

FY2022 Third Quarter Consolidated Financial Results CEO Group Strategy

November 11, 2022

Rakuten Group, Inc.



Agenda

1 Mobile/Rakuten Symphony Strategy

2 Q3/22 Highlights

3 Business Update

◆ **Internet Services**

◆ **FinTech**

◆ **Overseas and Contents Businesses**

4 Financial Strategy

1

Mobile / Rakuten Symphony Strategy



Mobile

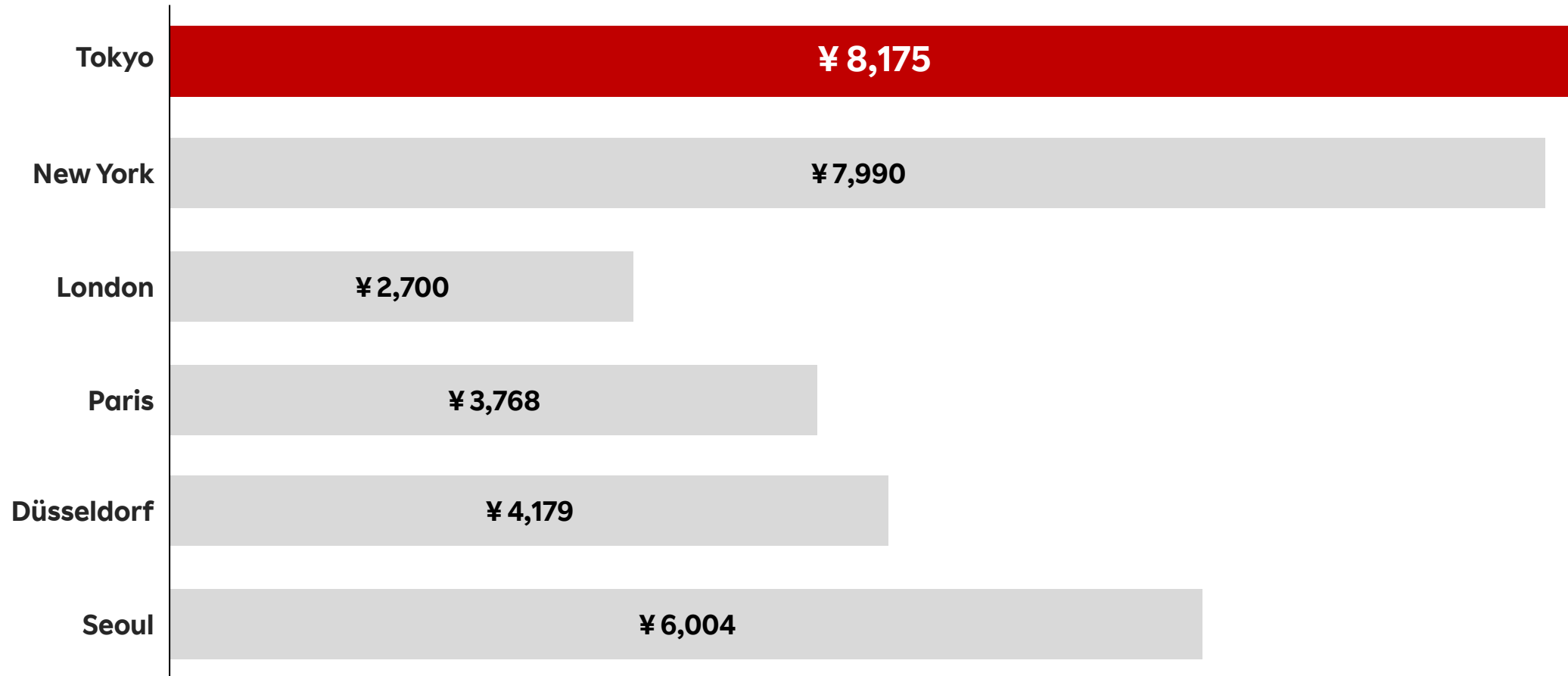


IT ALL BEGAN WITH A VISION

Monthly Mobile Subscription Fees in Japan Before Rakuten Mobile Was Launched

Tokyo: most expensive in 6 major cities as of 2020

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



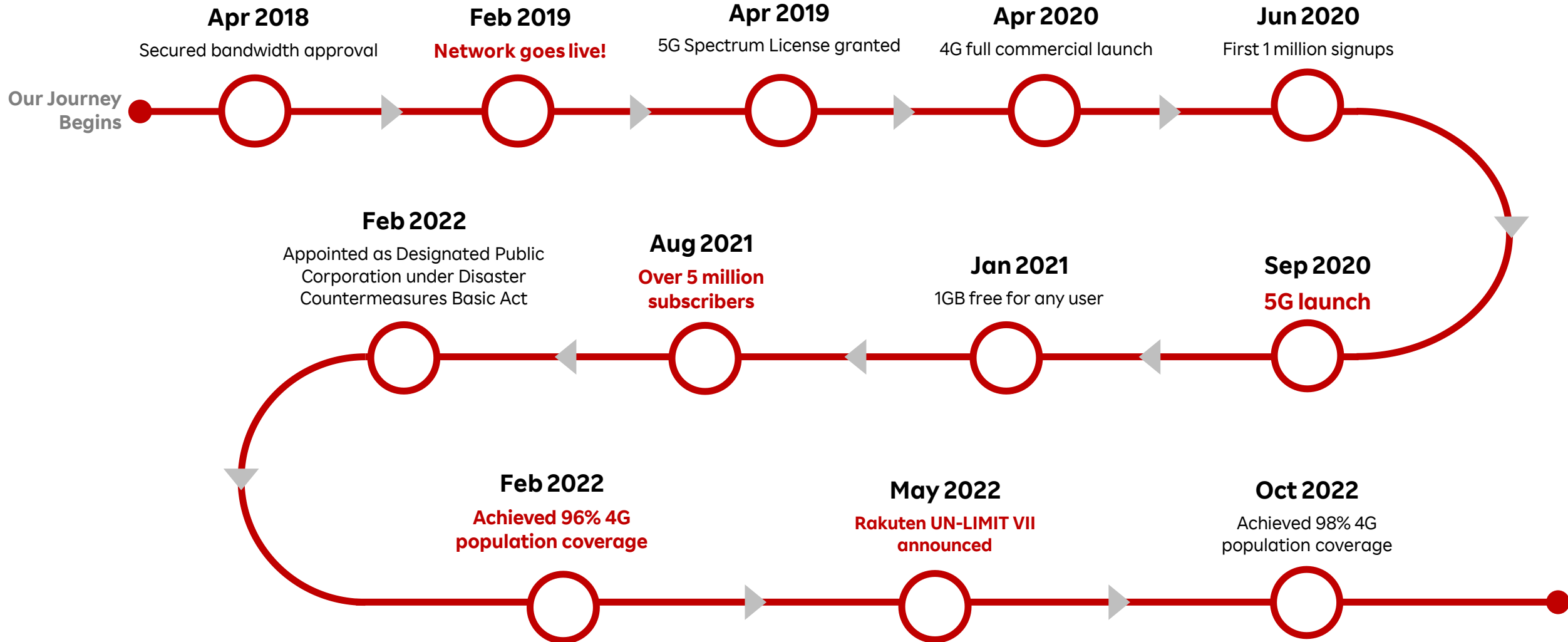
* Ministry of Internal Affairs and Communications (June 2020) Price based on using 20 GB per month with the carrier with the largest market share in each city.



To Democratize the Mobile Market

Our Journey

We built ground-up network in two years with the lowest cost!





WE ARE DIFFERENT AND UNIQUE

Disrupt: Mobile & Telecom

Mobile as a Software

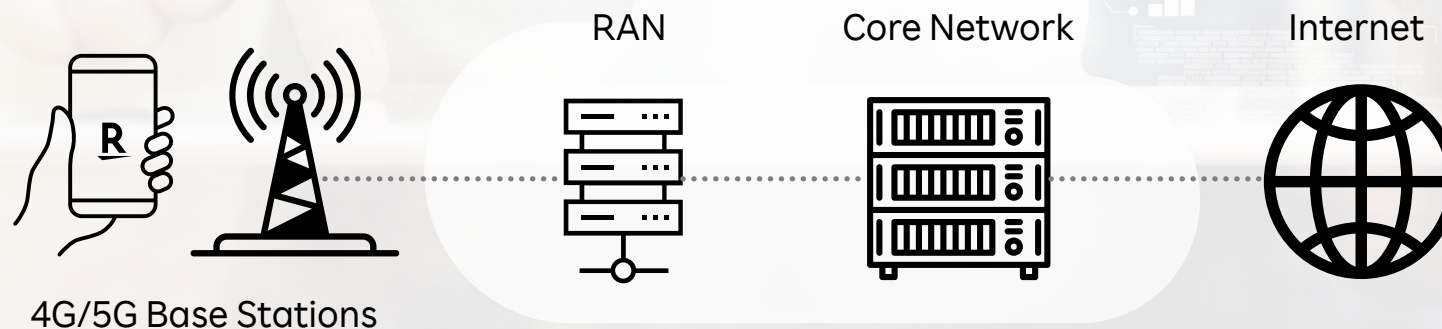
Significant reduction in CAPEX and OPEX due to virtualization, automation and open architecture

40%

CAPEX reduction

30%

OPEX reduction



We Implemented New Ways to Operate

Rakuten Mobile operates like no other existing telco in the world



Agility of mobile service activation

3 Mins

Mobile service activation instead of hours



Speed of cell sites deployment

4 Mins (for 5G)
8.5 Mins (for 4G)

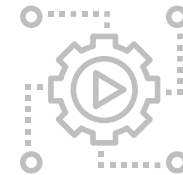
Instead of days or months



New Feature introduction

10-15

Network features and services per month



Automation & AI/ML

5

Automation scripts per day are released to the network



Operating Efficiency

1:20k

Engineer to subscriber ratio instead of 1:1k



We Aim to Focus on 4 Specific Areas:

1

Enhance customer experience

- Coverage

2

Customer base and ARPU

- Customer acquisition status
- Increase ARPU
- New business expansion: Enterprise Services, NB-IoT

3

Extensive cost control

- Cost will decline drastically with major buildout already done

4

Drive value of Rakuten Ecosystem

- Cross-sell to other Rakuten services and increase loyalty



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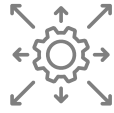
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Plans for Coverage Expansion



Rakuten Mobile area

4G base stations target
60,000 +

Population coverage target
99% +

By Dec 2023



Platinum Band

**Wider
coverage &
enhanced
indoor
connectivity**

Target from 2024



AST SpaceMobile

**Aim for
100% area
coverage**

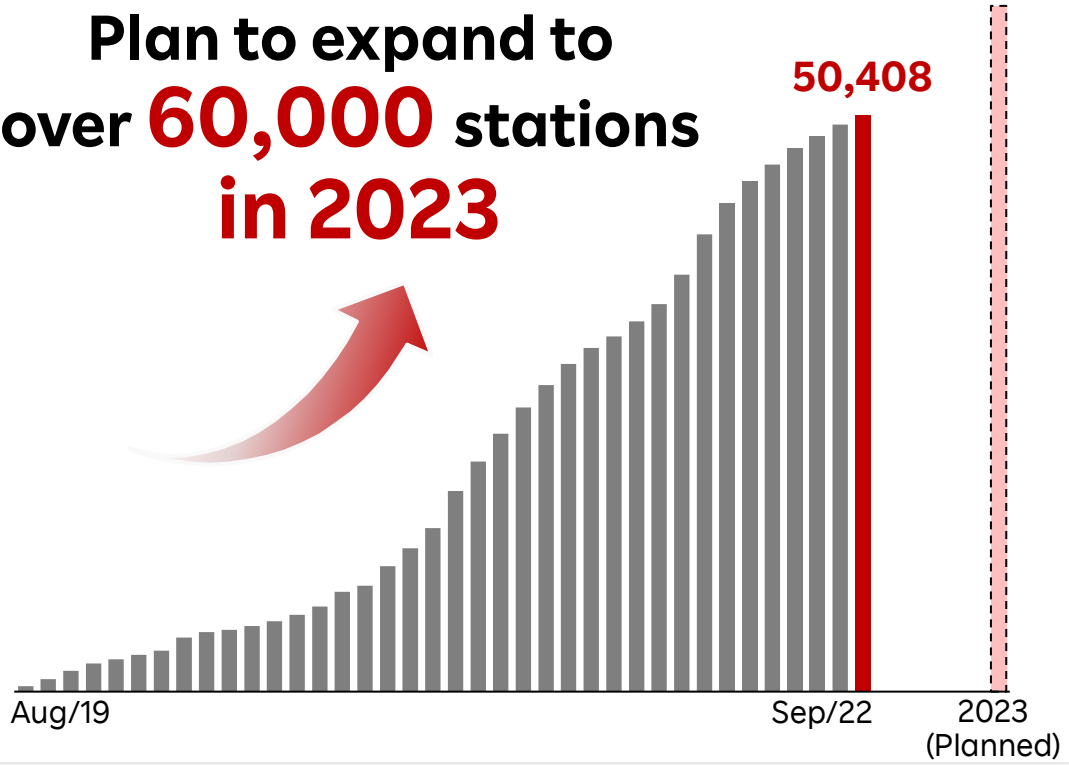
Using satellite
communication

Target from 2024

Accelerated 4G Deployment and Enhanced Population Coverage

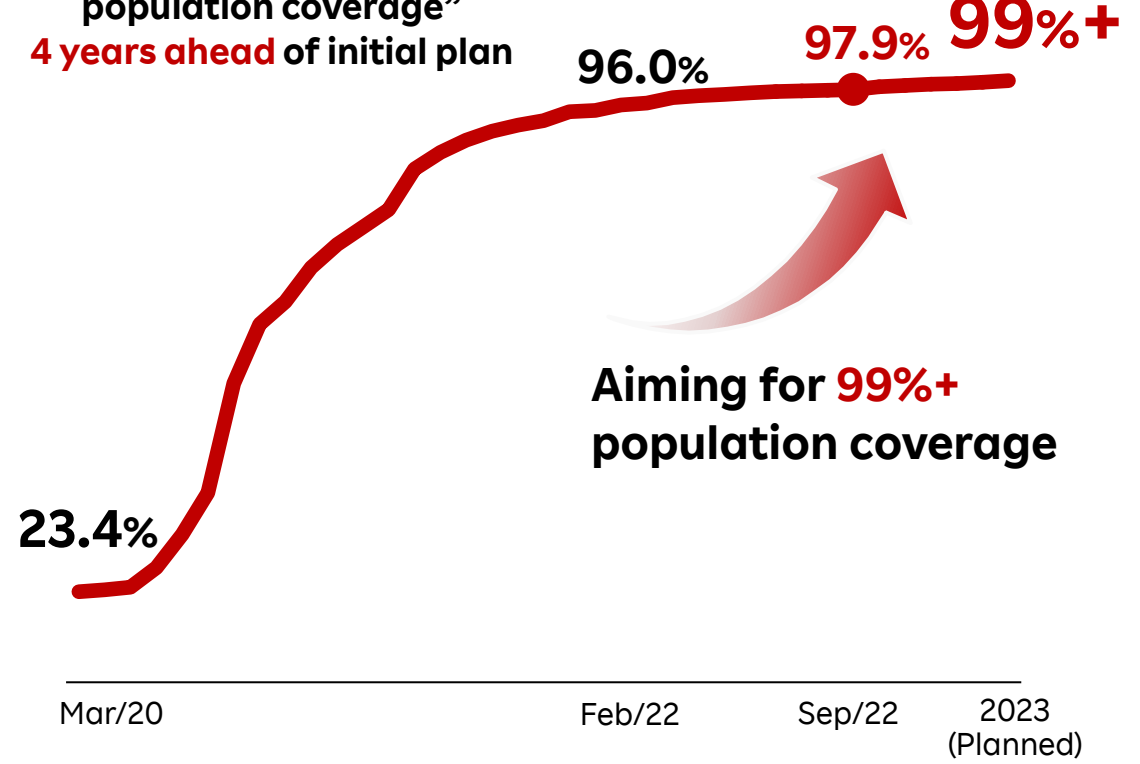
4G base stations on air

50,000 stations on-air. **60,000+**
Plan to expand to
over **60,000** stations
in 2023



4G population coverage

Achieved target for "96% 4G population coverage"
4 years ahead of initial plan

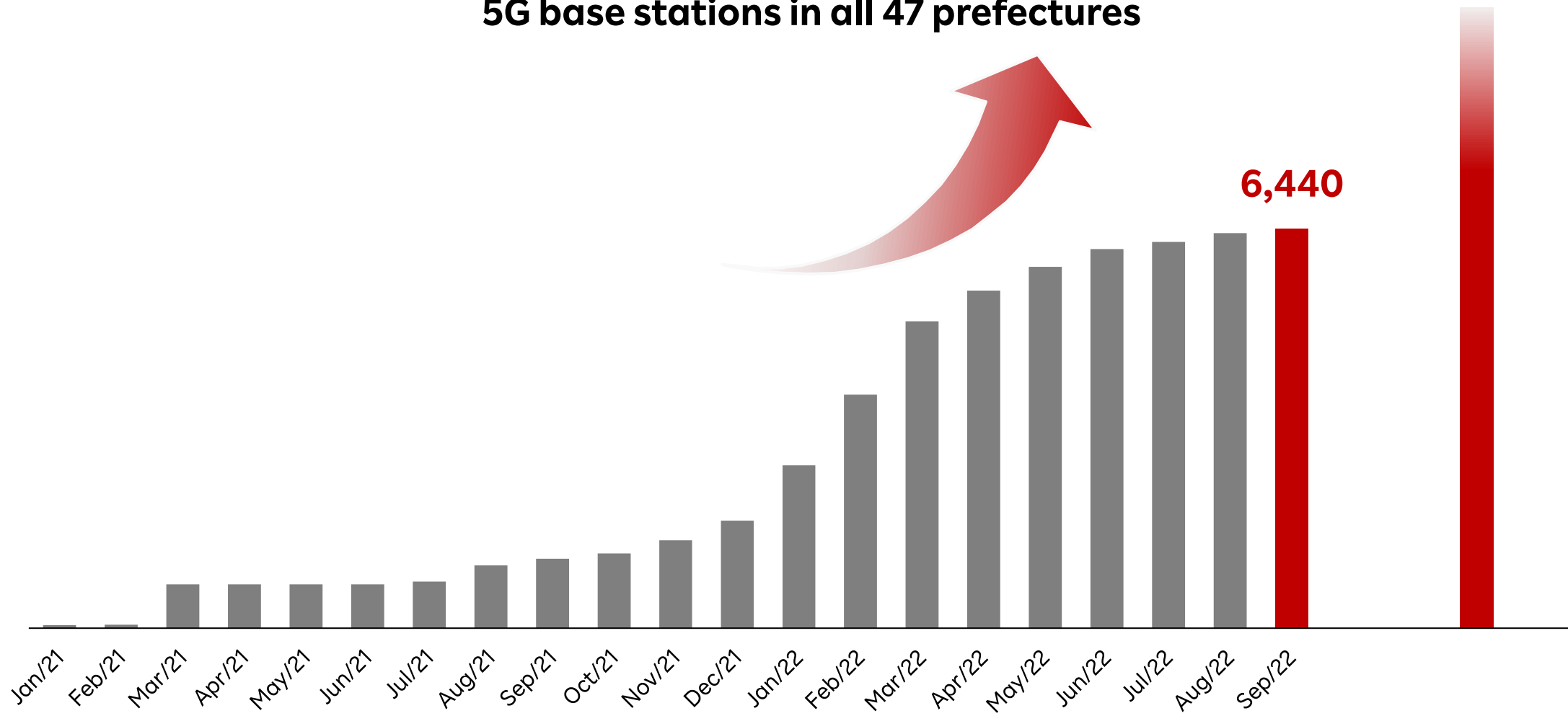


Aiming for **99%+**
population coverage

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

Expansion of 5G Base Stations

5G base stations in all 47 prefectures



*Outdoor Sub6 macro base stations

Improving Indoors and Subway Connectivity

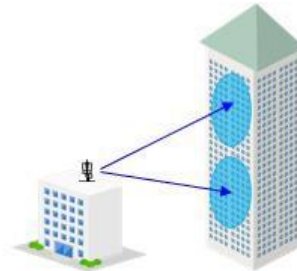
Small cells

Expanding indoor coverage through **Rakuten Casa**



Skyscrapers (4G)

Exdoor solution – radio emission from outside the building



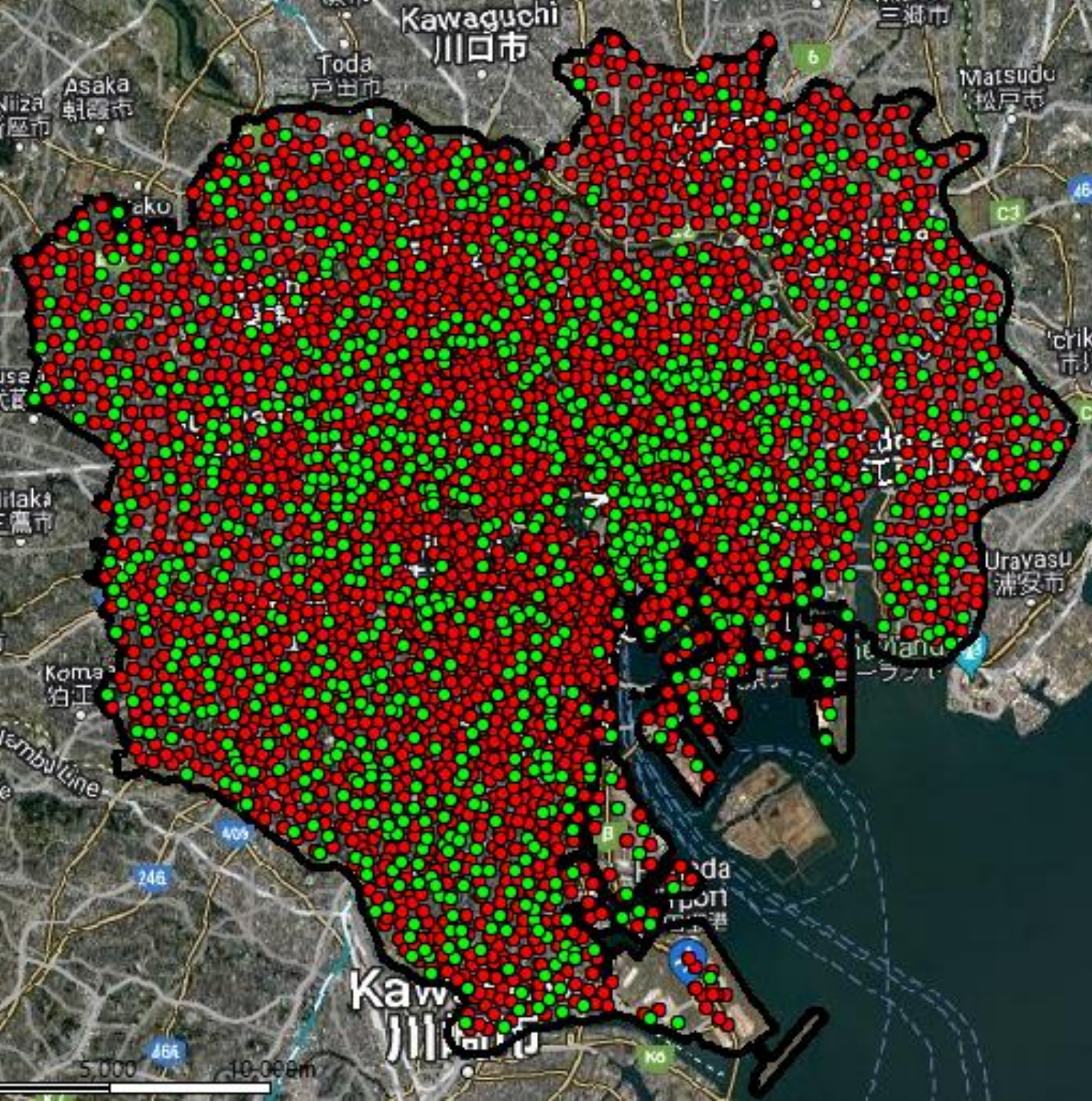
Sequential improvement of network quality in high-rise buildings over 20 floors

Subways

Installation of our equipment in JMCI facilities

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

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



Increasing On Air Sites Count in Tokyo 23 Wards

Currently

3,334

sites are on-air

As of Oct/2022

Planned on-air total

Approx. **4,300** sites

by June 2023

● On Air

● Additional On Air

Platinum Band Reallocation: Summary of MIC's Draft Report (published on Nov 8, 2022)

"Smooth Spectrum Reallocation Task Force"



MIGRATION SCHEDULE

- Standard period of **five years** from the **time of reassignment**
If ending the use of existing base stations negatively impacts current users of existing licensees, the termination date for frequency usage could be delayed, reflecting necessary construction schedule.



MIGRATION COST

1

Repeater replacement

2

Additional base stations to
maintain capacity

3

Insertion of filters

In principle, existing licensees bear the cost

* MIC report : https://www.soumu.go.jp/main_sosiki/kenkyu/denpa_DX/02kiban09_04000557.html

Platinum Band Reallocation: Schedule

EXPECTED SCHEDULE UNTIL ALLOCATION

MIC's Task Force Draft Report
Nov 8th



Application for frequency reallocation



...

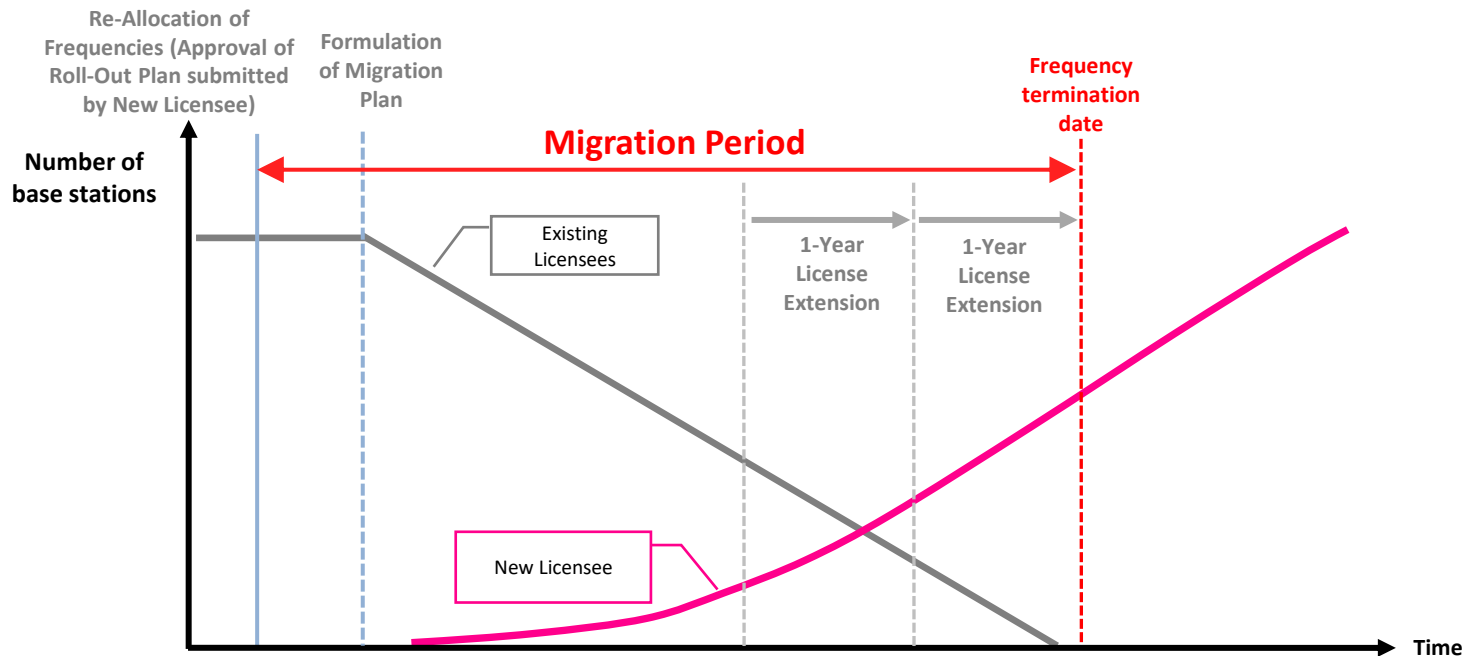


Frequency reallocation to new licensee



Rakuten Mobile targets to start Platinum Band rollout from March 2024

MIGRATION IMAGE



* Refer to MIC report : https://www.soumu.go.jp/main_sosiki/kenkyu/denpa_DX/02kiban09_04000557.html

Platinum Band CAPEX

Aiming for deployment with low cost



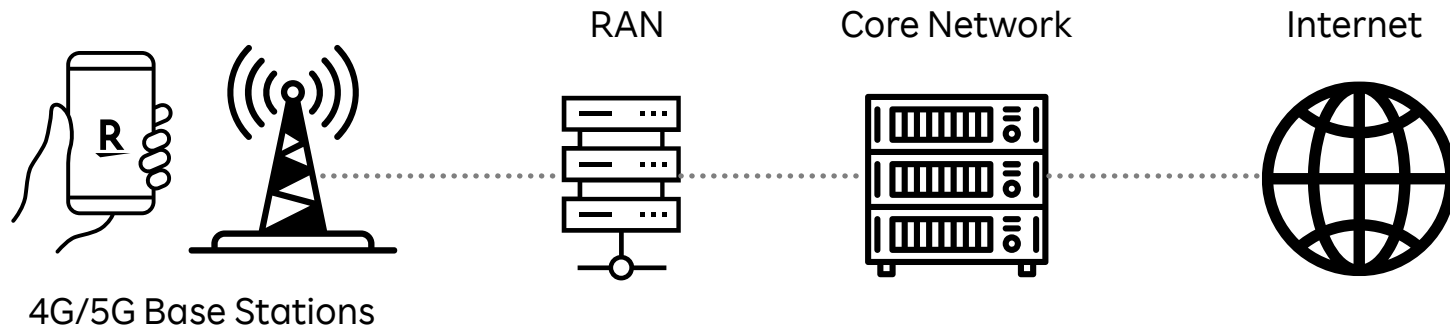
By utilizing network technology and our existing base station sites, we aim to install Platinum Band base stations flexibly and efficiently at low cost



Plan to reuse existing poles, backhauls such as fiber, and accessories such as batteries
Enables lower construction and material costs



4G and 5G software owned by Rakuten
Software related capex negligible

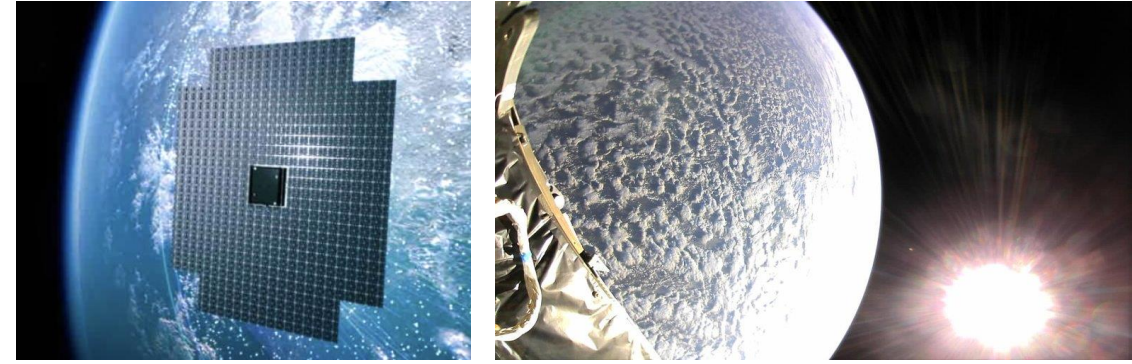


Planned Further Expansion Through SpaceMobile

Rakuten Mobile has collaborated with AST SpaceMobile for Satellite Communication

▶ Achievements

- September 10, 2022 21:20pm (EDT)
Successful launch of AST Space Mobile's BlueWalker3
- October 2022
Fukushima gateway, for experiment installation, completed
- November 2022
BlueWalker3 antenna unfolding (Planned)



▶ Benefits of Space Mobile

- 1 Direct connection with existing smart phones
- 2 Text, voice and data communications in planning
- 3 Aim for network with worldwide geographical coverage
- 4 Is being designed to provide coverage even in times of emergency



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Drive value of Rakuten Ecosystem

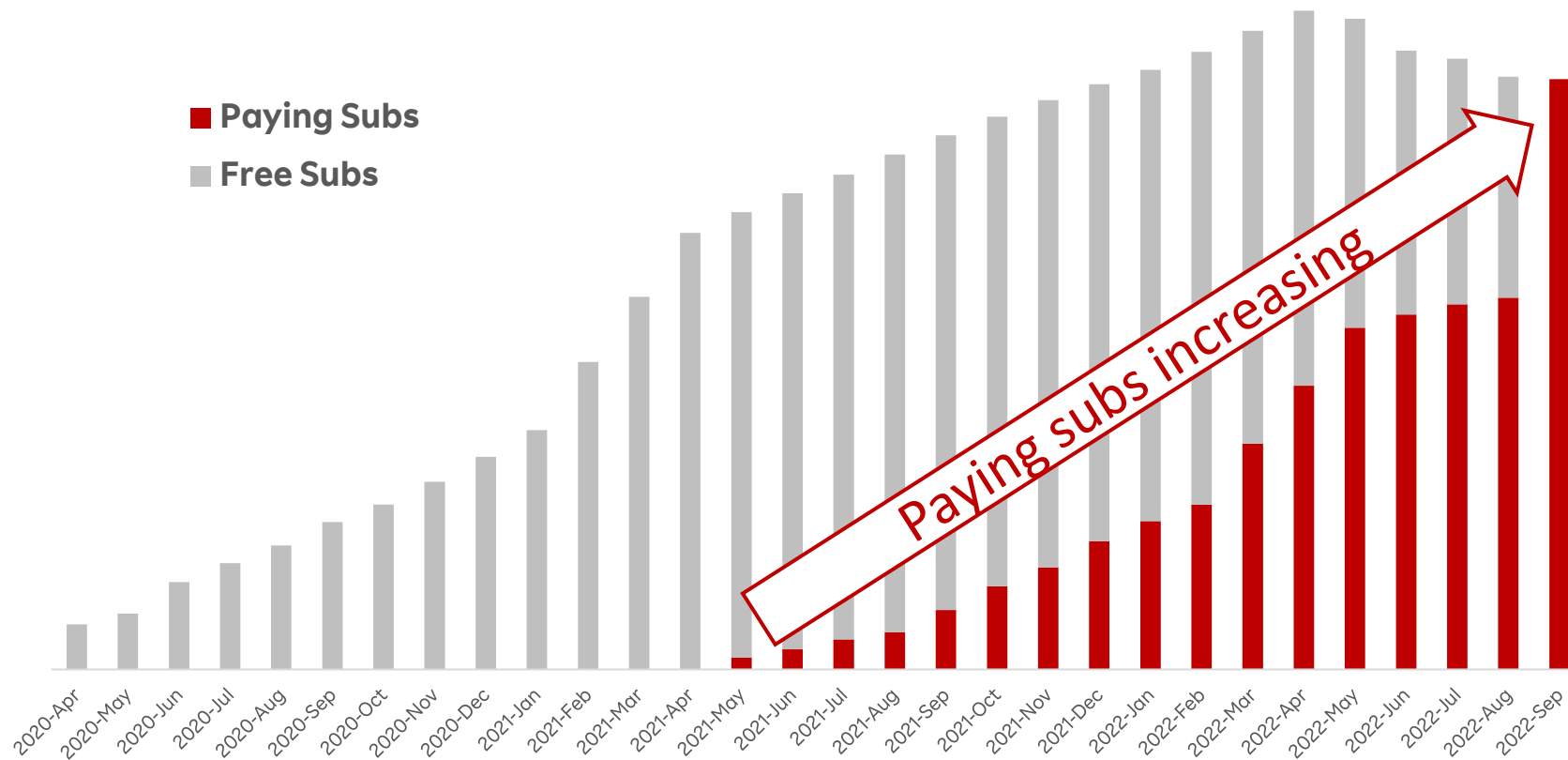
- Cross-sell to other Rakuten services and increase loyalty

Subscribers Acquisition Status

Total MNO and MVNO subscribers 5.18 mm

November to date showing net increase in subscribers, despite the end of a point-back campaign.

Total subscribers vs paying subscribers' trend



Recent Subscribers trend

Since the introduction of UN-LIMIT VII

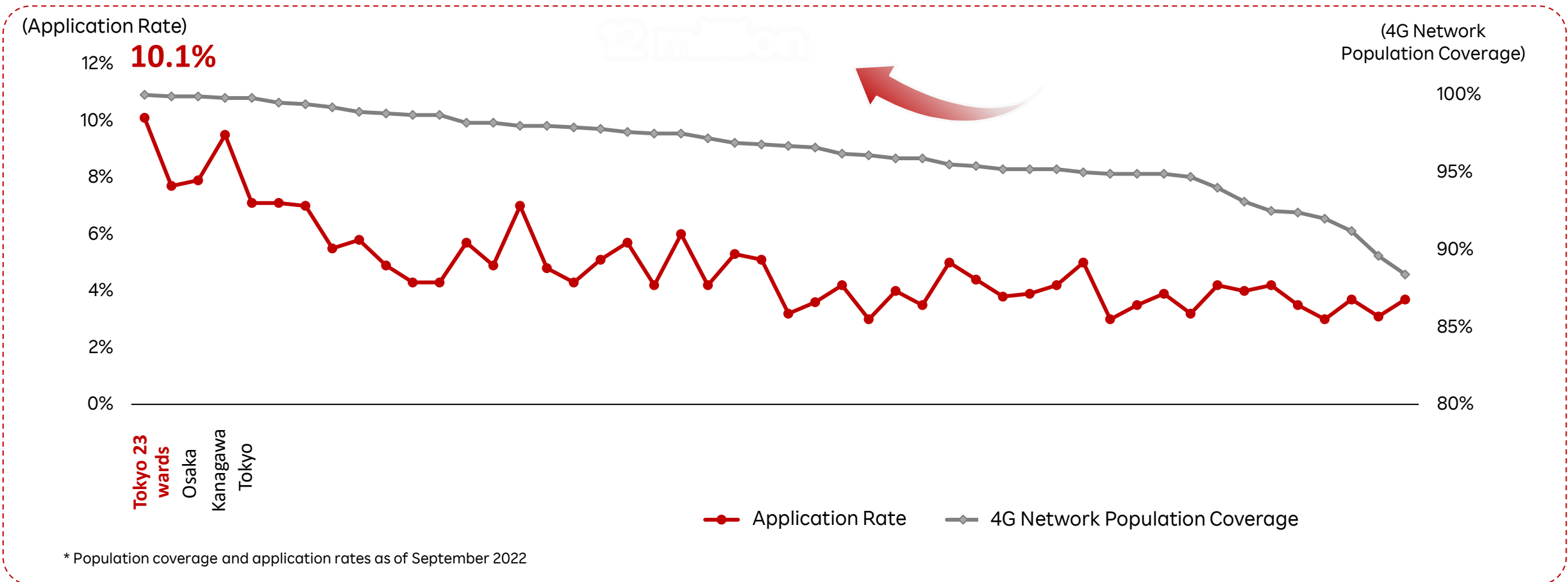
- Number of **paying subscribers are increasing**
- **ARPU is increasing**
- **Revenue is increasing**

Now: Total subscriber churn is stabilized and back to pre- UN-LIMIT VII levels

Direct Relationship Between Network Coverage & Customer Acquisition

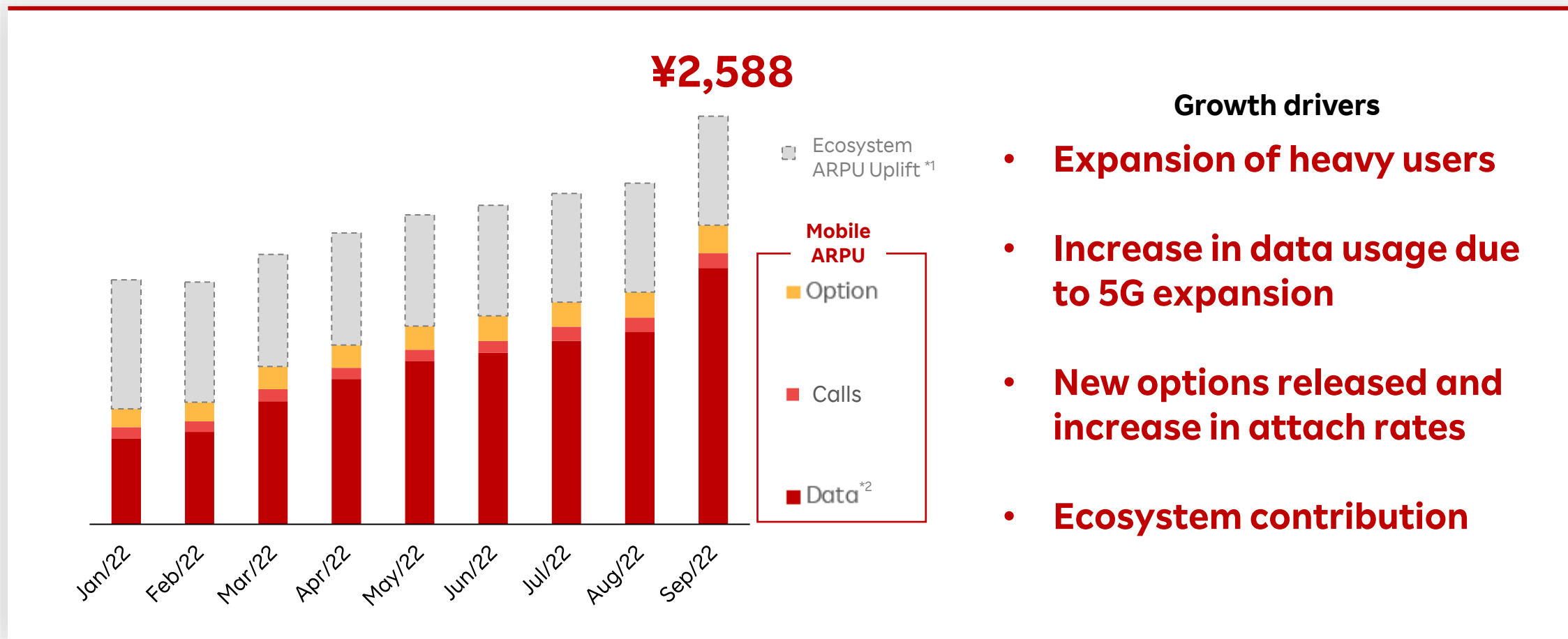
Application rate in Tokyo's 23 wards exceeds 10%

Aiming to expand coverage and increase applications in other areas



Growing ARPU

Mobile ARPU (Data + Option + Calls) + Ecosystem ARPU Uplift



Growth drivers

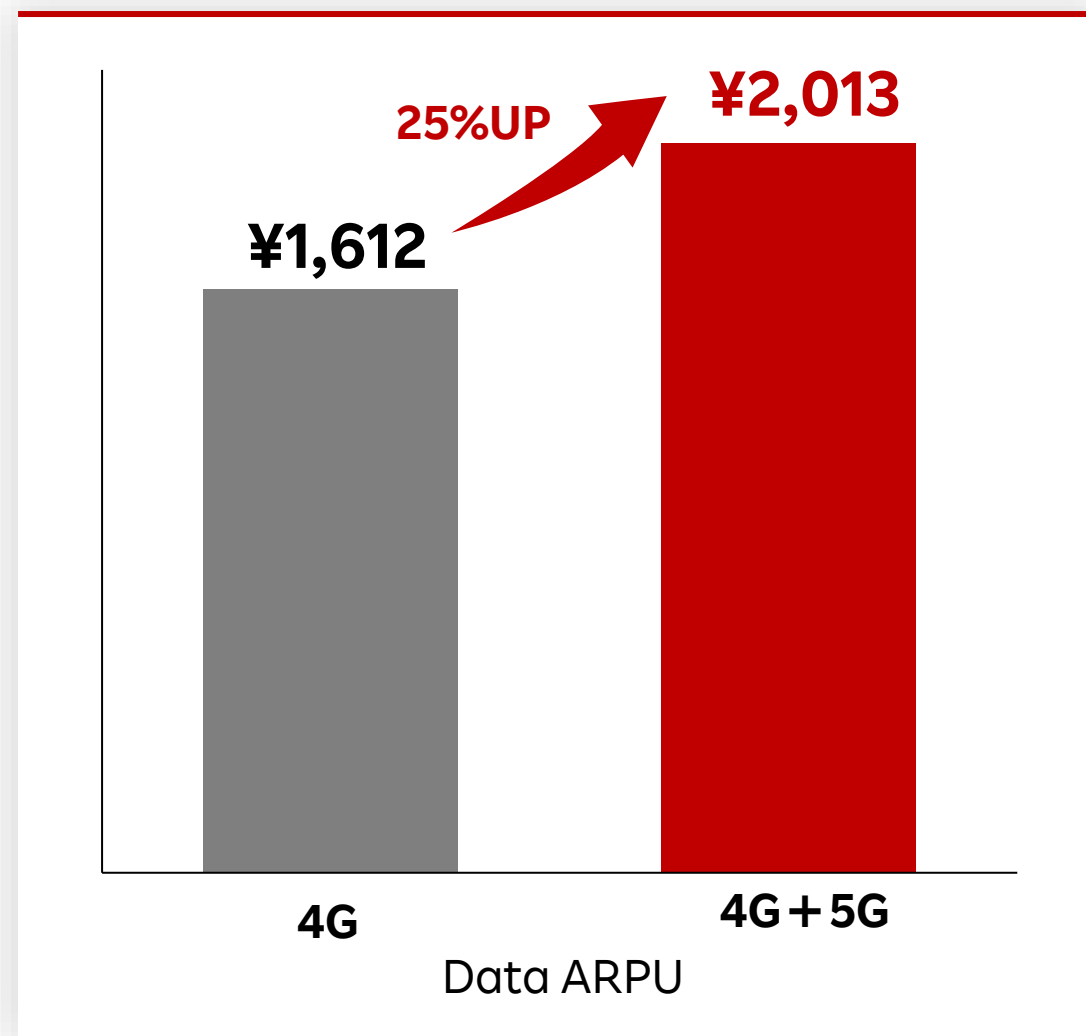
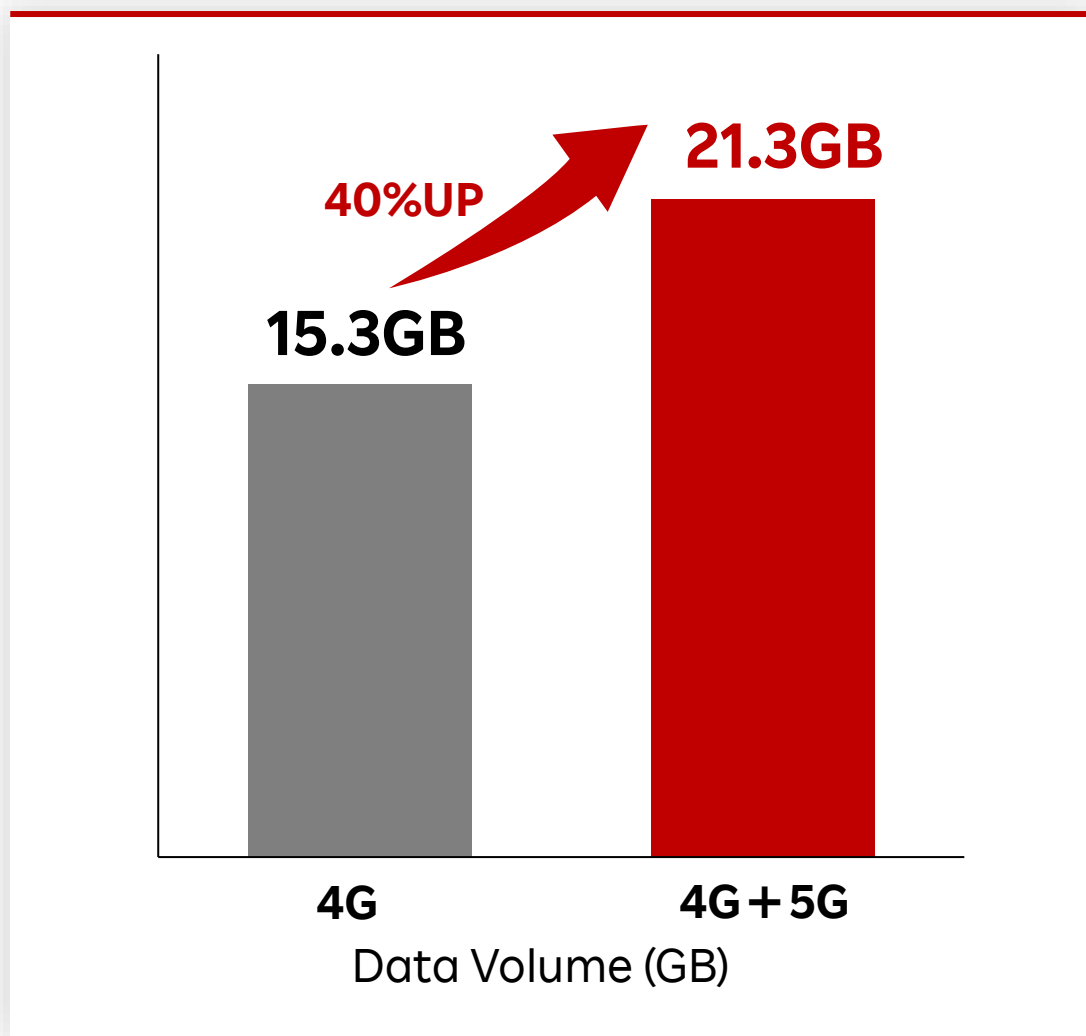
- **Expansion of heavy users**
- **Increase in data usage due to 5G expansion**
- **New options released and increase in attach rates**
- **Ecosystem contribution**

*1 Ecosystem ARPU Uplift: Difference in average revenue per person between MNO users and non-MNO users over the past year at six selected businesses. Calculated by comparing MNO users who have been contracted for more than 1 year and non-MNO users for comparison (Among users who are Rakuten active and have not signed an MNO contract in the past year from the corresponding contract month, users who have collected sales for the past year from the corresponding month). In addition, August and September are preliminary figures.

*2 Data ARPU: Point back campaign for users of less than 1GB during September-October 2022 are recorded as deduction from revenue. However, we include it in the calculation of ARPU here.

Mobile Data Traffic and ARPU Growth in Osaka Area Driving Up with 5G

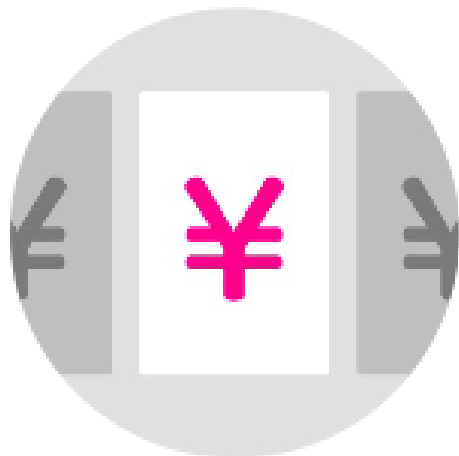
With the introduction of 5G, overall data volume increased by 40% and ARPU increased by 25% in Osaka



Rakuten Mobile Enterprise Services

Rakuten Mobile plans to launch enterprise services

Special service plan
for enterprises



B2B MNO pre-launch trial is in-progress

200+ enterprises

onboarded



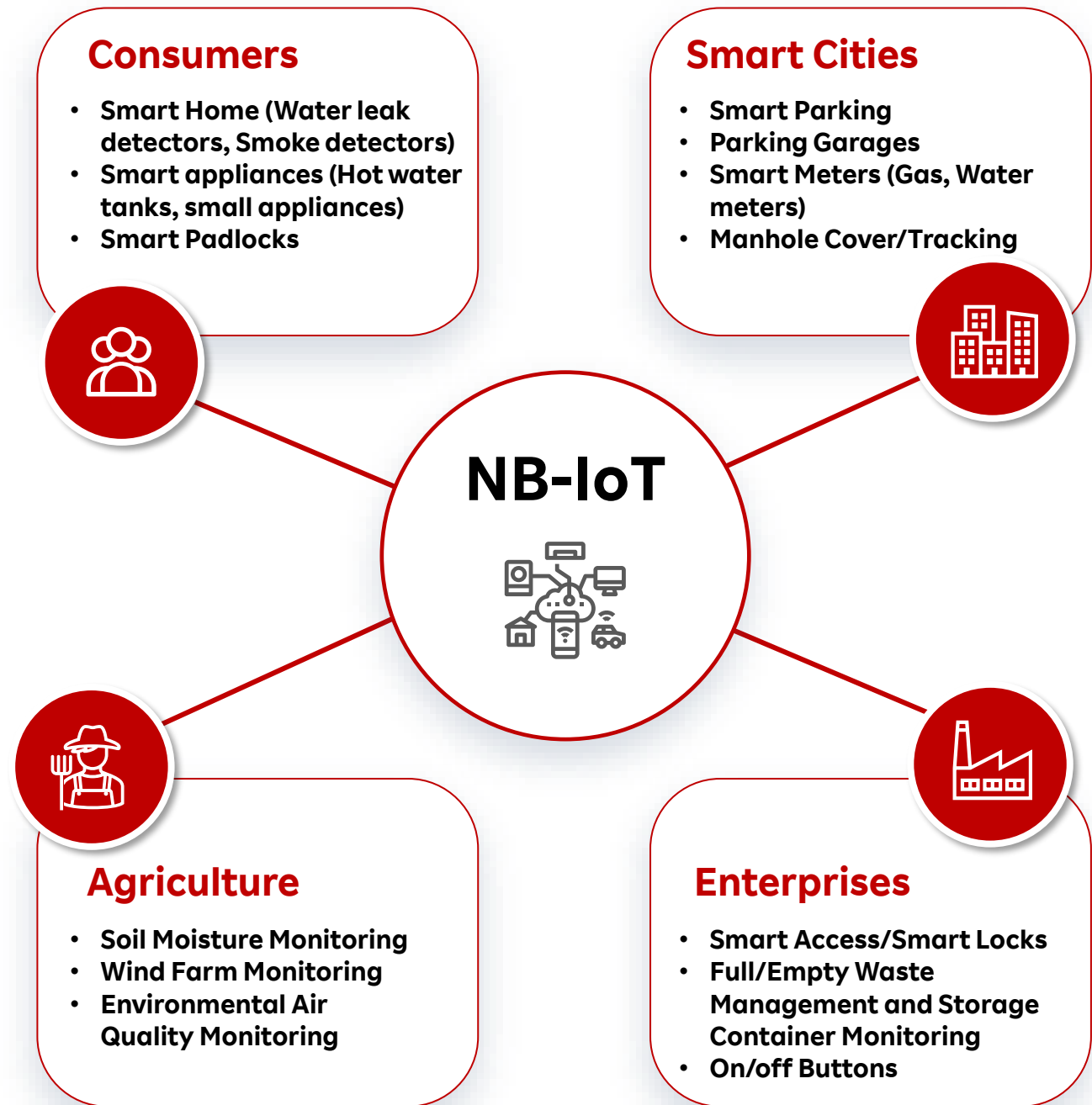
Public launch (website)

Early 2023

Rakuten Mobile Enterprise Services

Full commercial availability of nationwide NB-IoT services enabled by a software upgrade on Rakuten Mobile Open RAN Network

Serve as foundation to roll out smart solutions using IoT and Edge AI across various sectors synergistic to Rakuten ecosystem



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Rakuten Mobile Moving on to Next Steps

Stage 1

Establish: Journey Begins

Organization buildout
Symphony technology validation
Base Station build

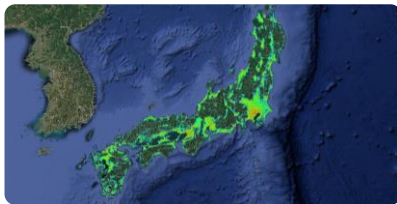
Apr 2020

Full service launch



Feb 2022

Achieved 96% population coverage



Stage 2

Stabilize: Next Steps

Leaner and Profitable

May 2022

New pricing plan announcement:
Rakuten UN-LIMIT VII

Rakuten UN-LIMIT VII

Dec 2023

Achieve profitability



Stage 3

Scale & Leap

No. 1 Mobile carrier

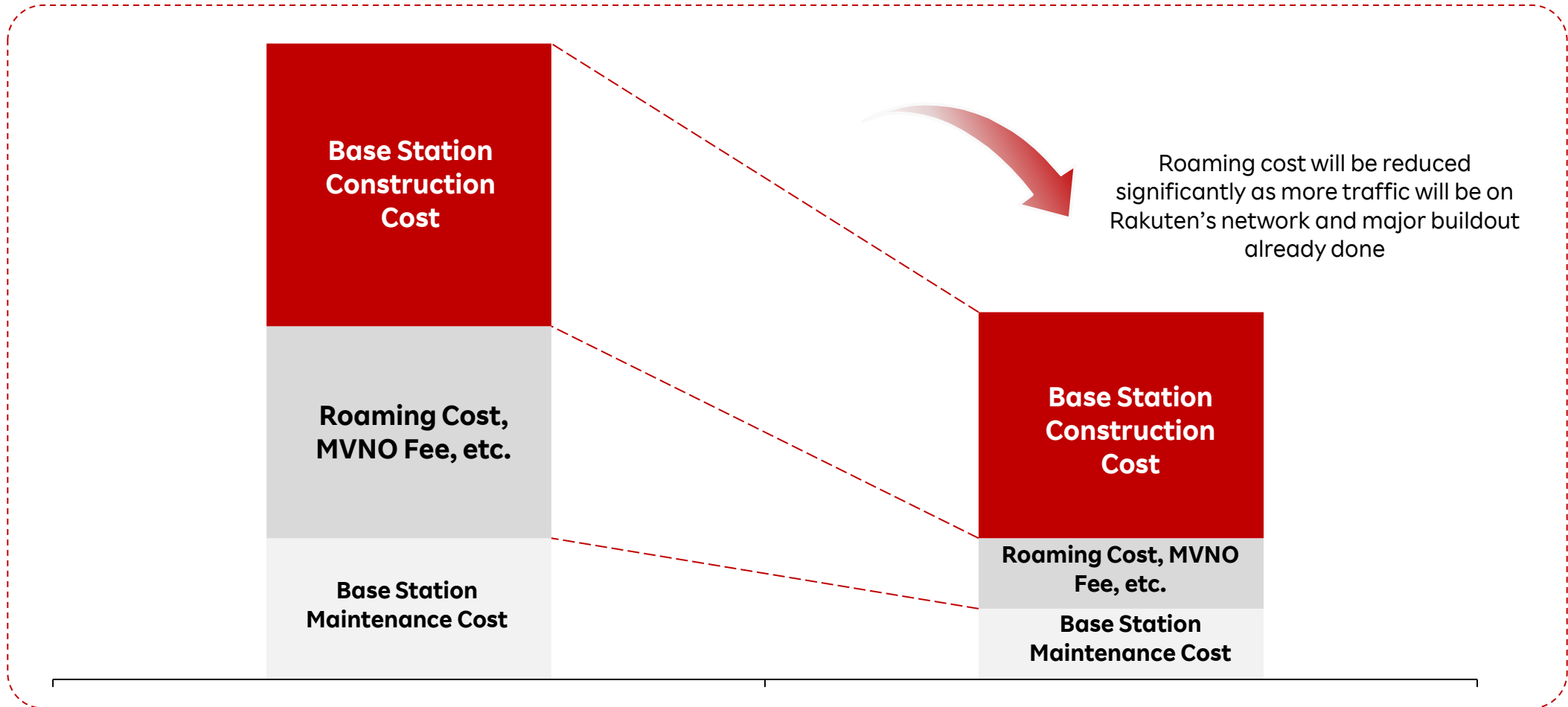
2024~

Platinum Band "SpaceMobile"
To be No.1 carrier



Cost Will Decline Drastically with Major Buildout Already Done

Cost structure will change post deployment of 60,000+ 4G sites and 99%+ 4G population coverage





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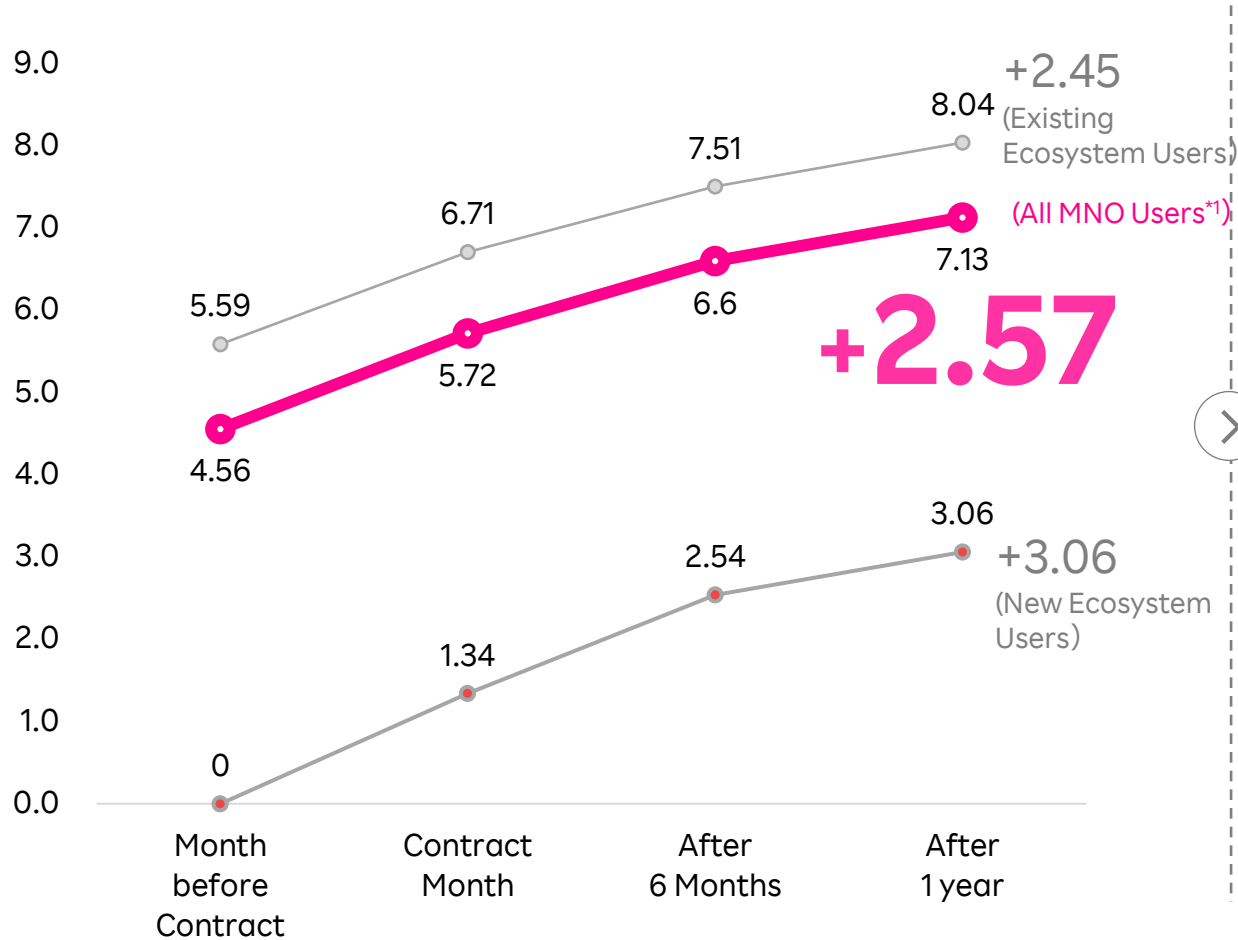
4

Drive value of Rakuten Ecosystem

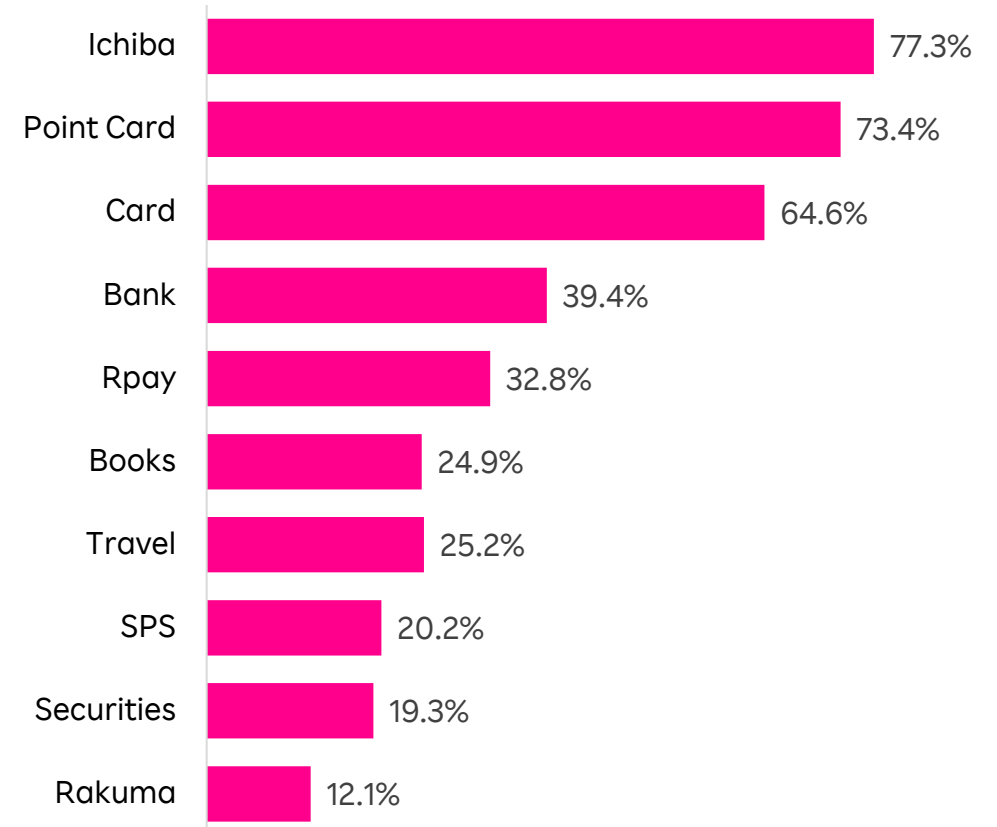
- Cross-sell to other Rakuten services and increase loyalty

Cross Use Growth of MNO Users

of Cross Use after MNO contracts *1



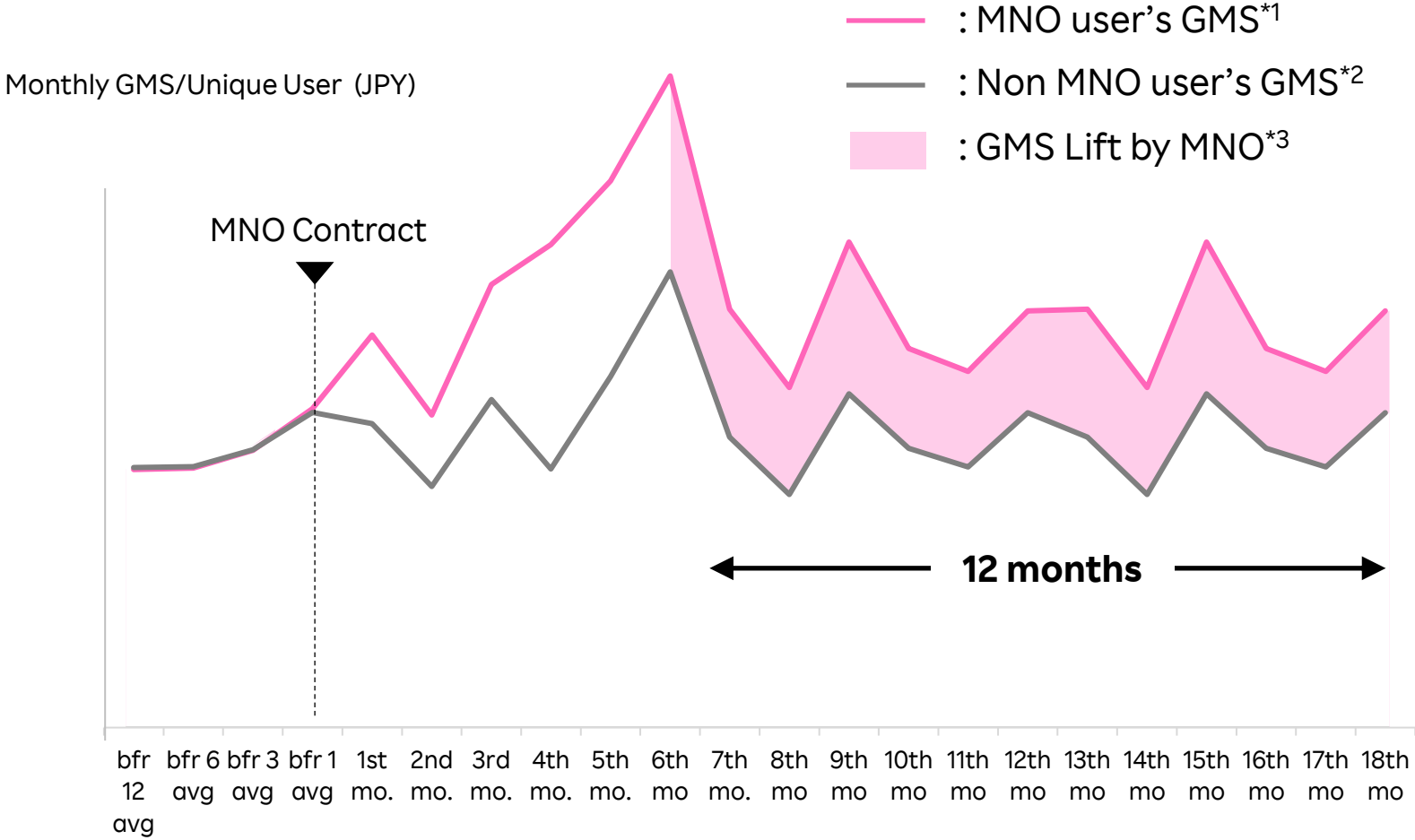
Service Usage Rate of MNO users*2 (as of Sep/2022)



*1 MNO users: users who have applied and are eligible for billing by October 2021; cross-use including mobile

*2 Service usage is the service usage rate determined by points based on the period from Oct/2021 to Sep/2022; MNO users: Users who have applied and are subject to billing from the start of service to Sep/2022

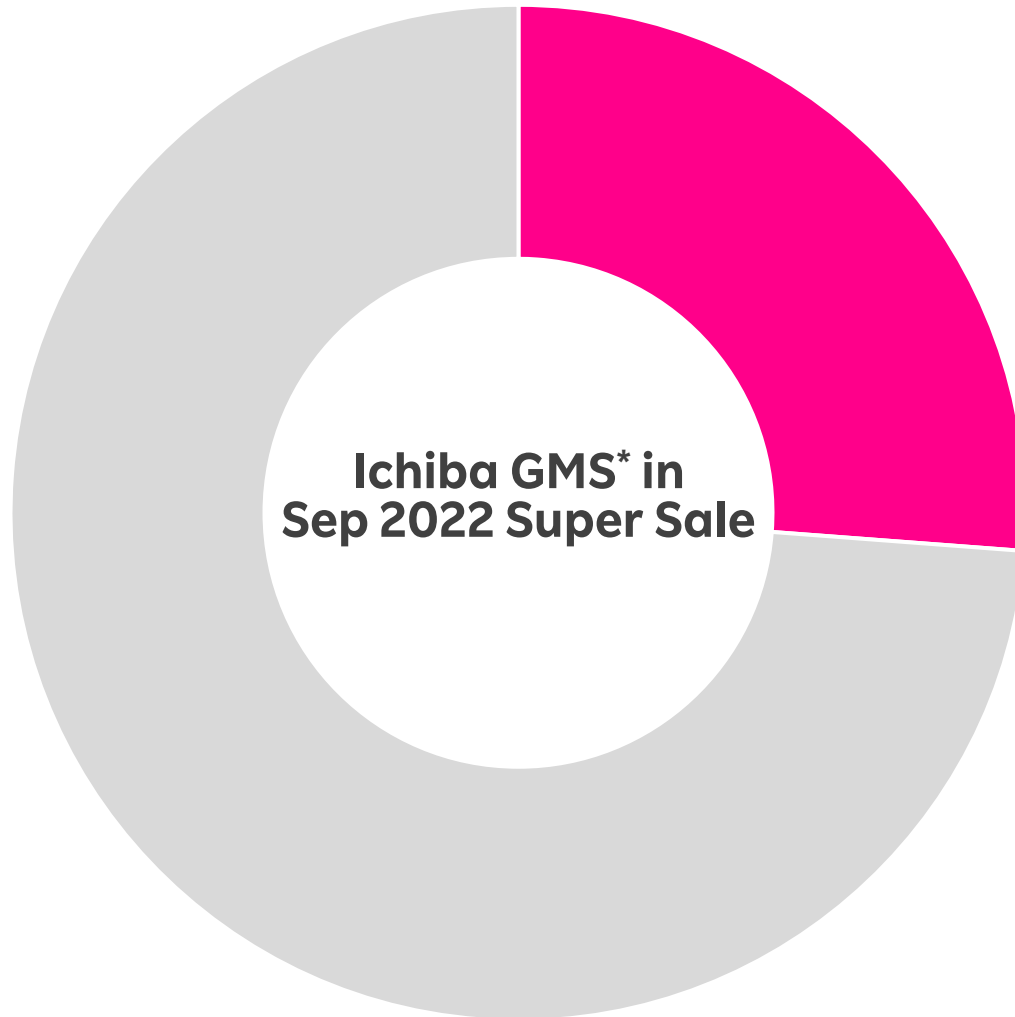
Ichiba GMS Lift by MNO Contract



Avg. GMS Lift by MNO
+ 35,831 yen
 per year*4

*1 MNO users : Users who made an MNO contract in the relevant month, users who have purchase trends for the past year from the relevant month in line with non-MNO users
 *2 Non-MNO users Users who have been active with Rakuten in the past year from the month and have not signed up for an MNO contract, and whose purchase trends for the past year from the month in question are the same as those of MNO users. In addition, August and September are preliminary figures
 *3 Difference in average purchase amount per person between MNO users and non-MNO users over the past year
 *4 Average of mobile users more than 1 year old from the month in question

Ichiba GMS of MNO Users in Sep 2022 Super Sale



GMS Ratio of MNO Users

26.2%

* GMS for users who registered for the Super Sale campaign

Low-cost structure, high quality



Customer acquisition power



One Rakuten ecosystem



No. 1

**Mobile
Carrier**



Rakuten Symphony

Celebrating 1 year of Rakuten Symphony

In just one year of existence, we have achieved major accomplishments



One Symphony

Established Rakuten Symphony as **independent entity**, refined our vision and mission and created a **sense of unity** across all different regions and teams.

Global Footprint

We have expanded Symphony **across the globe** and are present in major markets with over **3,500 employees in 9 offices**.

Unified Product Catalogue

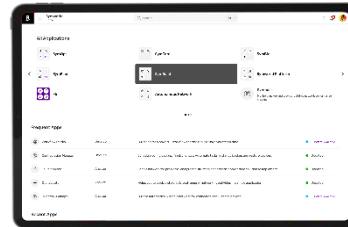
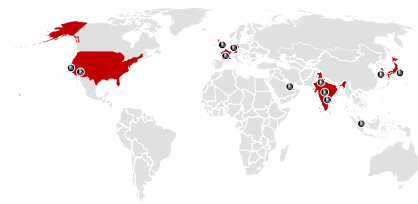
Restructured & unified our product portfolio and introduced **Symworld™** as strong brand to the market.

Innovation

Continued to **drive innovation** in everything we are doing with cutting-edge products & **hundreds of Symphony patents**.

New India HQ

Opened our new **India HQ** in Bangalore including upcoming **state-of-the-art 4G & 5G labs** and our command center for client support.



Symworld™
The telco app store

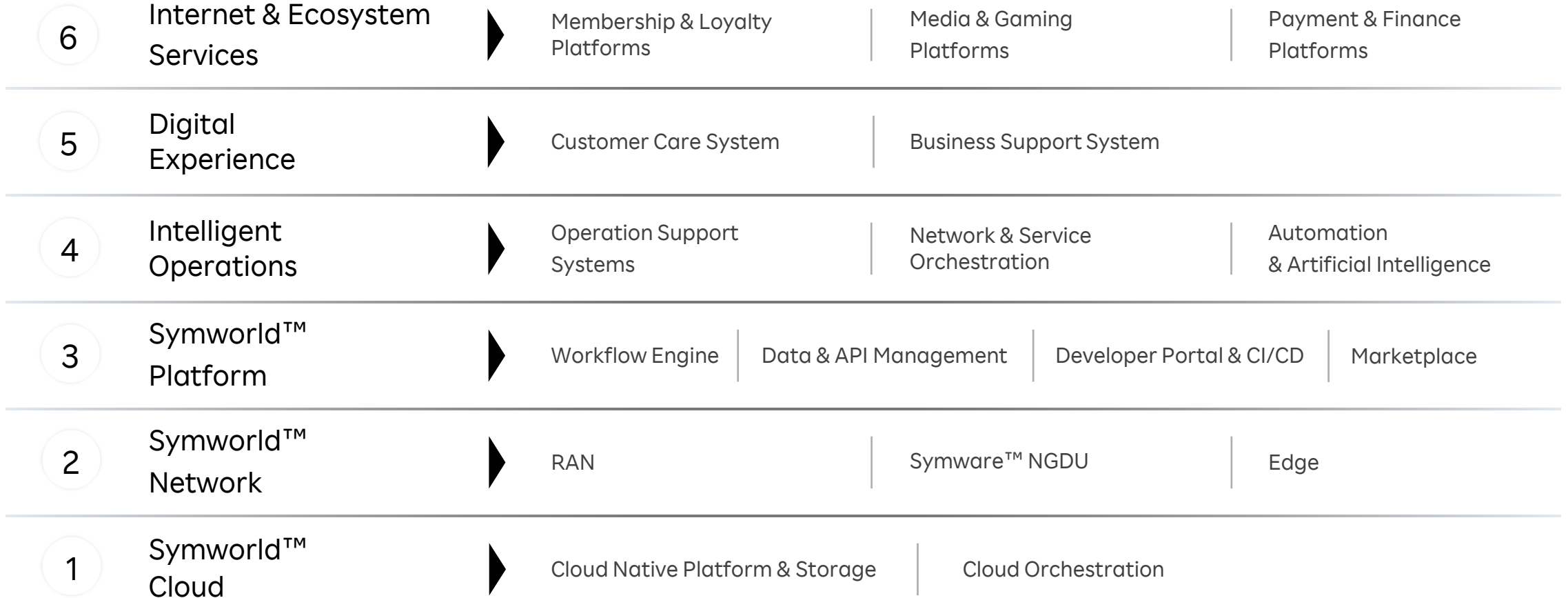


Symware™
The next-generation distributed unit



Rakuten Symphony: Product Portfolio

■ Combining all capabilities required to plan, build and operate next-generation networks



Rakuten Symphony: “Mobile as a Software”

- With our Open RAN architecture, bringing the benefits of cloud to the heart of the mobile network

Reduced TCO

-40% CAPEX & -30% OPEX

1 Disaggregated HW and SW

- Minimum hardware infra footprint at the cell site
- Containerized workloads deployed on standard x86 hardware

2 Open Interfaces

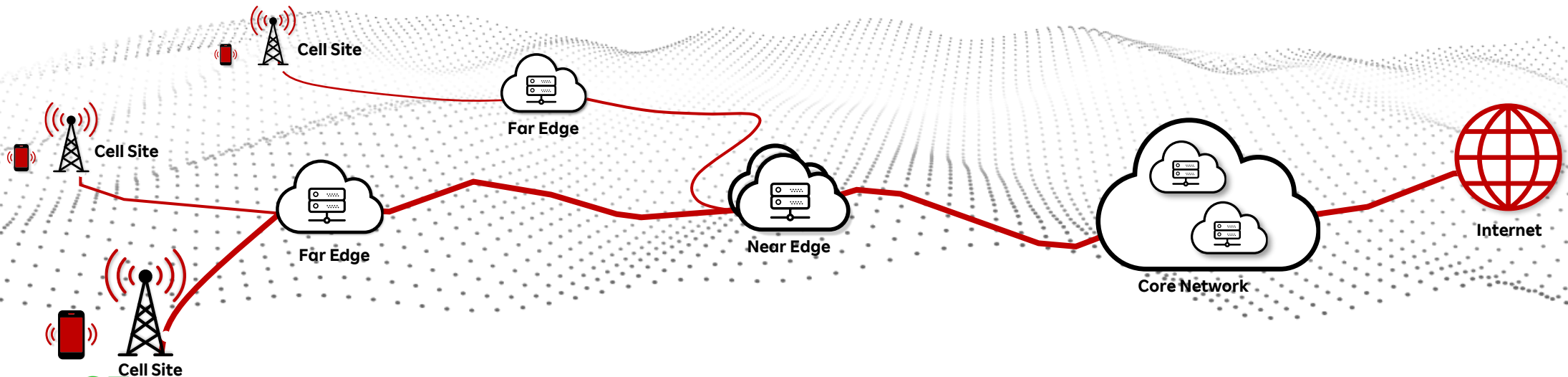
- Diversified supply chain
- No vendor lock-in
- Leveraging open source

3 Horizontal Telco Cloud

- Cloud-native scalability
- Rapid deployment
- Agile provisioning
- One-click purchase & deploy experience

4 Next-gen Automation

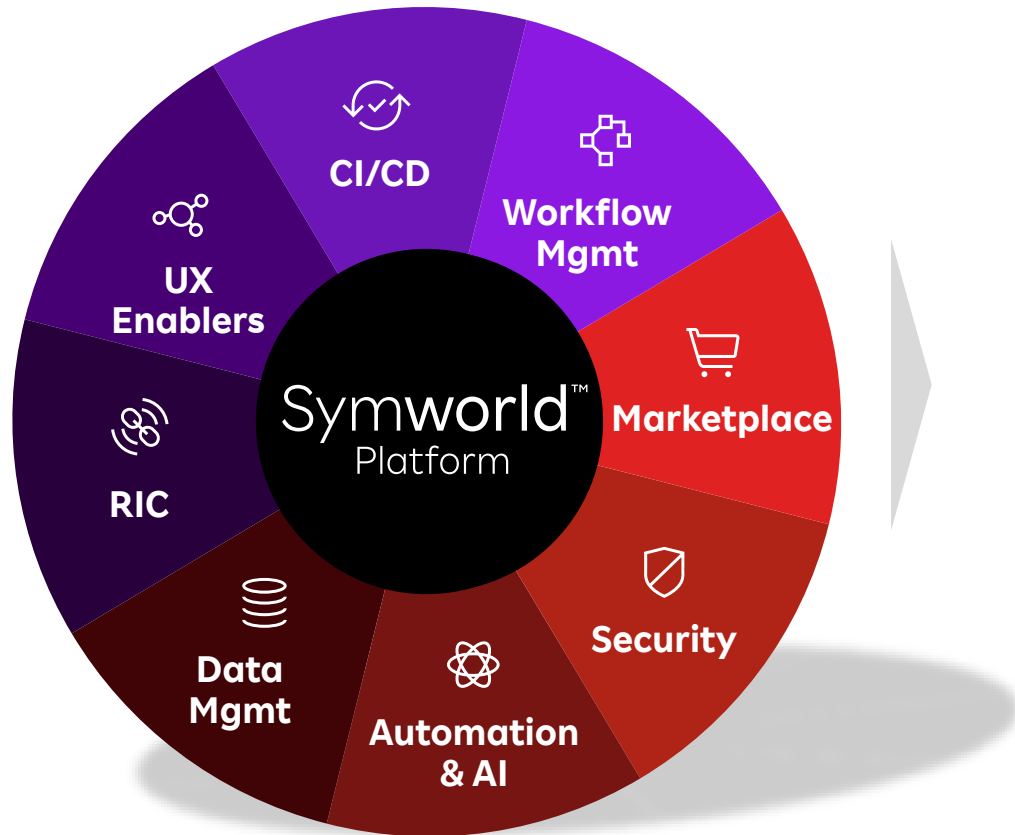
- End-to-end real-time observability
- Automated manual work
- Maximum resiliency



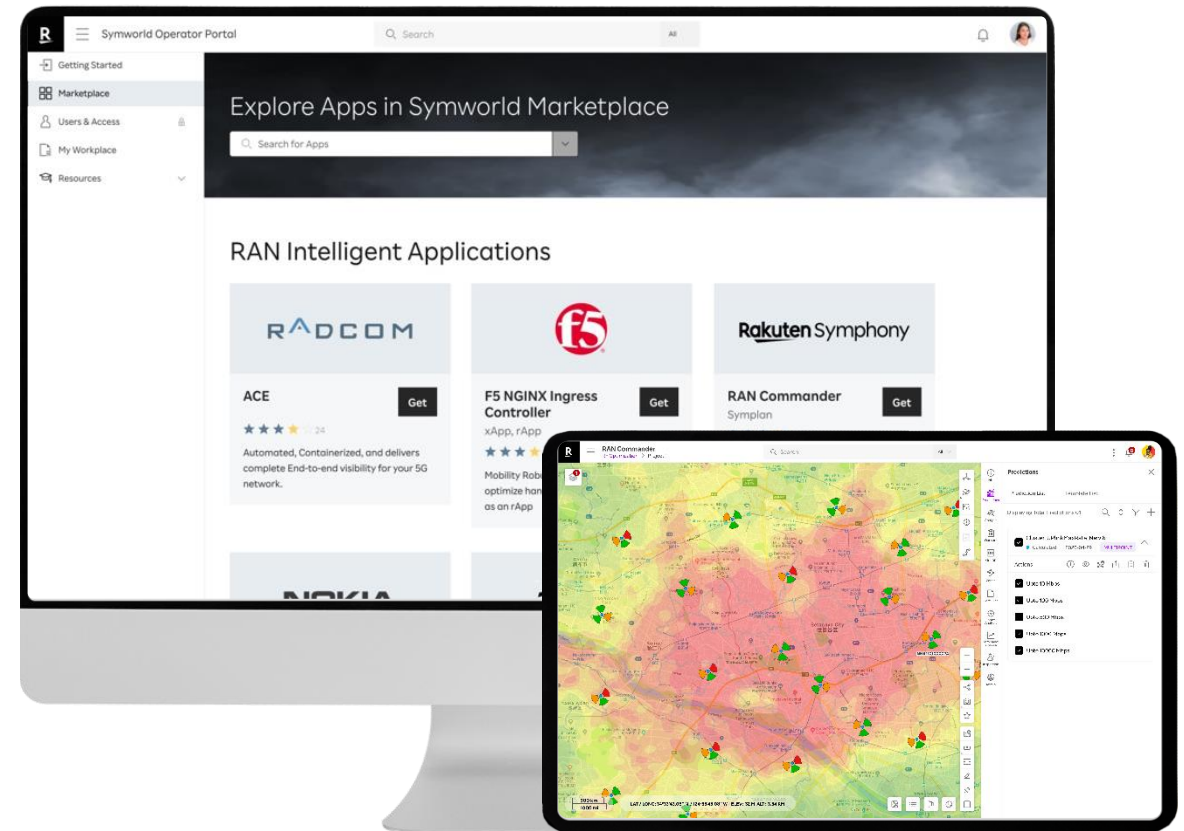
Rakuten Symphony: Welcome to the Symworld™

- We are building the industry's first telecom app store & marketplace

Introducing the Symworld™ Platform



Symworld™ Marketplace



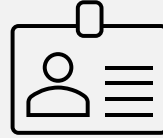
Powered by the Symworld Platform

Rakuten Symphony: Track Record since August 2021



9

Global Offices



3,500+

Employees



16

Technology Partnerships

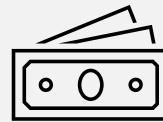
Rakuten
Mobile



14

Current Customers

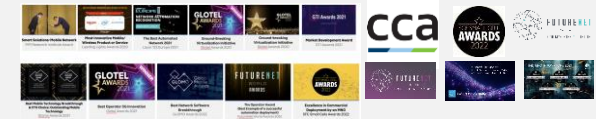
(2 of them are Nationwide projects)



\$3.1B

Bookings

(in the first 13 months)

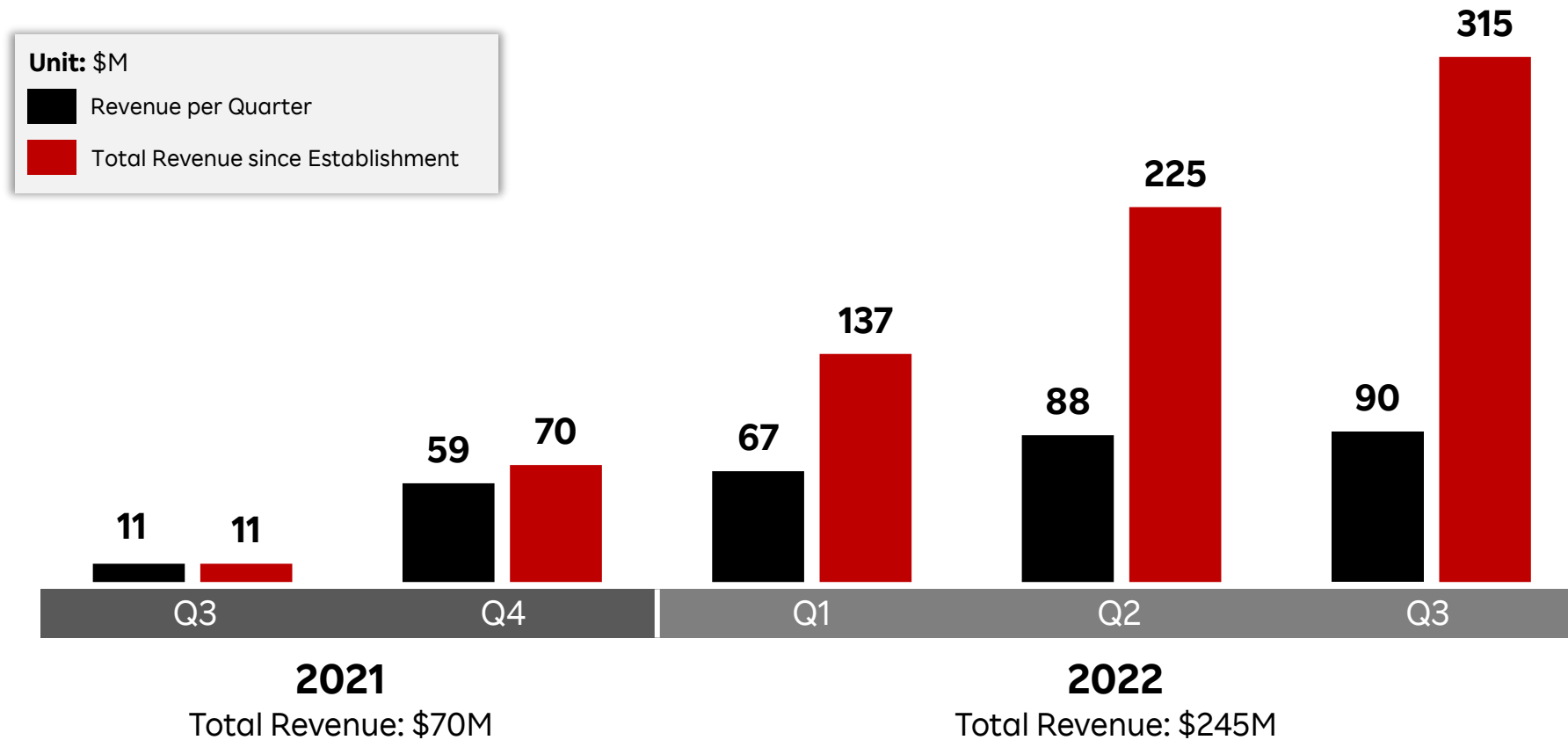


17

Industry Awards

Rakuten Symphony: Revenue since Establishment*

- Achieved a total revenue of \$315M in the first five quarters since establishment

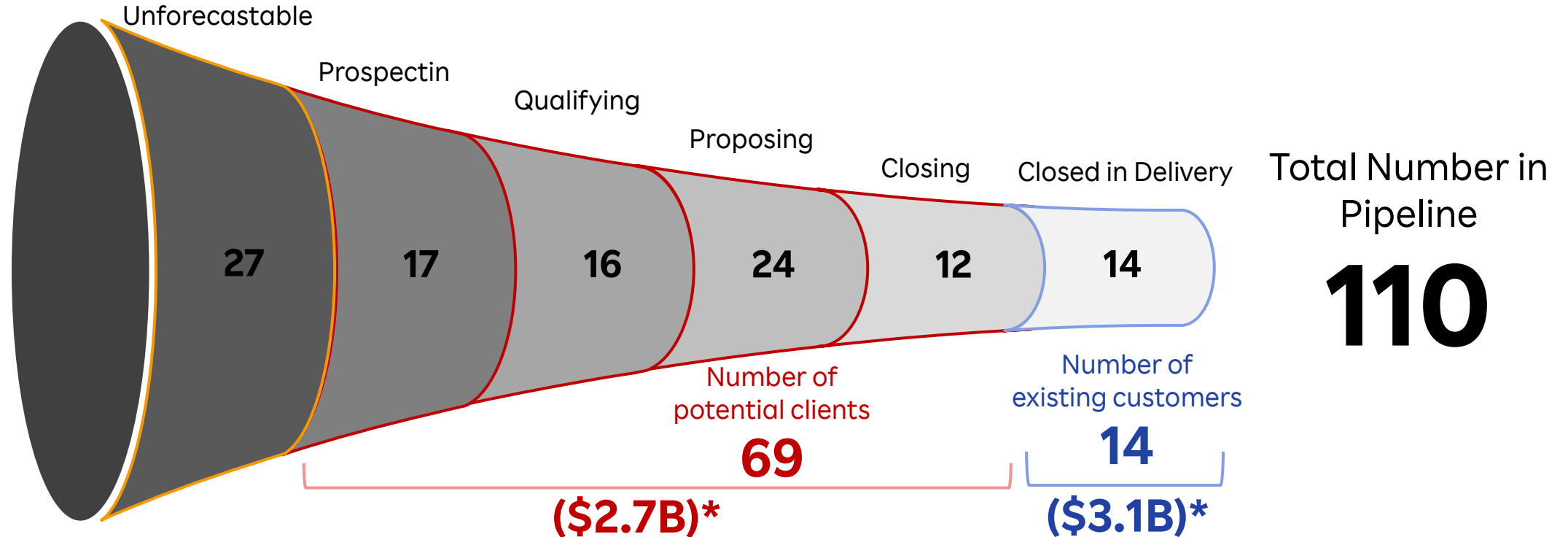


* FY2021 is calculated based on actual figures from August to December 2021. FY2022 is calculated based on actual figures from January to September 2022.

* Management accounting

Rakuten Symphony: Q3/22 Pipeline by Stage

- Demand in the market is strong
- Reallocating resources to deliver projects more effectively and economically



30% of Pipeline is vRAN Opportunities

16% of Pipeline is Int. Ops Opportunities

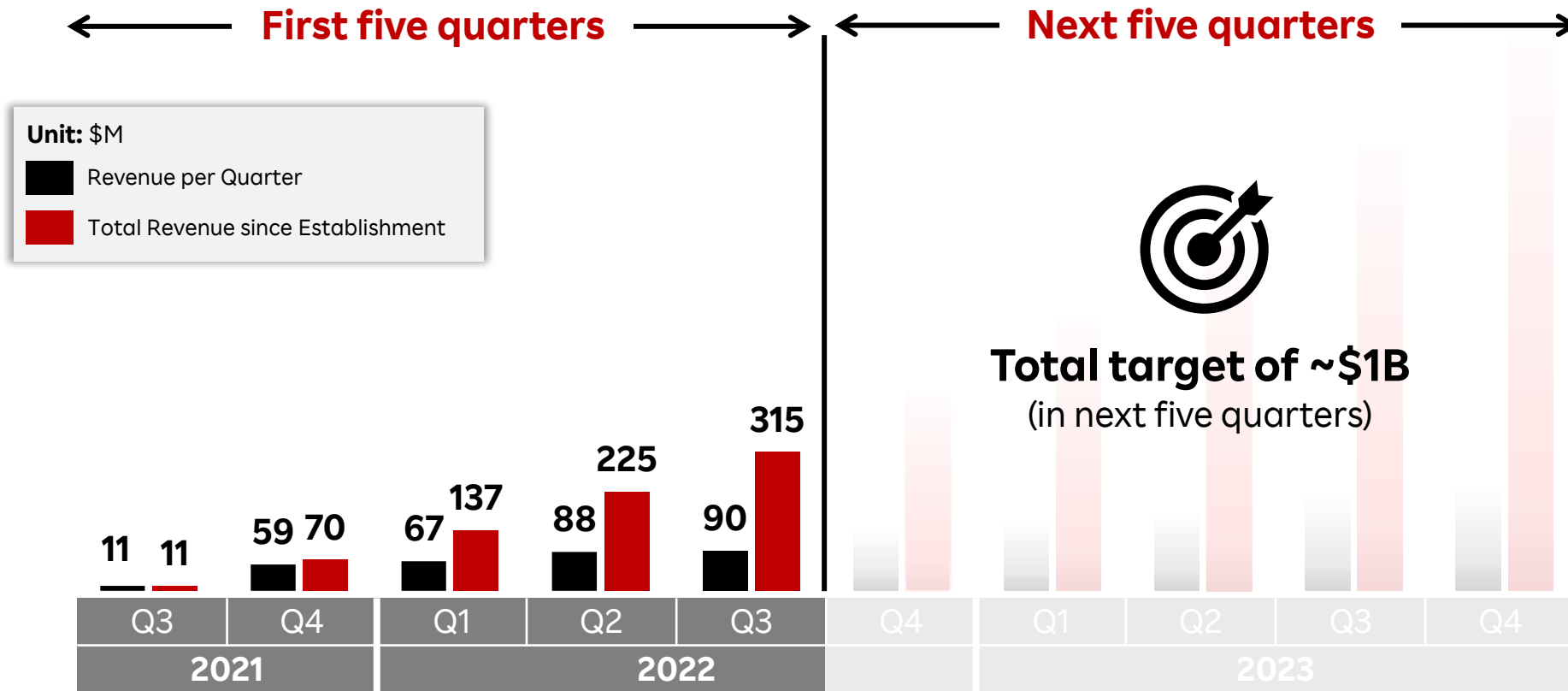
33% of Pipeline is E2E Opportunities

12% of Pipeline is Int. Ops + vRAN Opportunities

* As of September 2022

Rakuten Symphony: Revenue Growth

- We are geared towards massive revenue growth into 2023 and beyond



* FY2021 Q3 through FY2022 Q3 is calculated based on actual figures. FY2022 Q4 through FY2023 Q4 is illustrative.

* Management accounting

Rakuten Symphony: What Makes Rakuten Symphony Unique



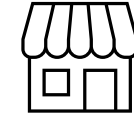
Pure Software Player

We are a telecom platform focusing on delivering business value through software



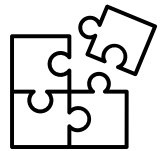
Leading Telco & Edge Cloud

We are the global leader at the intersection between cloud and connectivity



Industry First App Store

We bring the world's first marketplace for telecom apps to the industry



Lean Organization

We champion a lean and agile organization and processes to maintain our best-in-class innovation capacity



From 70+ countries

We are a powerhouse of mostly gen Z employees from all over the world



Internet DNA

We bring the DNA of an internet company to the telecom industry

2

Q3/22 Highlights

Q3/22 Highlights

Domestic E-Commerce

- **Domestic e-Commerce GMS: +13.1%**, continuing to achieve double-digit growth due to continued user retention on Rakuten Ichiba and the recovery of Rakuten Travel, which captured demand during the summer vacation, compared to 2019.

Other Internet Services

- Continued GTV etc. growth of Rakuten Rewards contributed to **Global GTV: +25.7% YoY**.
- Profits improved in the baseball business driven by a recovery in stadium spectators.

FinTech

- **Customer base continues steady expansion:** Number of Rakuten Cards issued exceeded 27 million, number of Rakuten Bank accounts surpassed 13 million.
- **Credit card shopping GTV: +27.4% YoY** thanks to the return of offline consumption

Mobile

- **4G outdoor base stations** surpassed **50,000**.
- With the launch of the new billing plan, **data usage +35% YoY** and ARPU improved.

Q3/22 Key KPIs (YoY)

Global GTV

+25.7%

JPY 8.4 tn



Domestic EC GMS

+13.1%

JPY 1.3 tn



Consolidated Revenue

+15.8%

JPY 471.1 bn



Non-GAAP
Operating Income

(Excluding Mobile & Investment Businesses)

+7.8%

JPY 47.2 bn



Rakuten Card
Shopping GTV

+27.4%

JPY 4.6 tn



Rakuten Cards Issued

+15.1%

27.51 mm



Rakuten Securities
General Accounts

+25.3%

8.36 mm



Rakuten Bank Accounts

+14.5%

13.03 mm

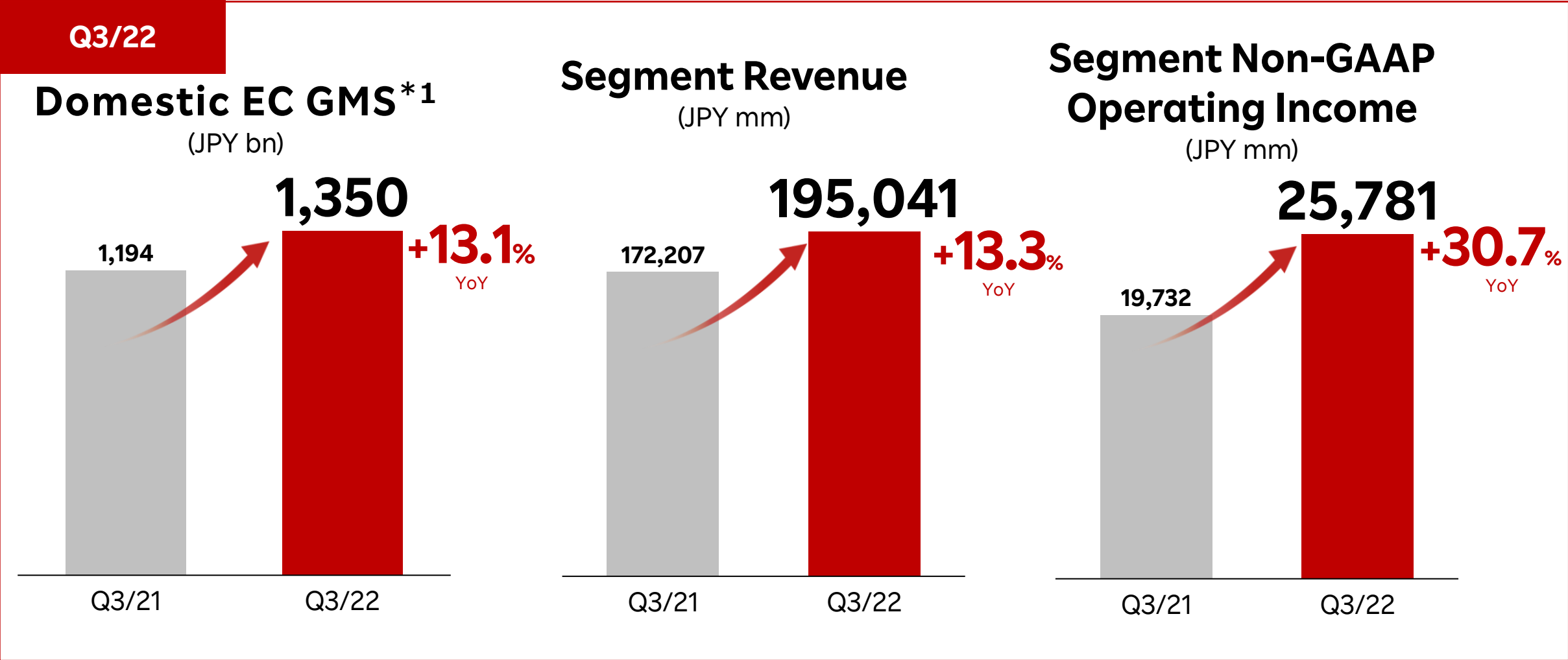


3 Business Update



Internet Services

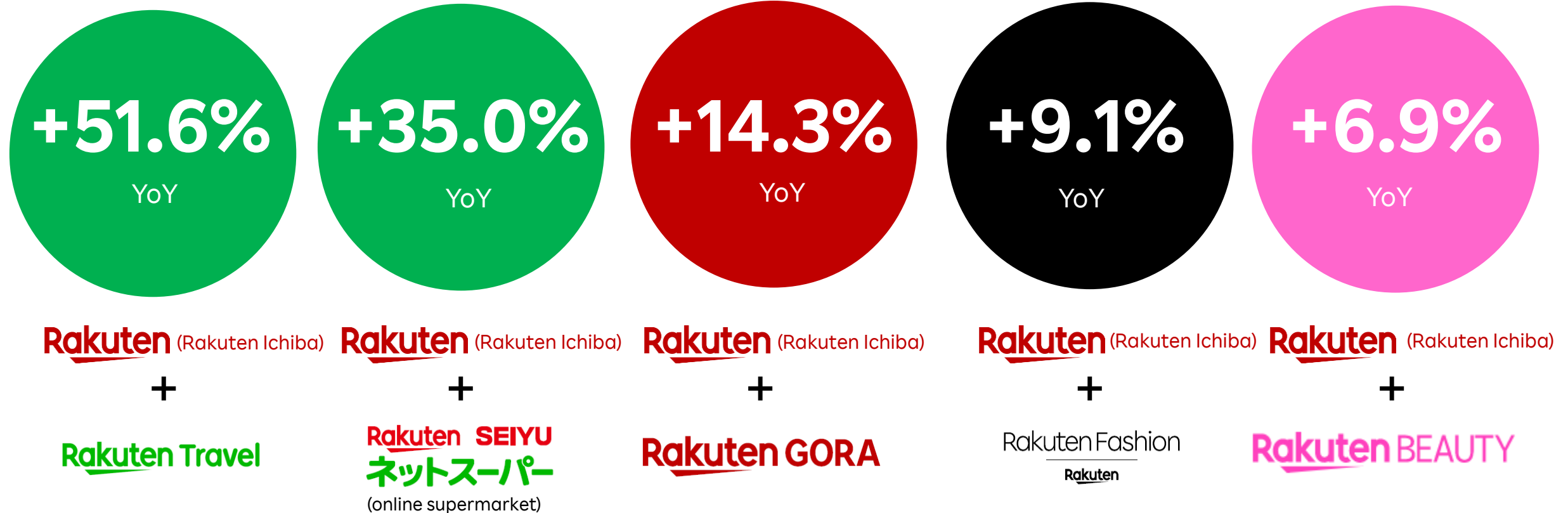
Domestic E-Commerce Financial Highlights



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

Cross-Use Improvements Between Rakuten Ichiba and Other E-Commerce Services

Q3/22 Rakuten Ichiba + Other E-Commerce Services: User Cross-Use Growth (YoY)

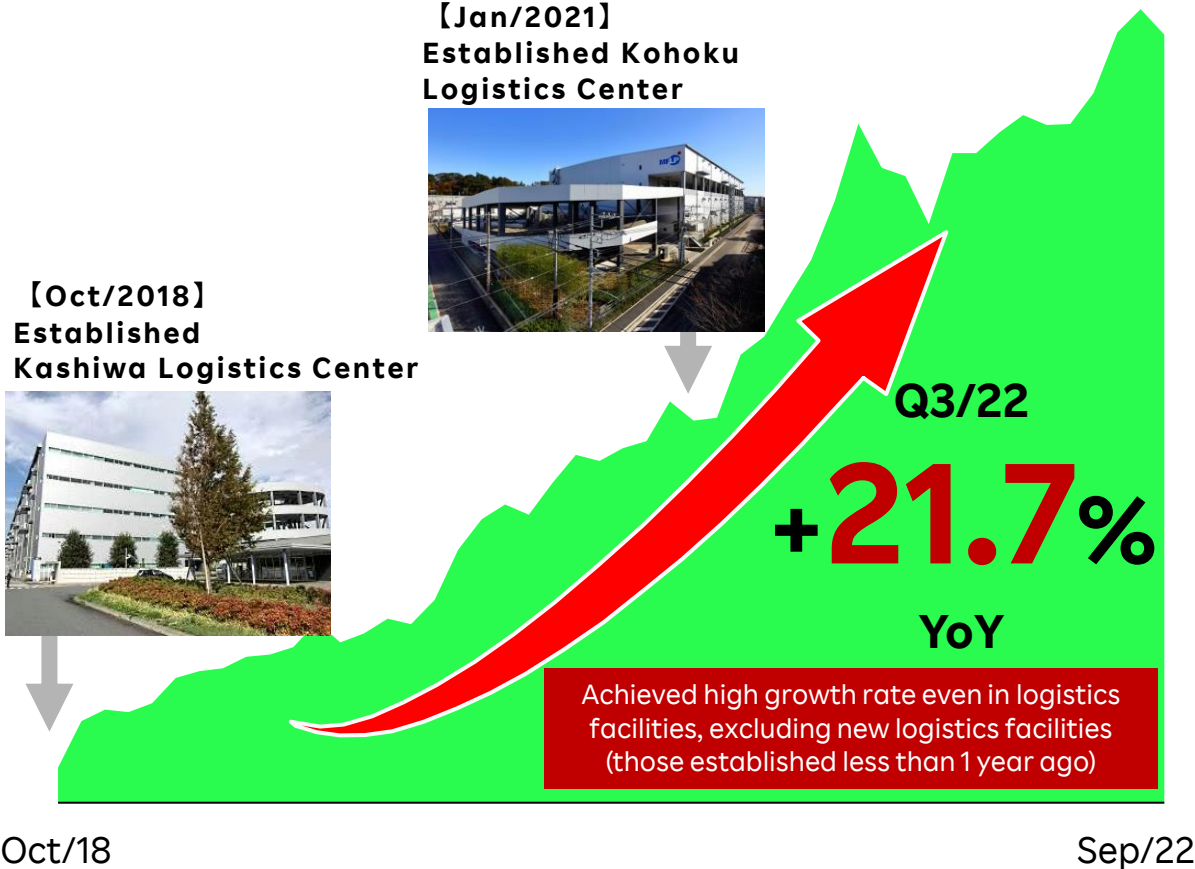


Rakuten Seiyu Netsuper: Distribution Centers Driving Growth

Changes in total monthly GMS of Kashiwa Logistics Center and Kohoku Logistics Center(excludes other distribution centers)

Q3/22 GMS
(Total of Store Shipments +
Distribution Center Shipments)

**Q3/22 GMS Shipped From
Distribution Centers**



Kashiwa Logistics Center + Kohoku Logistics Center have both been established for more than a year and continue to achieve organic growth

Rakuten Rebates: Accelerating Open Commerce

- Rakuten Rebates, a media platform service that is the core of the open commerce business in Japan, expected to continue to grow significantly in the future
- Increasing GMS and loyal customers within the Rakuten Ecosystem, by incorporating external users into the Ecosystem

Q3/22
Rakuten Rebates GMS

+44.1%

YoY

Achieved Significant Growth

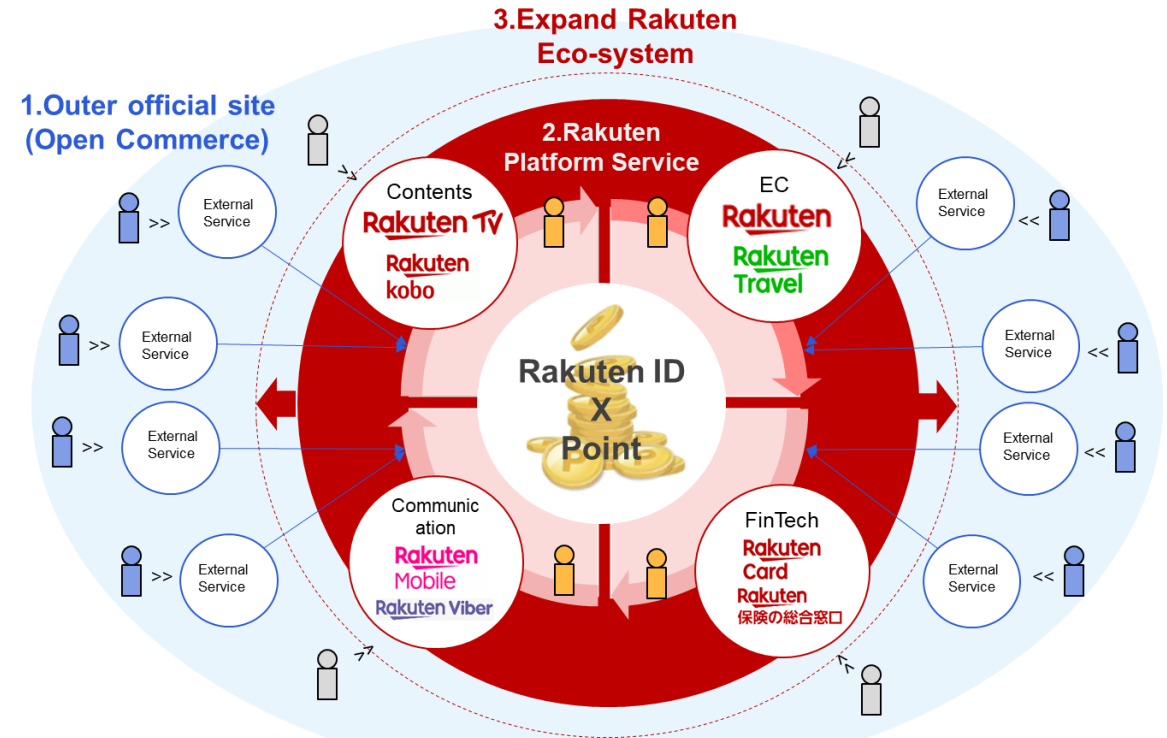
(4-year CAGR **+116.3%**)



Q3/22
Rakuten Rebates Number of Users

+27.3%

YoY



1. External official sites
Taking floating customers in external sites and pouring them into Rakuten Ecosystem

2. Rakuten Platform Services
Providing rich services using "Rakuten" brand services and increasing customer retention

3. Expand Rakuten Ecosystem
The users become loyal customers by experiencing Rakuten ID and Points.

Advertising Business: Realize Further Growth by Launching Advertisements That Are Close to Users

- Continued to grow significantly due to the growth of Rakuten Ichiba and Rakuten Travel
- Continuing to make effective use of users' purchase data and achieve growth by launching appropriate advertisements tailored to each user.



Advertising Business Revenue Trend (5-year CAGR)

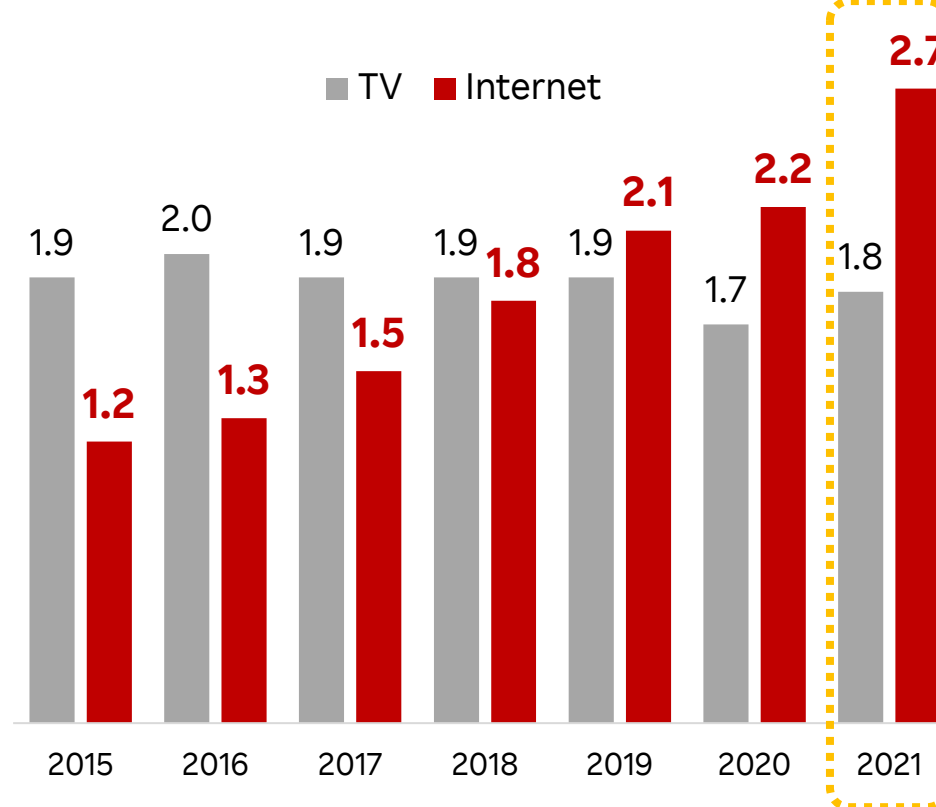


*1 2021 Advertising Expenditures in Japan.

*2 Rakuten estimation

Rakuten has the largest share in “EC platform Advertising”^{*1} of Internet Advertising expenditure

Expenditures for television advertising vs. internet advertising



Internet Advertising Expenditures **JPY 2.7 tn** (+21.4% YoY)

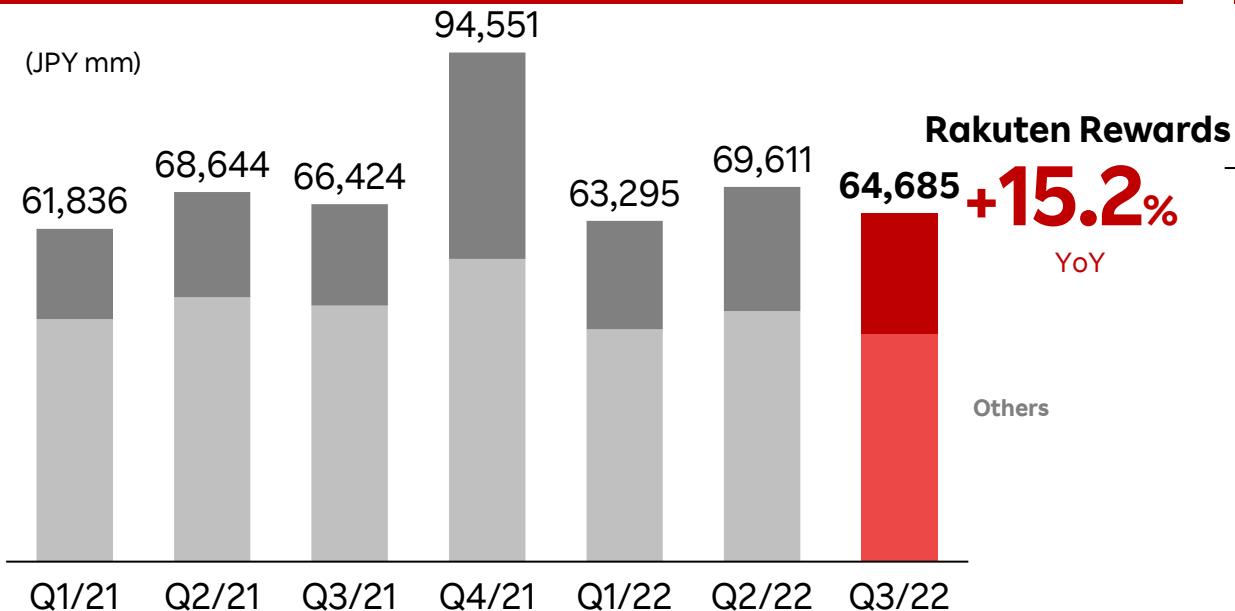
EC Platform Advertising Expenditures **163.1 bn** (+23.5% YoY)

Rakuten market share **Approx. *2** **52%**

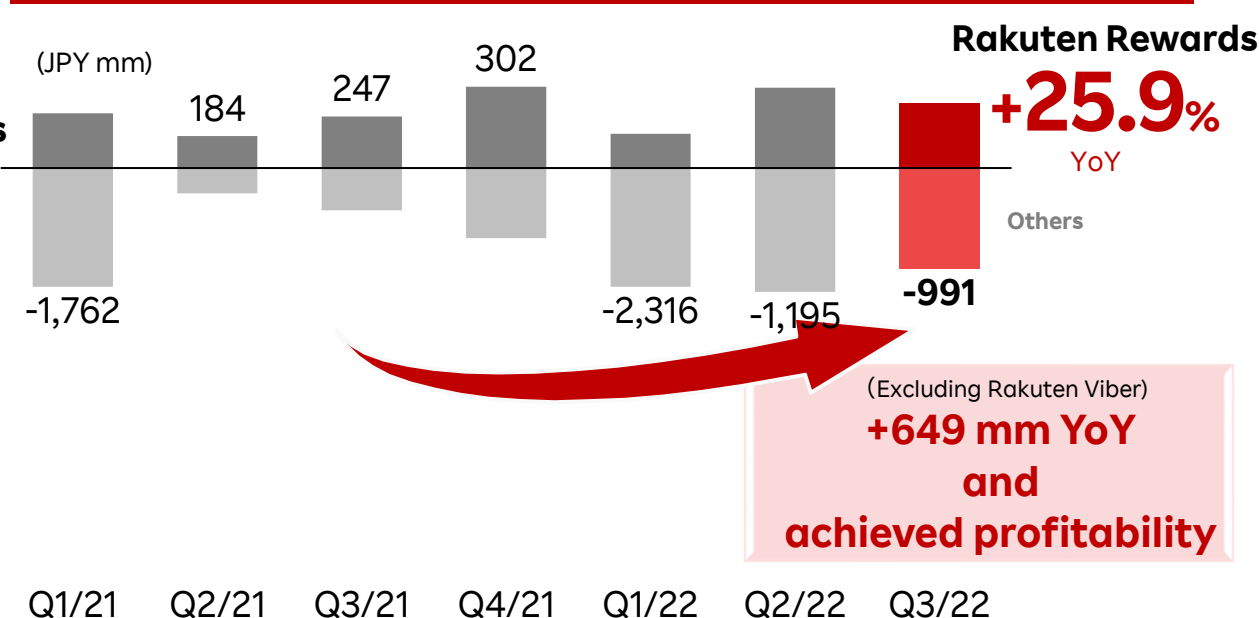
Other Internet Services (Excluding minority investments*1 business)

- Rakuten Rewards and Baseball Business are driving both revenue and profits of Other Internet services
- Decrease in revenue from Rakuten Viber due to Ukraine crisis. Businesses excluding Viber and minority investments business achieved profitability as a result of implementing further cost reductions through the promotion of business concentration and selection by the Business Portfolio Committee. Efforts to further increase revenue continue.

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



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



*1 Rakuten Capital
*2 Total of Rakuten Rewards and Others

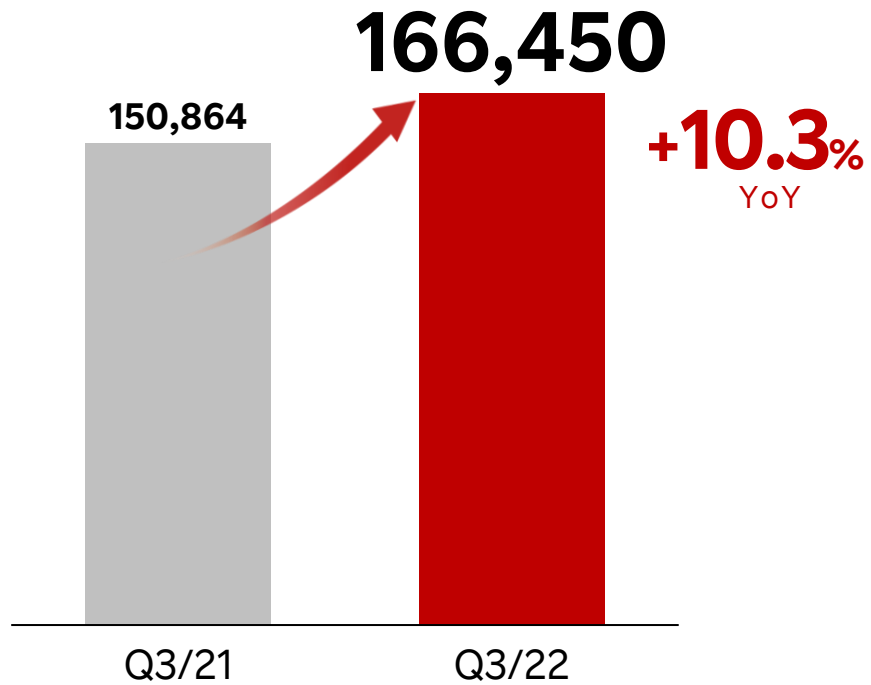


FinTech

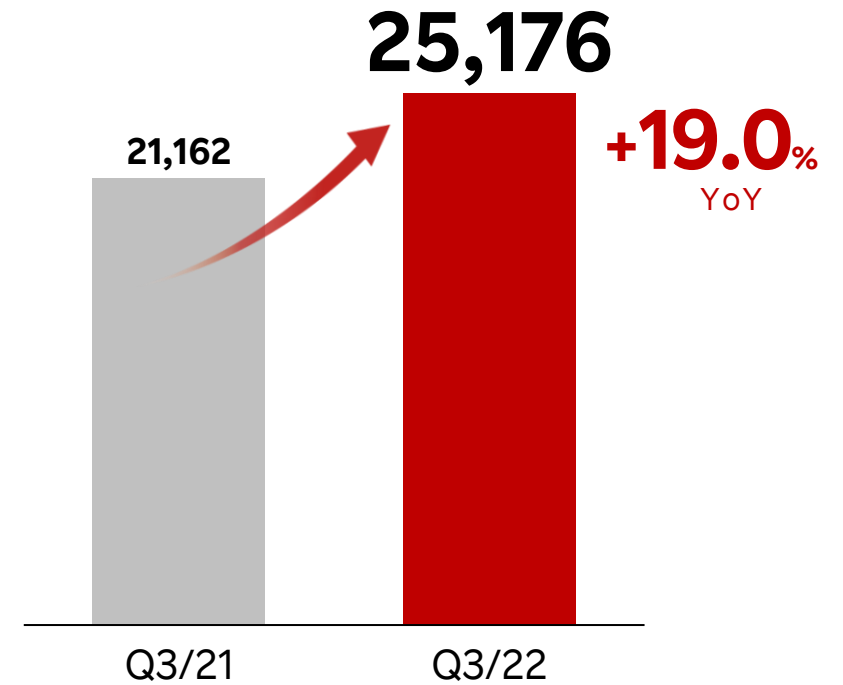
FinTech Segment Highlights

Q3/22

Segment Revenue
(JPY mm)



Segment Non-GAAP Operating Income
(JPY mm)



FinTech Segment : Continuous Expansion of Customer Base

Q3/22 Rakuten Cards Issued

27.51mm

+15.1%
YoY

Q3/22 Rakuten Bank Accounts

13.03mm

+14.5%
YoY

Q3/22 Rakuten Securities
General Accounts

8.36mm

+25.3%
YoY

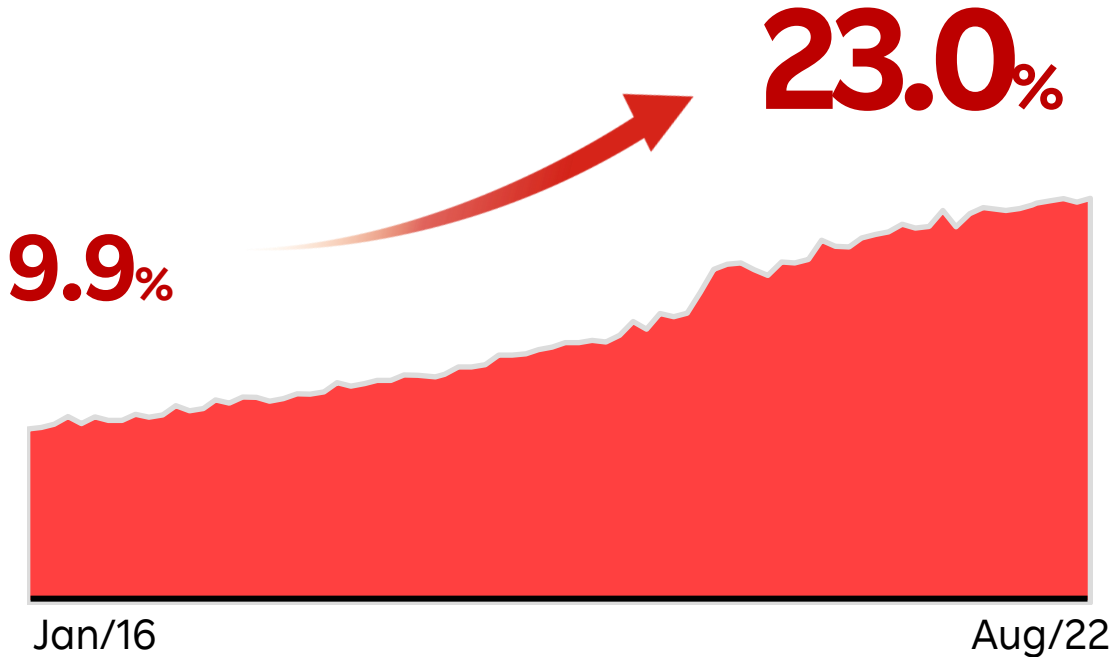
Rakuten Card: Offline Purchases Contributed to Growth of Shopping GTV

- Increased number of Rakuten cards issued and higher utilization rate contributed to growth of shopping GTV
- Market share of domestic credit card shopping GTV steadily expanding

Q3/22 Shopping GTV



Q3/22 Share of Shopping GTV*

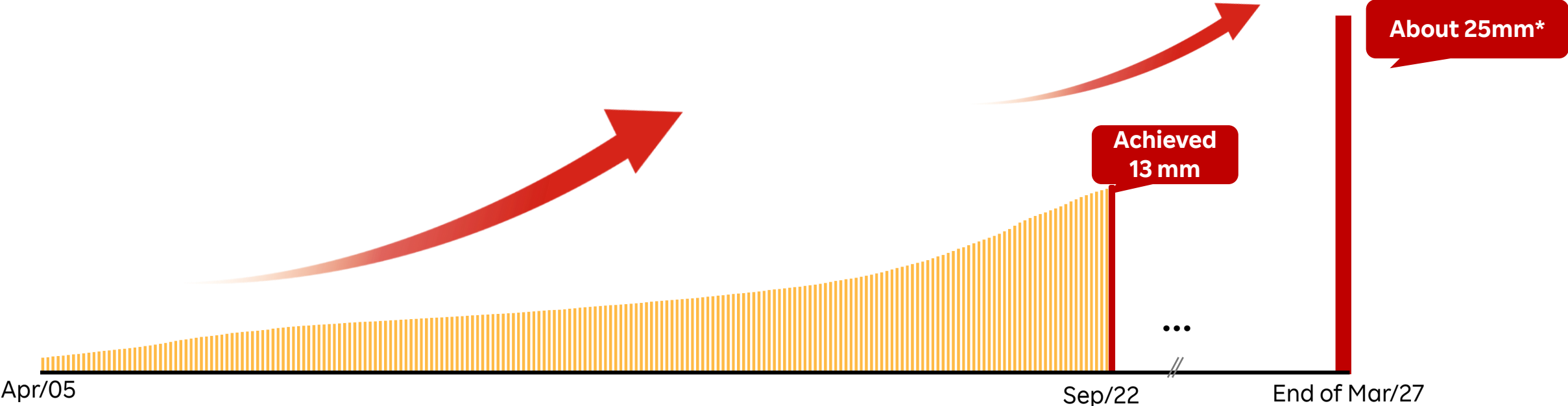


* Ministry of Economy, Trade and Industry, Specified Service Industry Statistics Survey, Credit Card Industry.

Rakuten Bank: Towards 25 Million Bank Accounts*

- Number of bank accounts steadily increased as the usability of online banking and services backed by Rakuten Group synergies, etc. have become increasingly recognized

Aiming to Achieve 25 Million Bank Accounts in Mid-to-Long Term*



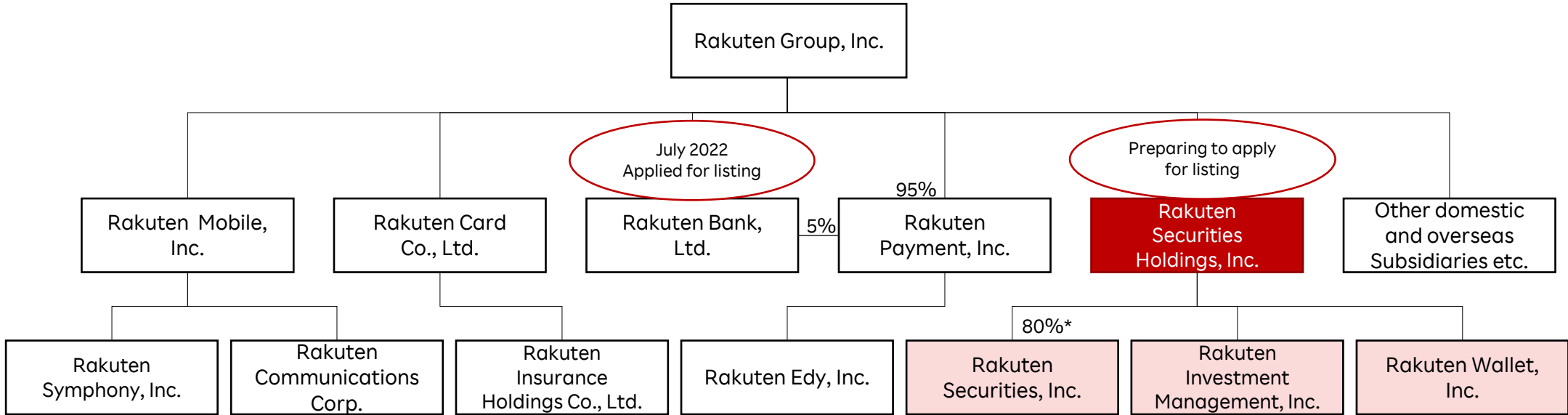
*Rakuten Bank's mid-to-long term target is based on various assumptions and beliefs. Many of such assumptions and beliefs relate to matters that are outside of Rakuten Bank's control, including factors affecting the business and economic environment. In addition, there can be no assurance as to Rakuten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

Rakuten Securities HD: Progress of Business Restructuring

- Reorganization of the securities business has been completed as planned
- Preparing for the listing of Rakuten Securities Holdings

Recent Milestones for Securities Business (As of November 11, 2022)

- May 2022** Started preparations for the Initial Public Offering of Rakuten Securities, Inc.
- August 2022** Resolved to establish Rakuten Securities Holdings, Inc.
- October 2022** Established Rakuten Securities Holdings, Inc., and completed restructuring of securities business



* 19.99% of Rakuten Securities common stock transferred to Mizuho Securities

Rakuten Securities Holdings: Announced Conclusion of Strategic Capital and Business Alliance with Mizuho Securities

- Bring together Rakuten Securities' customer acquisition abilities from Rakuten Ecosystem and its online platform, and <Mizuho>' comprehensive asset consulting capability to create the next generation of authentic hybrid asset building.

Business Synergy

Accelerate continuous growth of both Rakuten Securities and Mizuho Securities

- Introduce Rakuten Securities' products and services

Capital and Business Alliance



- Offer Mizuho's comprehensive asset consulting service
- Outsource sales of stocks and bonds, etc. underwritten and structured by Mizuho Securities to Rakuten Securities



Rakuten
Securities

Rakuten Insurance Group: Recovery of Face-to-Face Sales Channel

- Face-to-face sales channel, which was struggling during the pandemic, is on a recovery trend. More agencies are now selling Rakuten Life Insurance's group credit life insurance, and its offline sales network is steadily expanding.

Rakuten Life Insurance Face-to-Face Sales Channel

Annualized New Business Premiums (ANP) ^{*1}



Rakuten General Insurance Face-to-Face Sales Channel

Annualized New Business Premiums (ANP) ^{*2}



^{*1} Excluding group credit life insurance.

^{*2} Excluding pet insurance. Rakuten Insurance (including pet insurance policies transferred from Q1): +10.6% YoY.

Rakuten Payment: Rakuten Payment App's Usability Increased by Collaborating with Seven Bank, Air PAY and Rakuten Card

- Rakuten Pay App can charge Rakuten Cash at Seven Bank ATMs
- More stores accept Rakuten Pay, Rakuten Point Card*1 and Rakuten Edy*1 by collaborating with Air PAY
- Able to pay by contactless payment with Rakuten Pay App

Charge by cash at Seven Bank ATMs



Able to charge at more than
26,000 ATMs in Japan

More stores accept Rakuten Pay app by collaborating with Air PAY



Rolling out to more than
300,000 stores
nationwide

Contactless payment available on Rakuten Pay App



Able to pay **speedily in**
Japan and even overseas

*1 Rakuten Point Card will be available on Air PAY from February 2023. Rakuten Edy will be available in future.

*2 Approximately 300,000 stores are available for each service in total as of June 2022.



Overseas and Contents Business

Growing Overseas & Content Businesses

Q3/22 vs Q3/21 Comparison between users as of September 30, 2021 and September 30, 2022

Rakuten TV

Total Users*
63.4mm
+52.3% YoY

Rakuten VIKI

Registered Users
63.3mm
+29.8% YoY

Rakuten kobo

Registered Users
59.7mm
+8.3% YoY

Rakuten Viber

Registered Users
1.4bn
+6.9% YoY

Rakuten

Rakuten Rewards

GMS*
2,700mm
+11.4% YoY

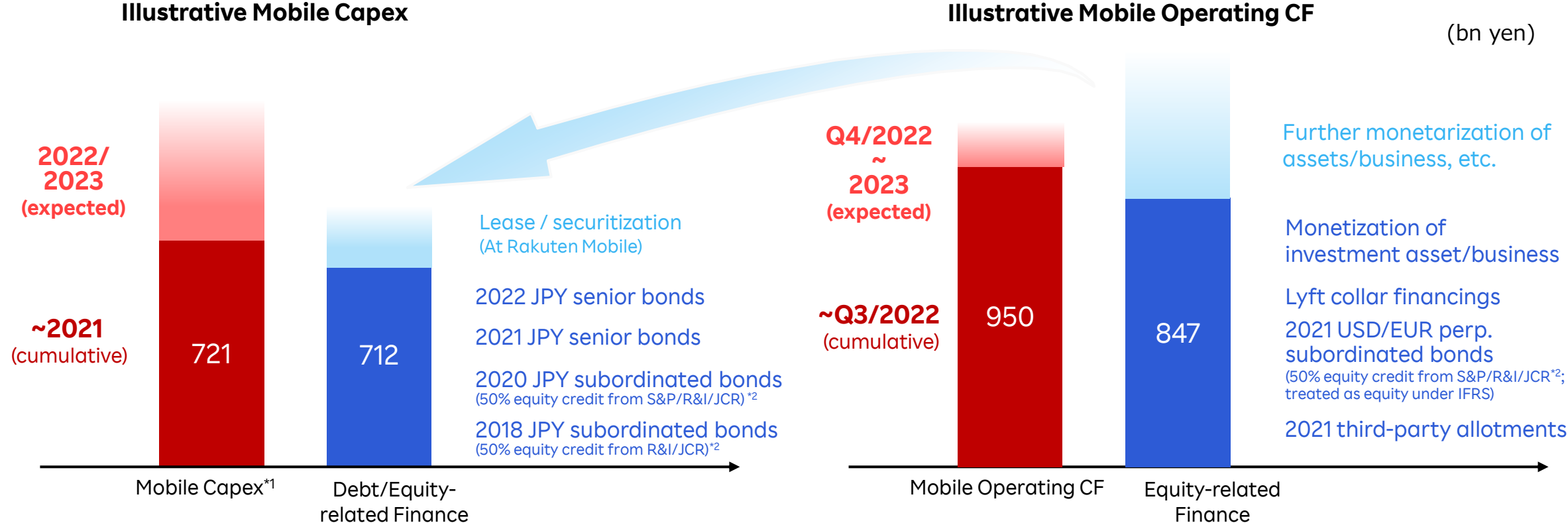
*1 Total number of registered users and non-registered AVOD (Advertising Video On Demand) users as of September 30, 2022

*2 Comparison between 3 months Rakuten Rewards' Q3/21 GMS versus Q3/22 GMS

4 Financial Strategy

Financing Sources & Uses for Mobile Business

■ Mainly Capex financed by debt and operating CF by equity-related/asset monetization



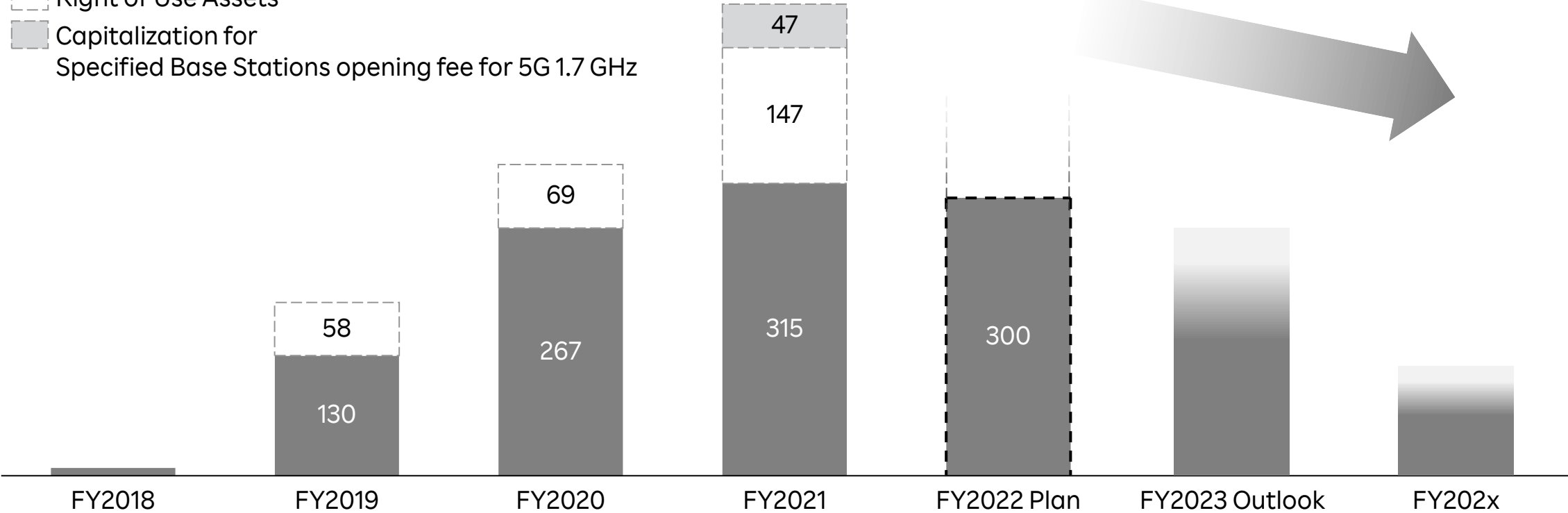
*1 Sum of 4G, 5G and 1.7GHz 5G band. Excluding JPY 47bn of spectrum related cost for specified base station opening fee for 1.7GHz 5G band.

*2 50% equity credit from R&I and JCR for 2018 subordinated bonds and 50% equity credit from S&P, R&I and JCR for 2020 subordinated bonds and 2022 USD/EUR perp. subordinated bonds.

Mobile CAPEX Plan*

(bn yen)

- Capex
- ▨ Right of Use Assets
- ▩ Capitalization for Specified Base Stations opening fee for 5G 1.7 GHz



CAPEX forecasted to decline

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

Solid Financial Strategy to Maintain Financial Soundness

➤ Diversifying funding sources

- ✓ Not only relying on debt-based financing, we also have a variety of other financing methods, including capital-based, and use of owned assets

➤ Robust levels of liquidity

- ✓ Adequate minimum cash balance
- ✓ JPY 150bn commitment line (undrawn*1) and JPY 200bn commercial paper funding facility

➤ Strong support from Japanese banks

- ✓ All bank loans are senior unsecured



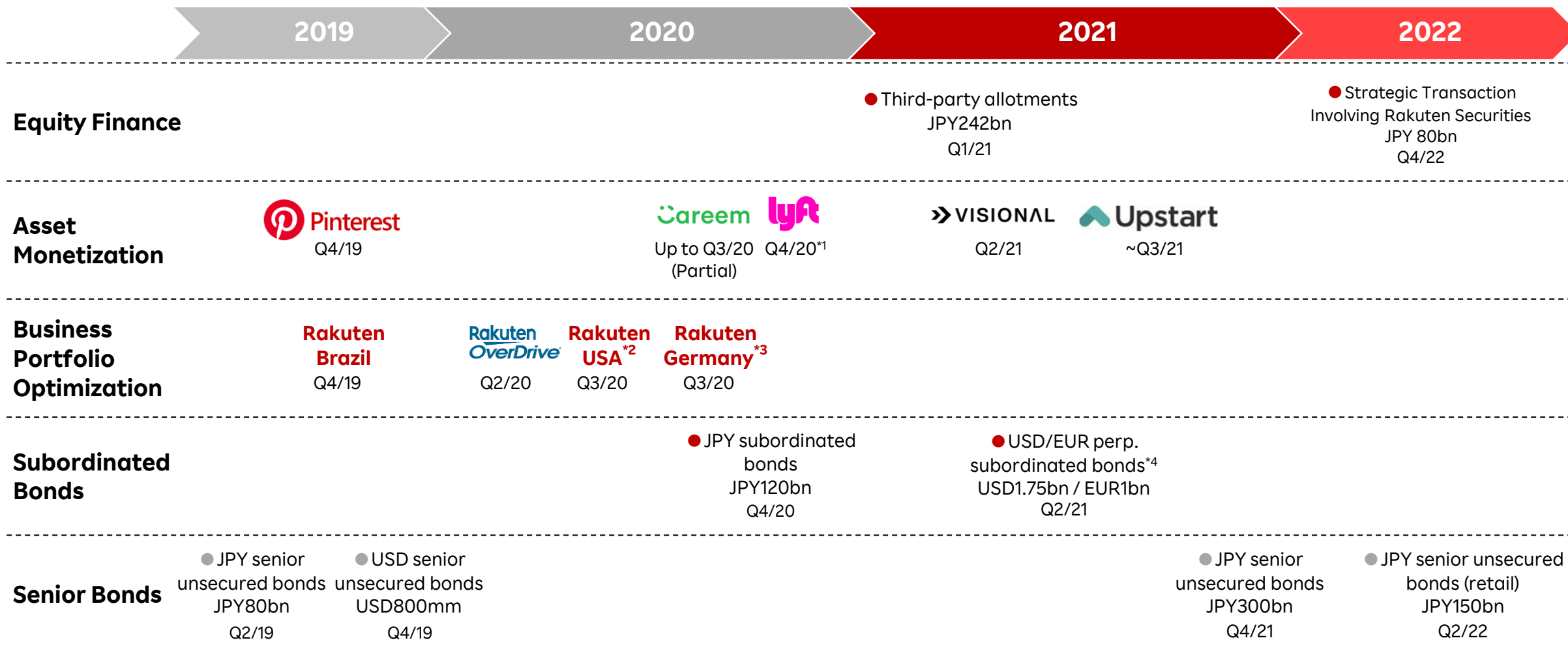
➤ Maintaining optimal debt balance

- ✓ Adjusted EBITDA improvement
 - Steady growth of **Internet Services** and **FinTech**
 - Future contribution from **Mobile**
- ✓ Aim to achieve **non-FinTech leverage levels*2 of around 5x** in the mid term

*1 As of September 30, 2022

*2 Non-consolidated net debt / non-FinTech EBITDA

Diversifying Financing Sources including Equity, Asset Financing and Bonds



*1 Monetization of Lyft shares using collar transactions (variable prepaid forward sales).

*2 Exit of Marketplace business (formerly Buy.com) in the United States and switch to an open e-commerce model (Rakuten Rewards).

*3 Exit of Marketplace business in Germany and consolidation into membership-based online reward sites in the United Kingdom, Spain and Germany.

*4 50% equity credit from S&P, R&I and JCR. USD/EUR perp. subordinated bonds are treated as 100% equity under IFRS.

Towards 2030

Believe in the future

Rakuten 25
YEARS

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