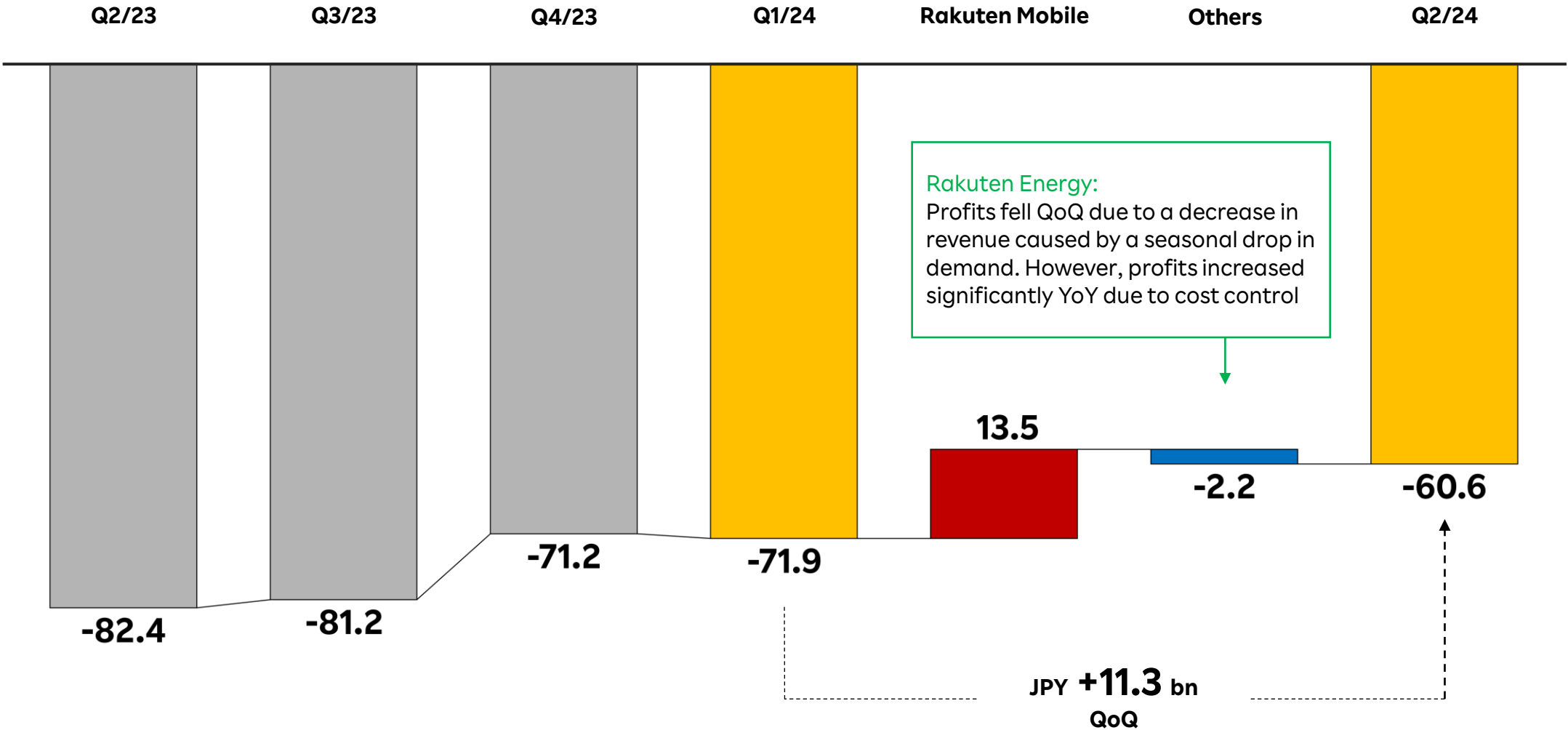
Mobile Segment Revenue Breakdown

(JPY bn)



Mobile Segment Non-GAAP Operating Income/Loss Breakdown

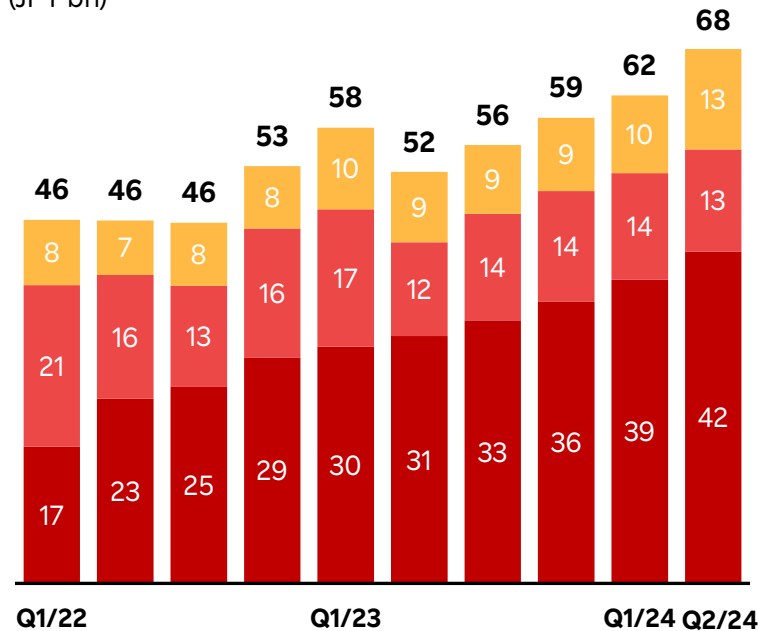
(JPY bn)



Rakuten Mobile, Inc. Quarterly Financial Results

Revenue^{*1}

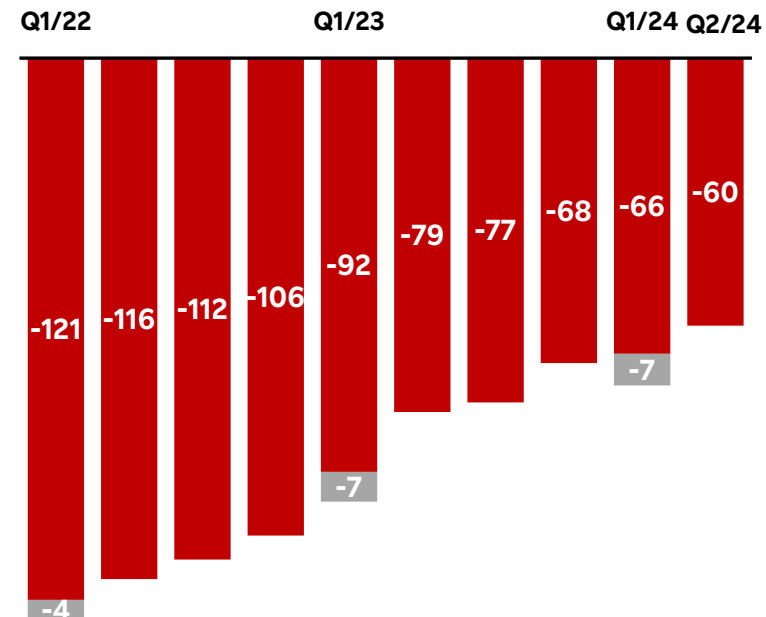
(JPY bn)



■ MNO Service Revenue^{*1} ■ Device Revenue ■ Others

Non-GAAP Operating Income

(JPY bn)

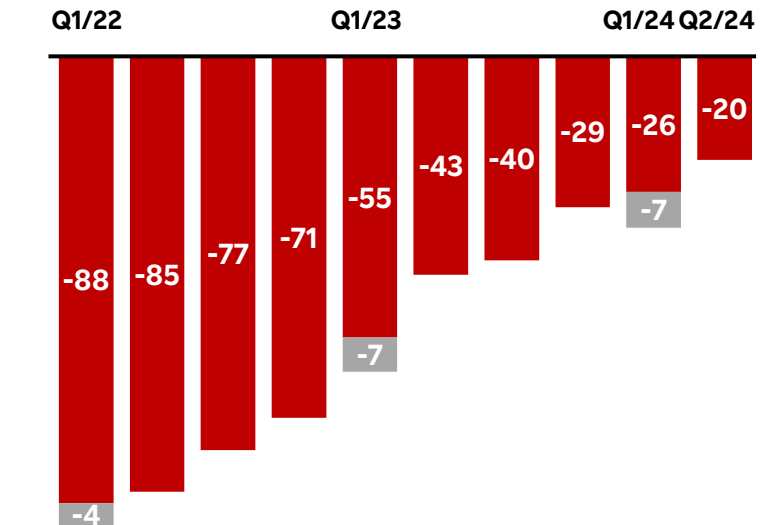


■ Non-GAAP Operating Income excluding property tax

■ Property tax

EBITDA^{*2}

(JPY bn)



■ EBITDA excluding property tax

■ Property tax

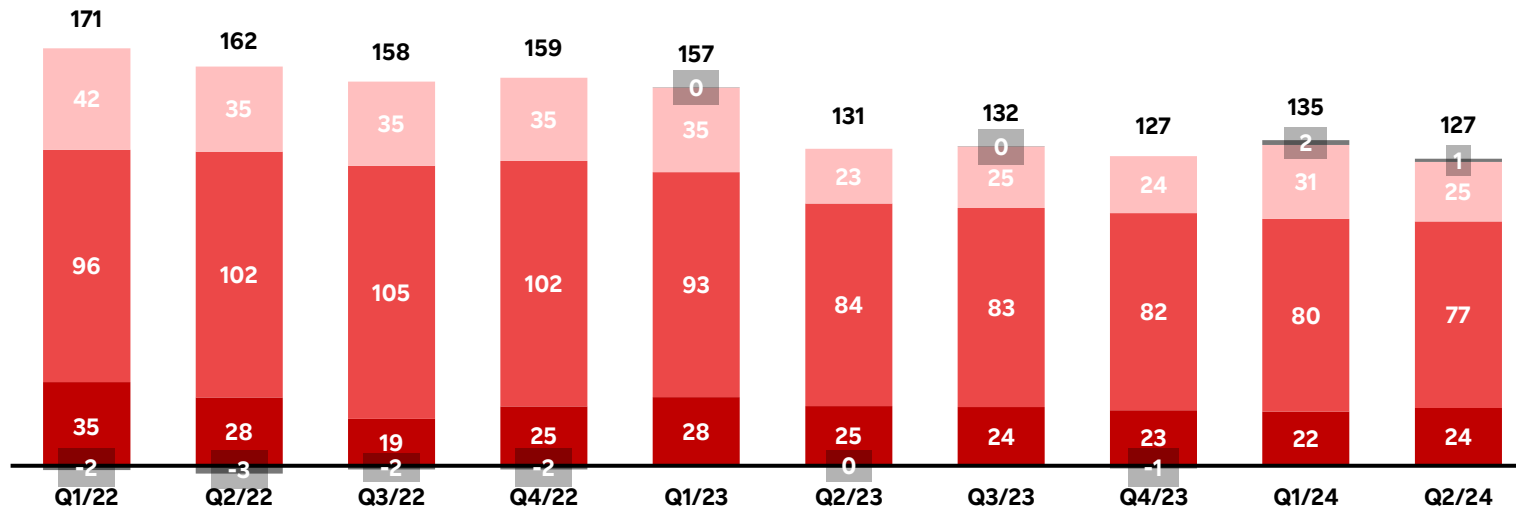
*1: MNO Service Revenue includes revenue generated from Turbo. Retroactive adjustments are also applied to past figures. *2: EBITDA = Non-GAAP OI + depreciation and amortization etc.

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 JPY 100bn or less

Operating Cost (including depreciation)

(JPY bn)

SG&A (Including Marketing, Shops, etc.)^{*3}

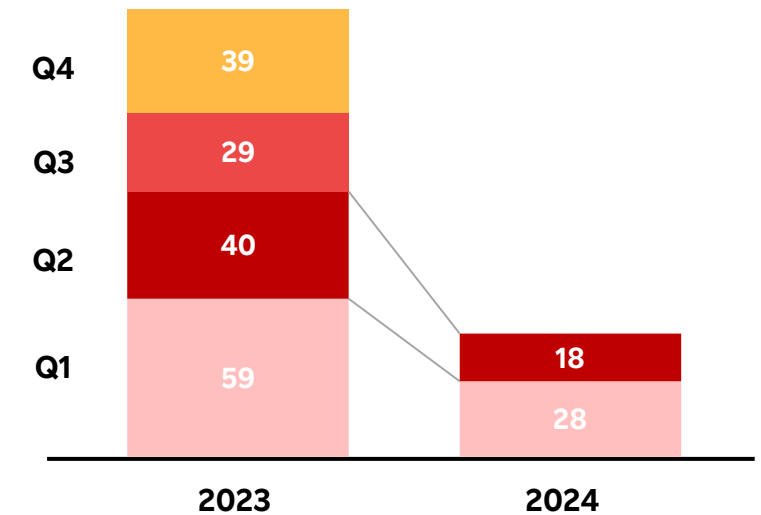
Network Cost (including Depreciation, Roaming, etc.)

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

Others (Foreign Exchange Adjustment, etc.)

Capital Expenditure^{*1*2}

(JPY bn)

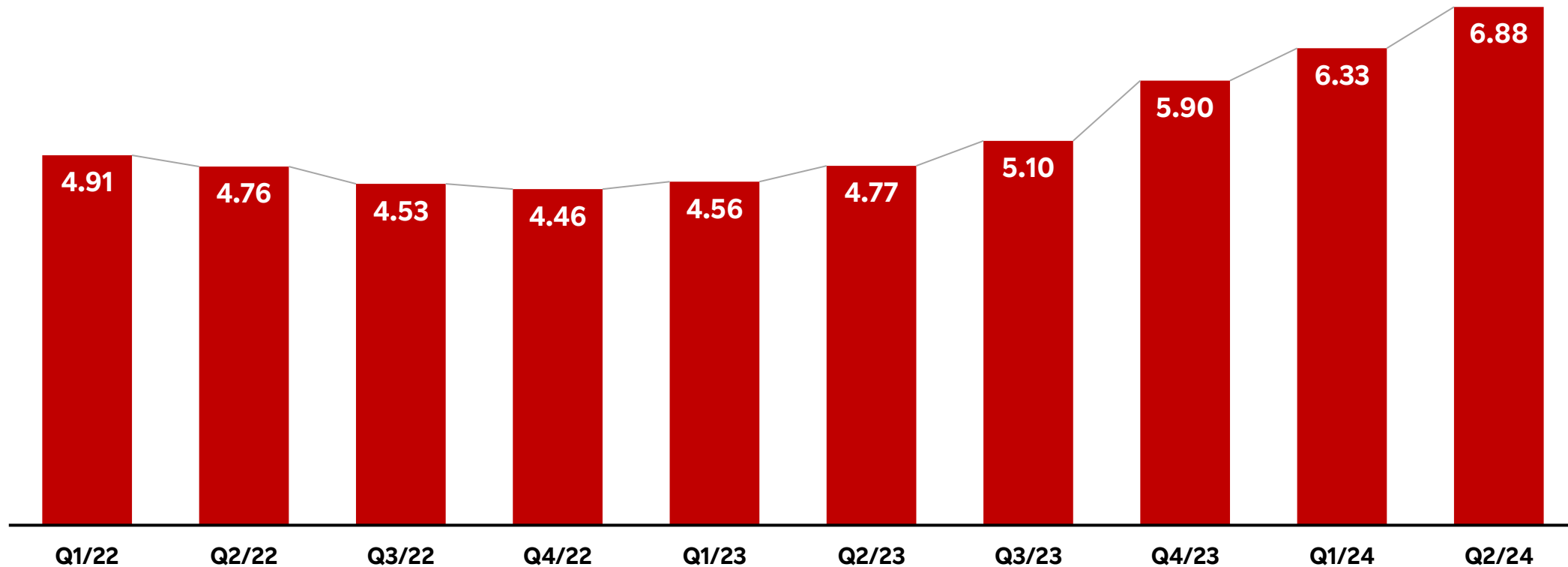


*1: Including 1.7GHz, 3.7GHz, 28GHz, and indoors and excluding IFRS16 right-of-use assets, capitalization for specified base stations opening fee for 5G 1.7 GHz, etc. *2: Platinum Band related capital expenditure is already included. *3: Property tax is included.

Rakuten Mobile MNO Subscribers (B2C+B2B)*

■ Net adds expanded due to positive acquisition trends of subscribers via the ecosystem and referral campaign

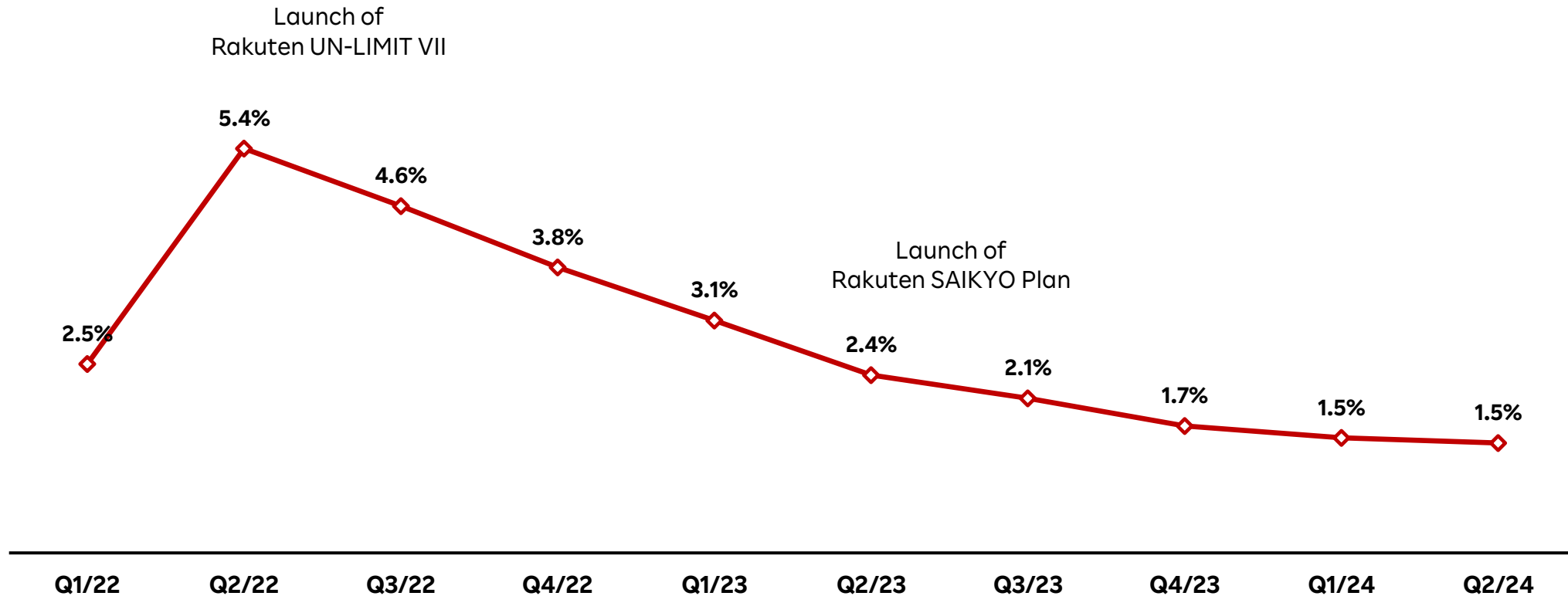
(mm lines)



*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 and a MNP ratio improves

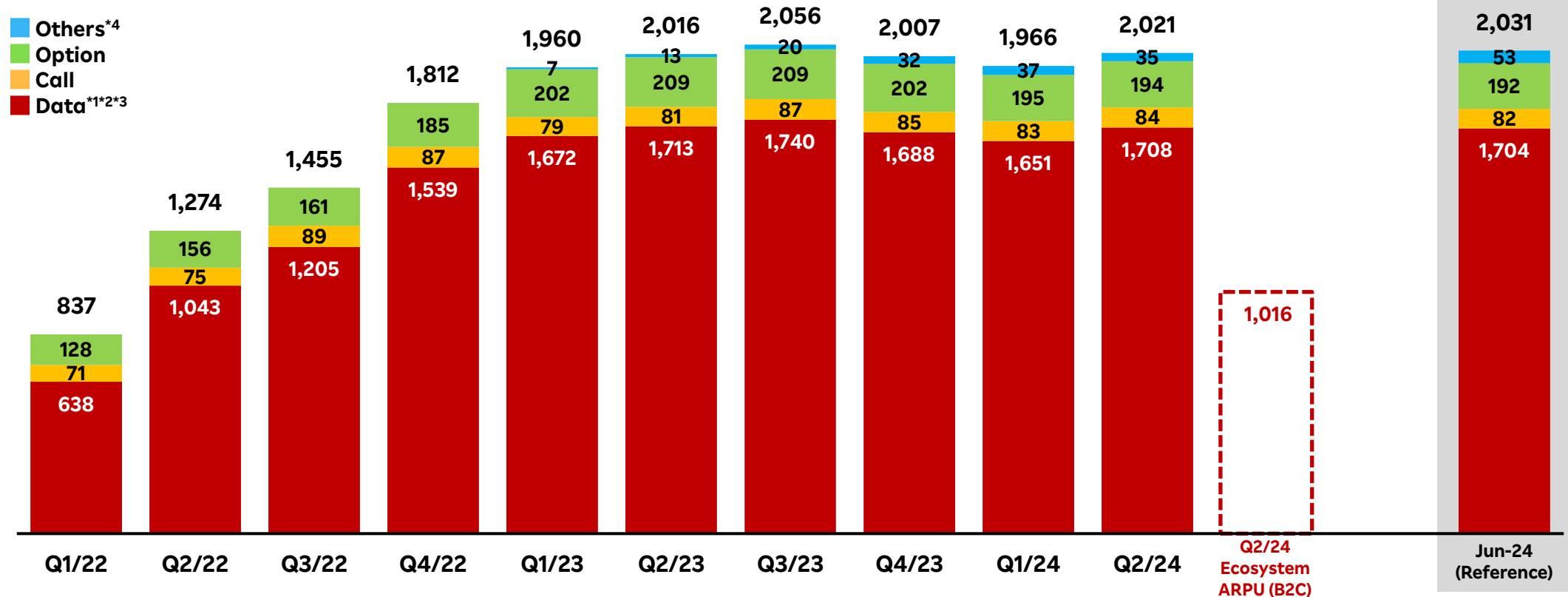


*Churn ratio = total number of churns in the most recent quarter/average number of subscribers between the end of the most recent quarter and the previous quarter. Includes B2C, B2B and Rakuten Turbo, excluding BCP/MVNE. BCP refers to plans sold for Business Continuity Plan purposes in B2B.

ARPU (MNO^{*1})

- B2C and B2B ARPU both increased QoQ. June monthly ARPU was 2,031 yen
- Growth in proportion of B2C subscribers led to an increase in Data ARPU. Other ARPU increased due to successful efforts in ads sales

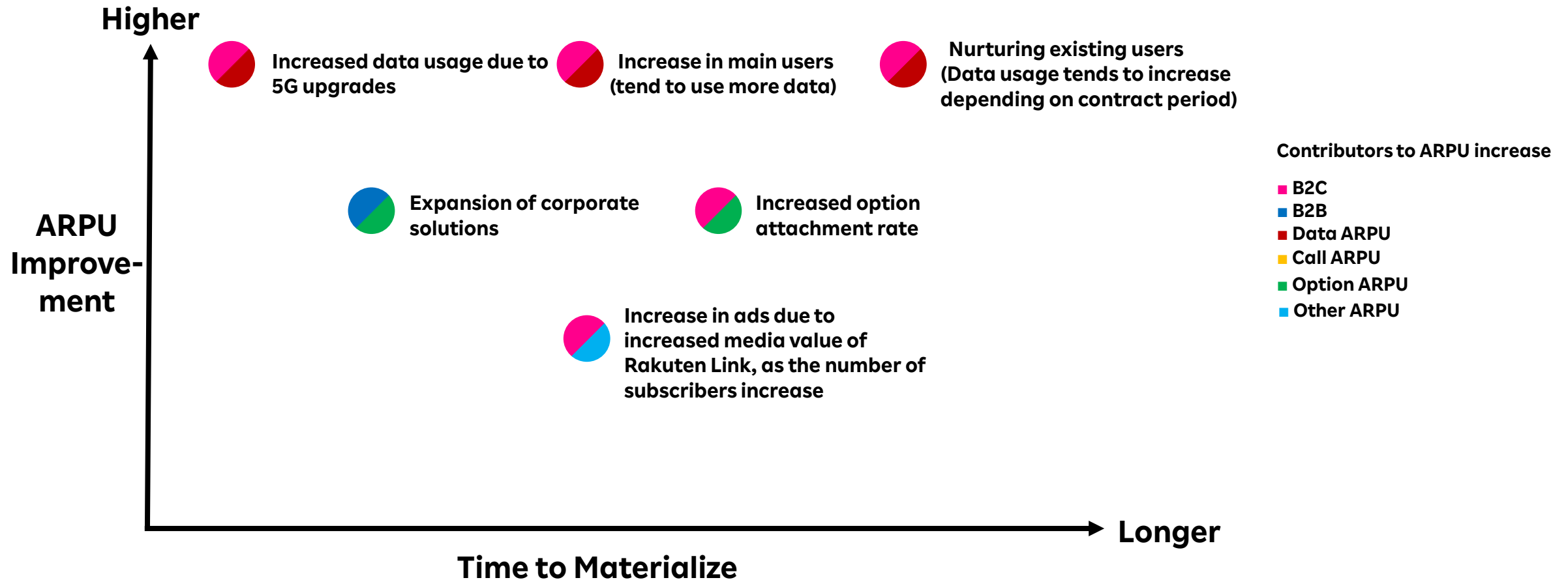
(JPY)



*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

Towards ARPU Improvement

- Data ARPU in B2C is the biggest driver of future ARPU growth
- In B2B, aim to add more value by expanding solution services



Providing Solutions to Various Corporate Issues

■ Supporting true DX transformation and productivity improvements at optimal prices

Communication

 **buddycom**

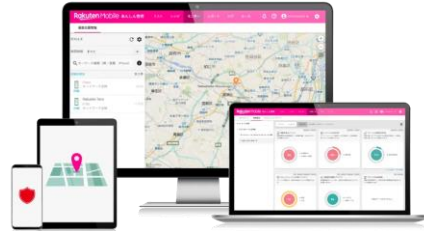
POCKETALK™
ポケットーク

 **PHONE APPLI PEOPLE**

 法人のお客様向け通話・メッセージアプリ
Rakuten Link Office

MDM

楽天モバイルあんしん管理
powered by LANSCOPE



Security

i-FILTER@Cloud™

 **Lookout™**

INTERSAFE
Gateway Connection

 **Harmony Mobile**

Cloud business support

Groupware

 **Microsoft 365**

 **Google Workspace**

Cloud PBX

 **SmaCom**

TramOneCloud

Marketing

Digital signage

 **impactTV**



Symworld
CPaaS
SMS API

Sending SMS

RakutenAnalytics

Surveying, inspection, management

Rakuten Drone

AsReader®

Alkiller NEX®

Fixed, network

KŌSOKU Access
WDM Leased Line Services
VPN Services
IP Transit Services

Rakuten Turbo



Other services

Highly durable
smartphones for
businesses

DuraForce EX



R Pay terminals



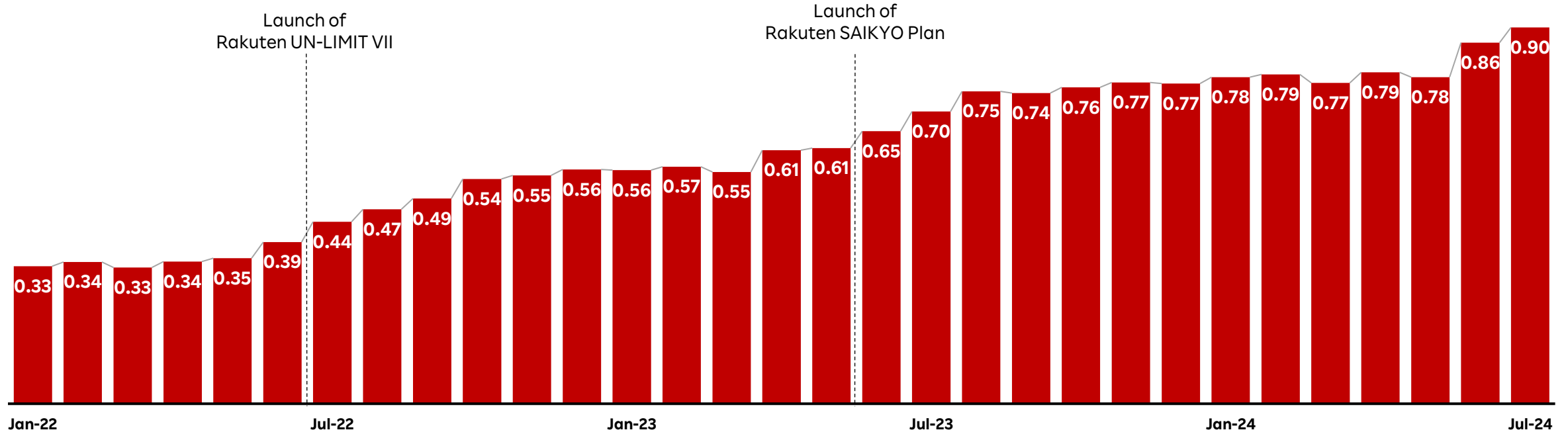
Others

Consulting, kitting, etc.

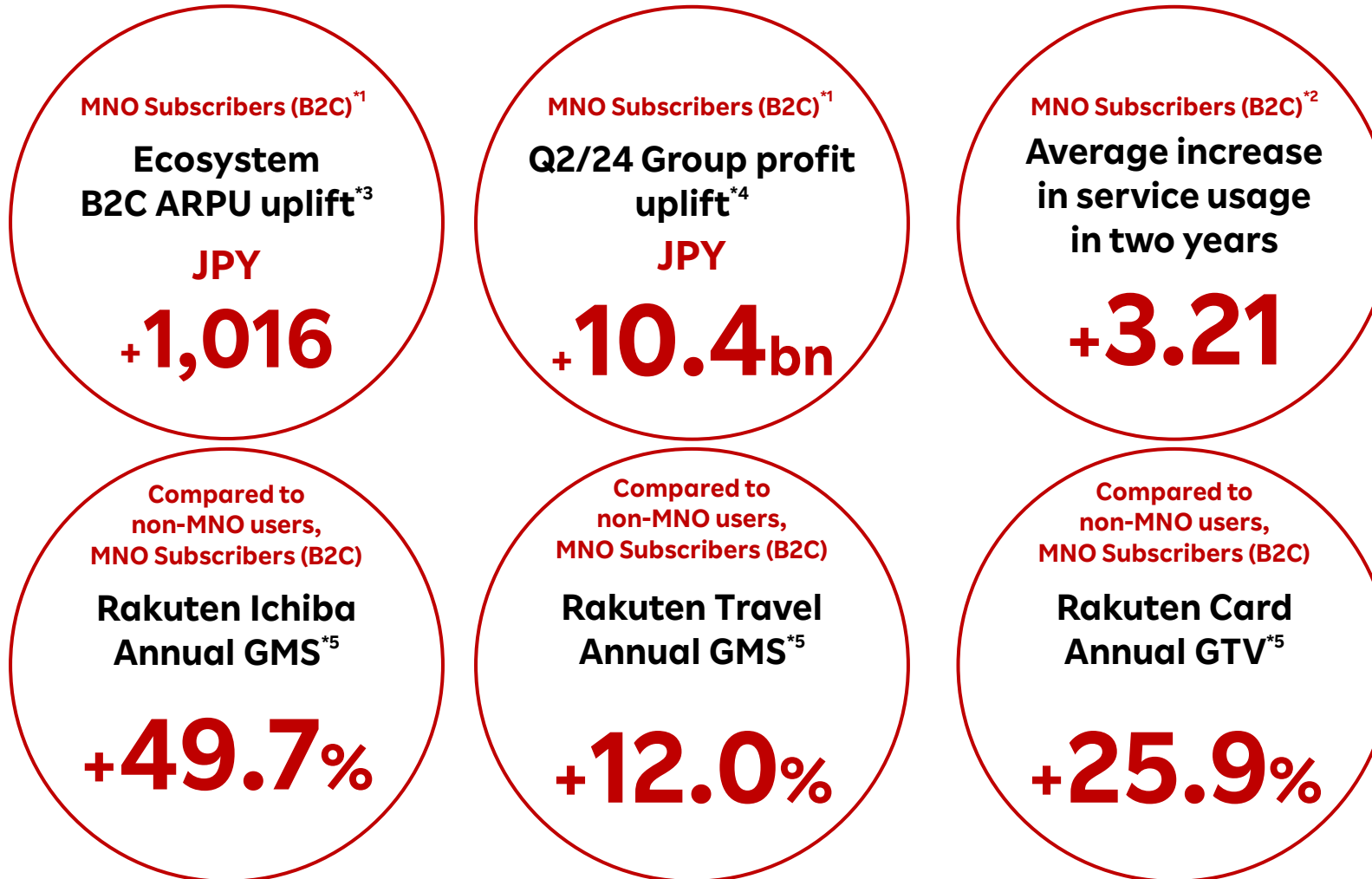
Rakuten Mobile MNO Average Data Volume (B2C)

- The data usage in B2C is steadily increasing. Factors such as capturing the younger generation who consume a lot of data, the rising proportion of applications through MNP (Mobile Number Portability), and seasonal trends that encourage more outings are contributing to this increase. As a result, the average data usage is currently on an upward trend

Averaged data consumption volume per day (GB)



Rakuten Mobile Ecosystem Contribution



*1: MNO contracts from Mar 2020 – Jun 2024. *2: MNO contracts from Mar 2020 – Jul 2022. *3: For 18 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 Edy, Rakuten Point Card, 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 18 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 Mar 2020 – July 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 for each contract start month.

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 \times 18 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

$\left\{ \left(\text{ARPU uplift for each service} \times \text{Gross profit margin for each service} \right) + \left(\right) \dots + \left(\right) \times 18 \text{ businesses}^* \right\} \times \text{Number of MNO (B2C) subscribers at end of each month}$

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

*18 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 Edy, Rakuten Point Card, Rakuten Card, Rakuten Bank, Rakuten Securities, Rakuten Life Insurance, and Rakuten General Insurance.

Rakuten Mobile Owned and Roaming Frequency Bands

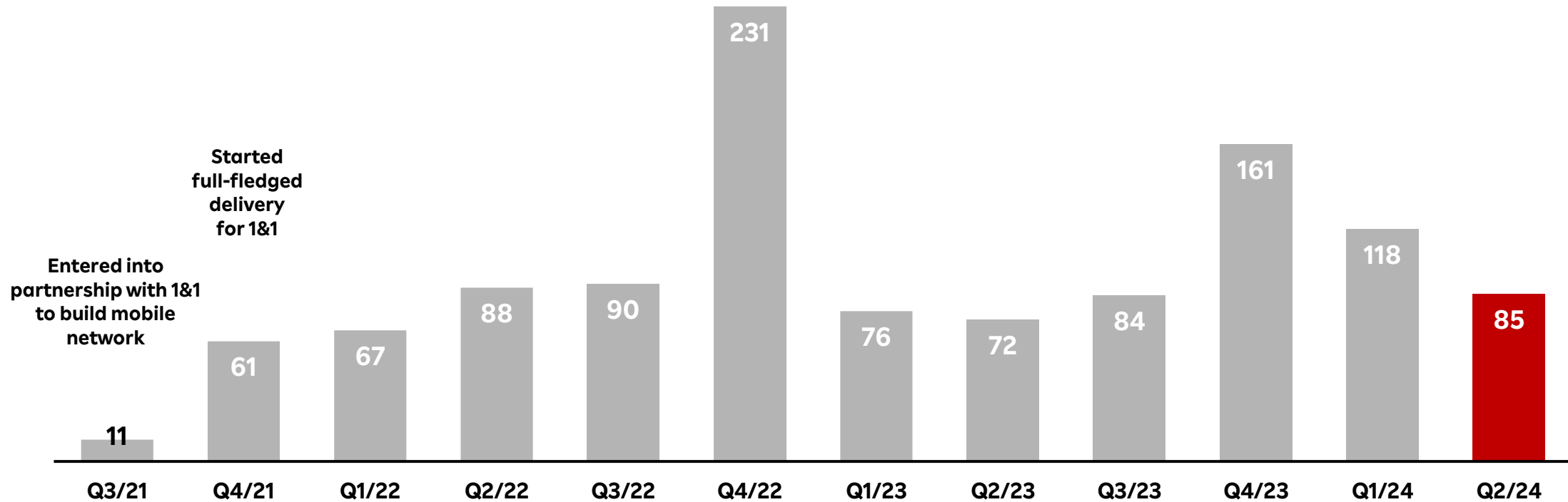
Spectrum		Status	Bandwidth
4G	1.7GHz	Allocated	40MHz Up: 1,730 – 1,750MHz Down: 1,825 - 1,845MHz
	700MHz	Allocated in October 2023 Radio wave testing started in April 2024 Scheduled to be on-air sequentially after the start of commercial service	6MHz Up: 715 - 718MHz Down: 770 - 773MHz
	Reference: Roaming	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

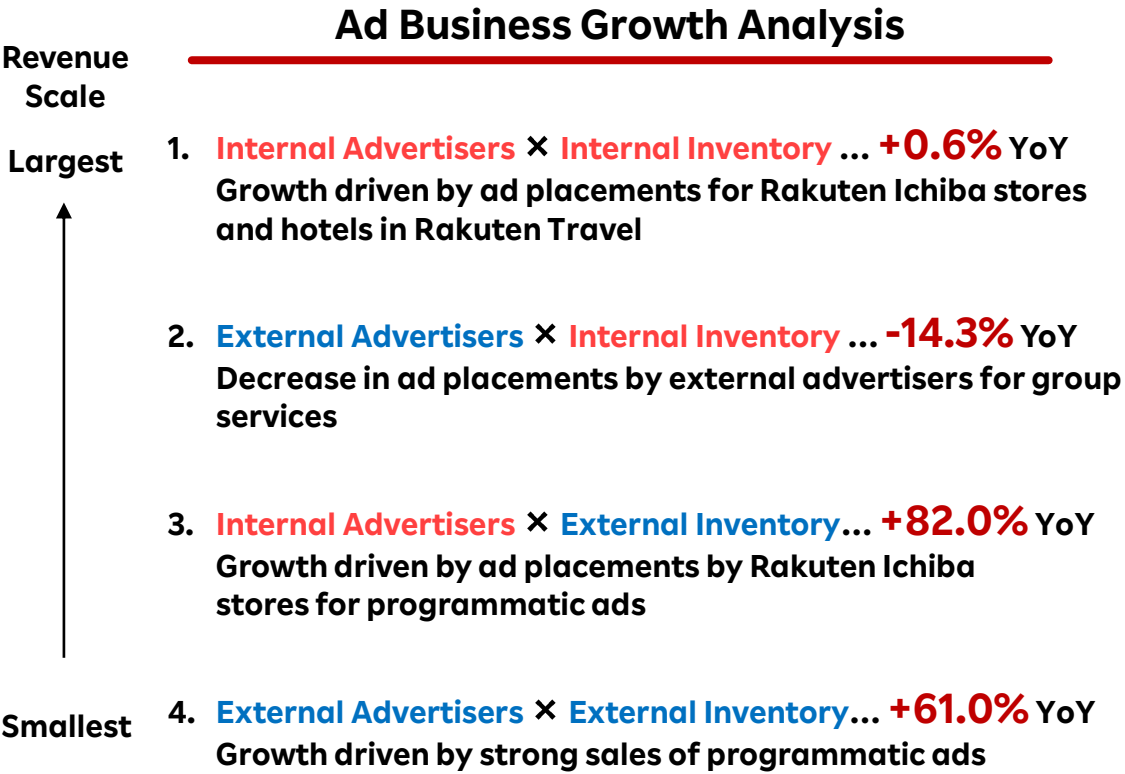
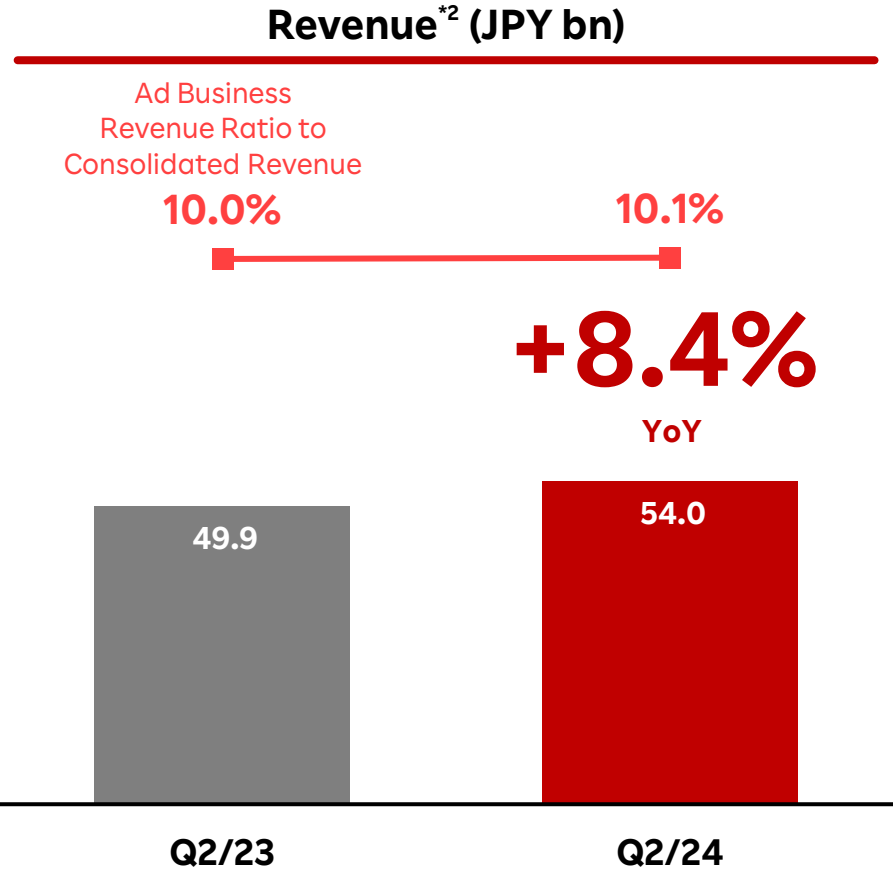
- Deliveries continued to progress for existing global customers but with more focus on anchor clients
- Revenue tends to be volatile due to timing of deliveries to clients etc.

(USD mm)



Ad Business

Ad Business^{*1} Financial Results

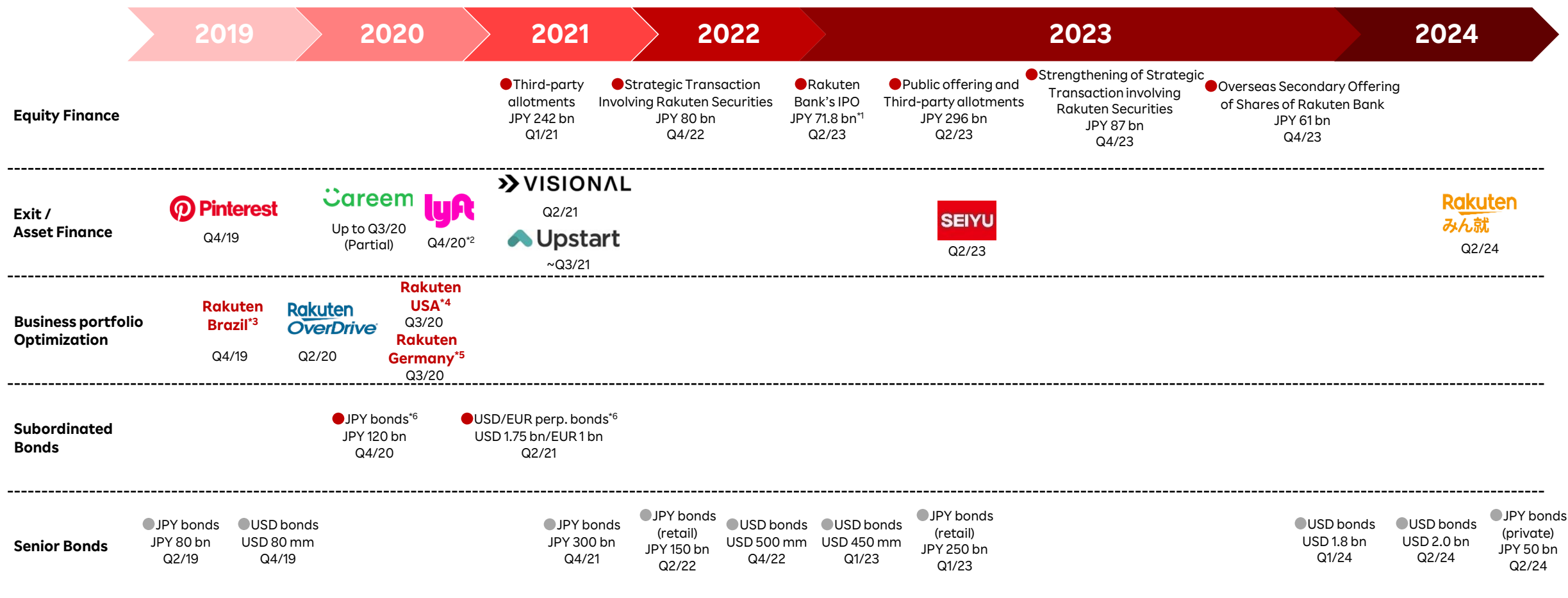


Internal Advertisers: Merchants in Rakuten Ichiba, facilities in Rakuten Travel, etc.
External Advertisers: Advertisers such as major brands and manufacturers
Internal Inventory: Ad spots on Rakuten Group websites, apps, etc.
External Inventory: Ad spots on websites and apps etc. that are outside of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

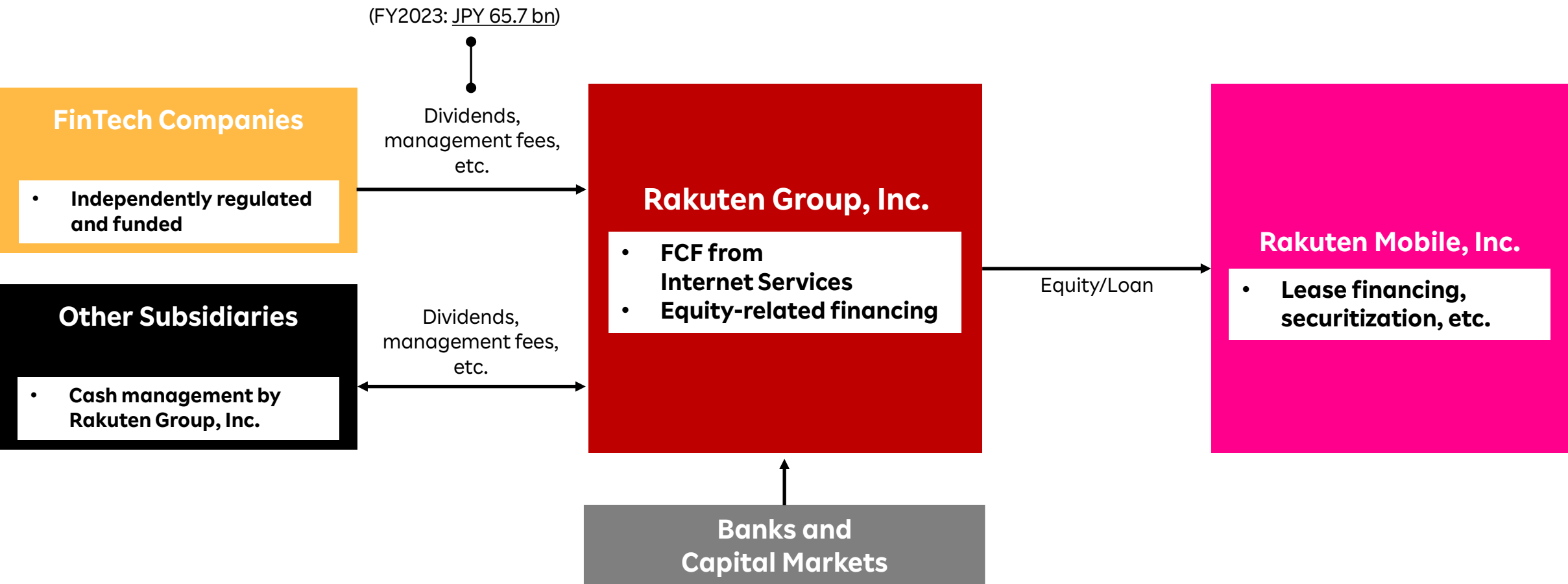
4. Finance

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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