

FY2023 Fourth Quarter and Full Year Consolidated Financial Results Appendix

February 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/23Q4Datasheet.xlsx>
- For company introduction, please refer to https://global.rakuten.com/corp/investors/assets/doc/documents/GroupIntroduction202306_E.pdf.

Appendix Contents

1 Ecosystem KPIs

- ◆ Number of Monthly Active Users and Ratio of Users of Two or More Services
- ◆ Membership Value
- ◆ Global GTV
- ◆ Number of Rakuten Points Issued

2 Consolidated Financial Results

- ◆ Consolidated Financial Results Summary
- ◆ Revenue and Non-GAAP Operating Income or Loss Breakdown
- ◆ Overview of Consolidated and Major Subsidiaries' Balance Sheets
- ◆ Cash Flow Breakdown

3 Segment Results and KPIs

- ◆ Segment Organizational Chart
- ◆ Internet Services Segment
- ◆ FinTech Segment
- ◆ Mobile Segment
- ◆ Ad Business (Total Domestic Advertising Revenue Recorded in Each Segment)

4 Finance

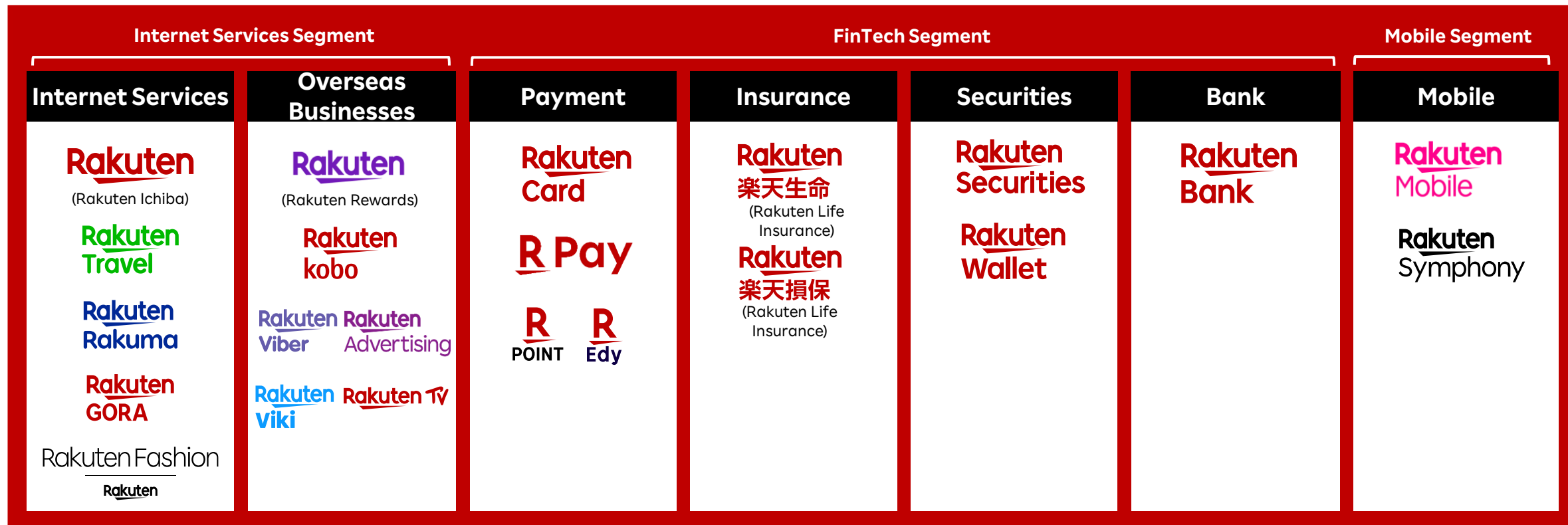
5 Others

- ◆ ESG Update
- ◆ Announcement of Impairment Losses, etc.
- ◆ Announcement of Partial Reversal of Deferred Tax Assets

1. Ecosystem KPIs

Rakuten Ecosystem Services Line-Up (Excerpt)

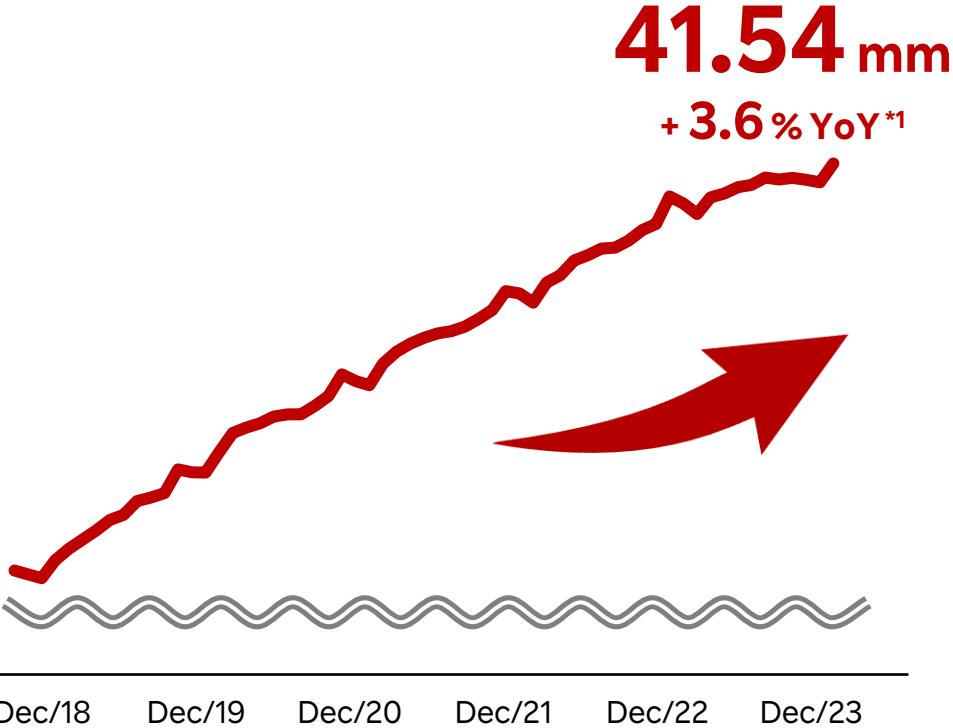
- Established leading positions in many markets. Highest cross-use rate among MNO carriers*



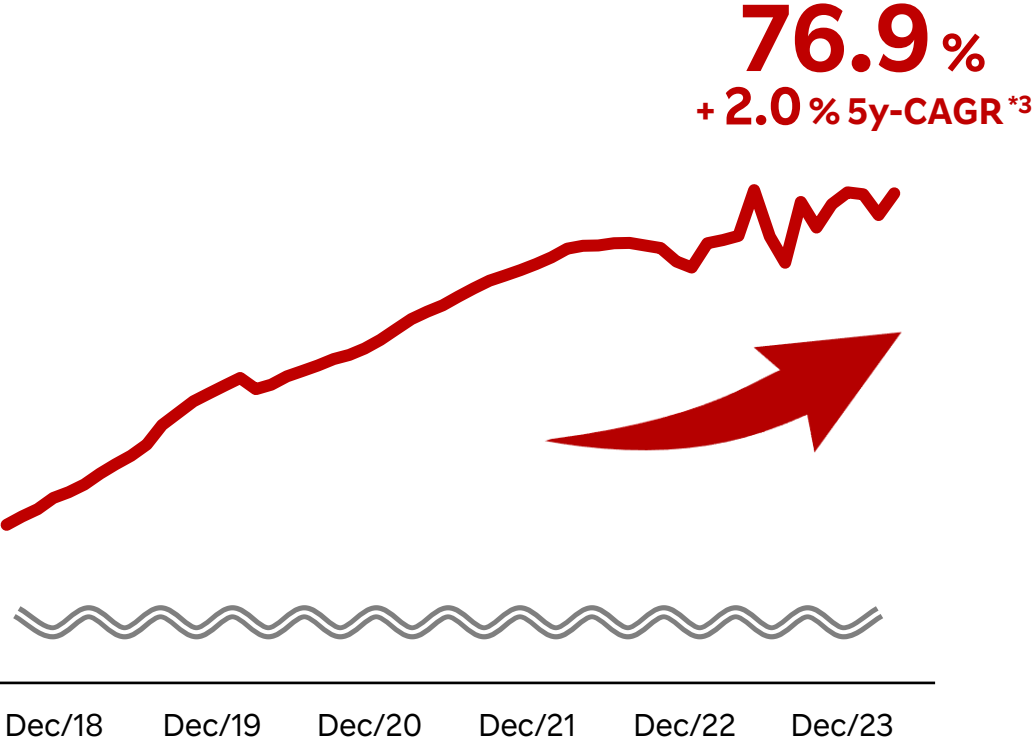
*Source: MMDLabo. Feb 20, 2023. "Survey on the actual condition of use of related services of major 4 MNO carriers." Number of carrier-related services except for mobile phone contracts for 4 MNO carrier users. (Internet survey, target: Major 4 MNO carrier users aged 18-69, valid responses = 2,000: Docomo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



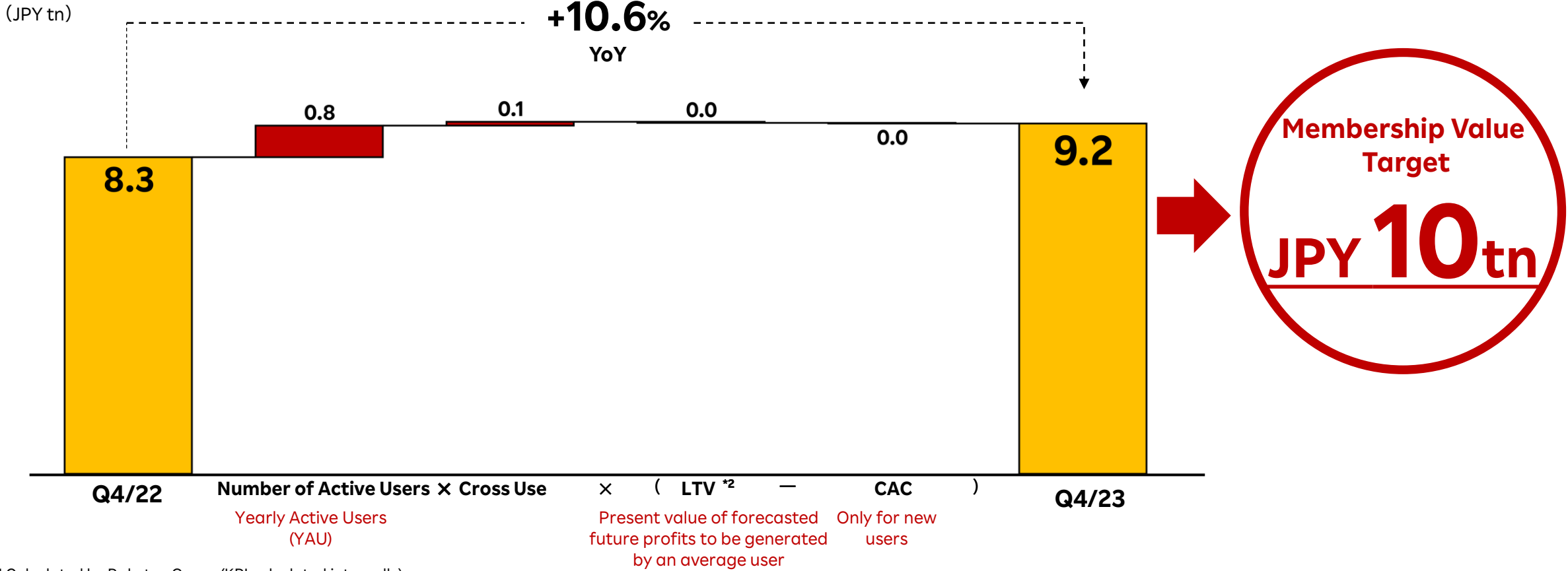
*1 Comparison of monthly active users in December 2023 versus December 2022.

*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 December 2023. Limited to the use of services that can earn Rakuten Points.)

*3 Calculated using monthly use ratio from December 2018 to December 2023.

Membership Value*1

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



*1 Calculated by Rakuten Group (KPI calculated internally)

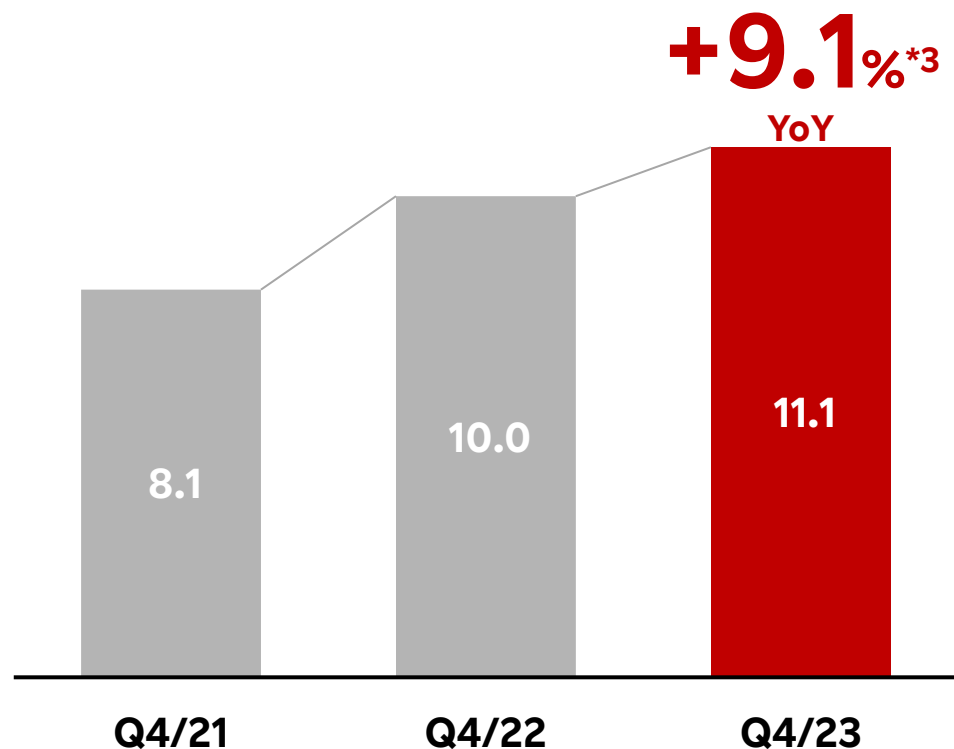
*2 LTV = Lifetime Value. $LTV = \sum (ARPU \times Profit\ Rate^*3 \times Retention\ Rate) \div (1 + Discount)^{K-1}$ ①K is Projection Years ②ARPU = Revenue/YAU

*3 Profit Rate = $\{(Revenue \times Marginal\ profit\ ratio) - Retention\ cost^*4\} \div Revenue$ ①Marginal profit = Revenue - Variable Cost (cost of revenue, commissions, etc.)

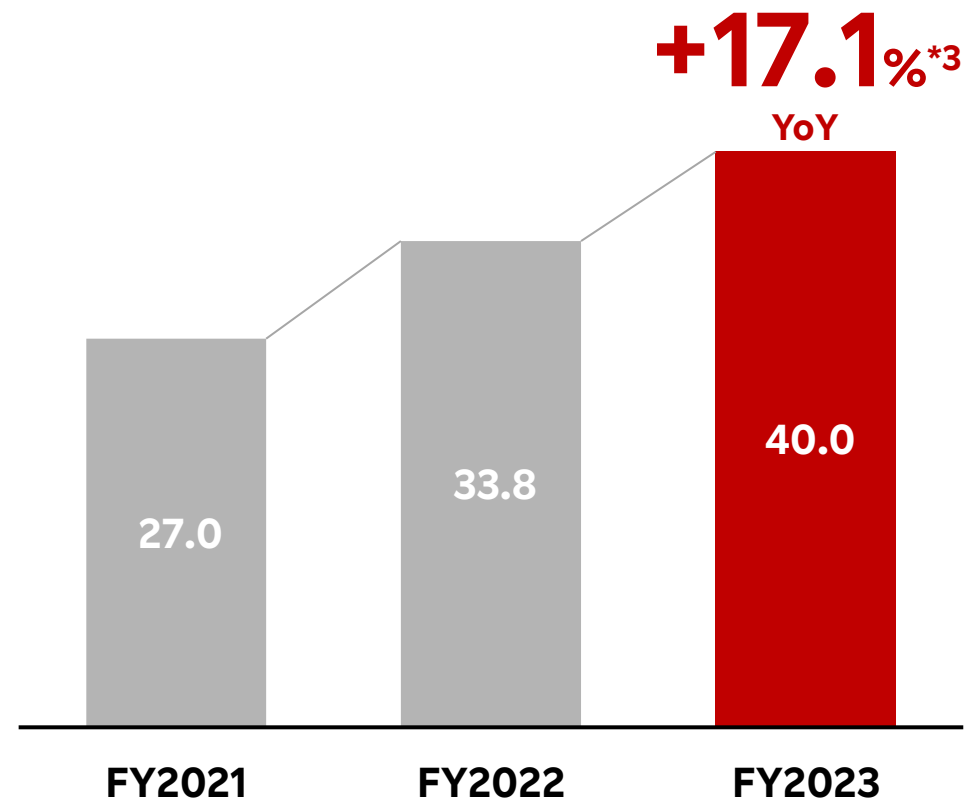
*4 Retention cost = Marketing costs - Customer acquisition cost ①Marketing cost = Advertising cost + Promotion Cost + Point cost ②Customer acquisition cost = Marketing cost prepared to new users

Q4/23 & FY2023 Total Global GTV^{*1*2}

Q4/23 Total Global GTV (JPY tn)



FY2023 Total Global GTV (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

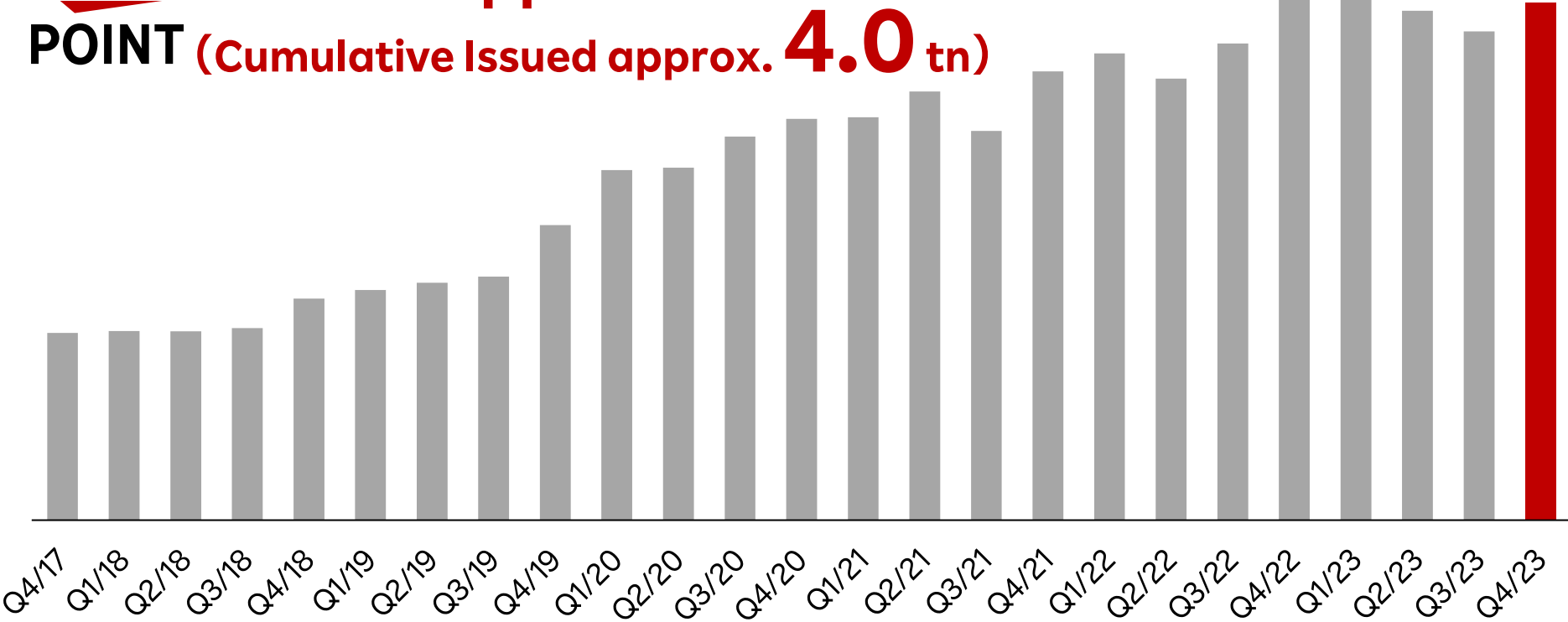
*2 Including intercompany transactions for settlement and affiliate services

*3 Calculation does not take into account the impact of exchange rates

Number of Rakuten Points Issued (Issued by Rakuten + Issued by Merchants)

■ Rakuten Points ranked No. 1 in satisfaction*










R FY2023 approx. **650** bn
POINT (Cumulative Issued approx. **4.0** tn)












*Source: My voice com, Survey on points, November 2022.



SPU Program Revision Effective from December 1, 2023

Service		As is	To be
 Rakuten Mobile (MNO) For diamond rank users	Multiple	+3x	+4x
	Maximum	7,000	2,000
 Rakuten Mobile (MNO) For other rank users	Multiple	+2x	+4x
	Maximum	6,000	2,000
 Rakuten Mobile (MVNO)	Multiple	+1x	Not subject
	Maximum	5,000	
 Rakuten Mobile Carrier Payment	Multiple	+0.5x	+2x
	Maximum	5,000	1,000
 Rakuten Turbo / Rakuten Hikari	Multiple	+1x	+2x
	Maximum	5,000	1,000
 Rakuten Card Regular portion	Multiple	+1x	+1x
	Maximum	No Limit	No Limit
 Rakuten Card Bonus portion	Multiple	+1x	+1x
	Maximum	5,000	1,000
	Premium Card	—	5,000
 Rakuten Premium Card Bonus portion	Multiple	+2x	—
	Maximum	15,000	—
 Rakuten Bank + Rakuten Card	Multiple	Max +1x	Max +0.5x
	Maximum	5,000	1,000

Service		As is	To be
 Rakuten Securities Investment trust	Multiple	+0.5x	+0.5x
	Maximum	5,000	2,000
 Rakuten Securities US stock	Multiple	+0.5x	+0.5x
	Maximum	5,000	2,000
 Rakuten Wallet	Multiple	+0.5x	+0.5x
	Maximum	5,000	1,000
 Rakuten Travel	Multiple	+1x	+1x
	Maximum	Up to membership Rank	1,000
 Rakuten Books	Multiple	+0.5x	+0.5x
	Maximum	1,000	500
 Rakuten Kobo	Multiple	+0.5x	+0.5x
	Maximum	1,000	500
 Rakuten Pasha	Multiple	+0.5x	+0.5x
	Maximum	5,000	1,000
 Rakuten Fashion App	Multiple	+0.5x	+0.5x
	Maximum	Up to membership Rank	1,000
 Rakuten Beauty	Multiple	+0.5x	+0.5x
	Maximum	Up to membership Rank	500

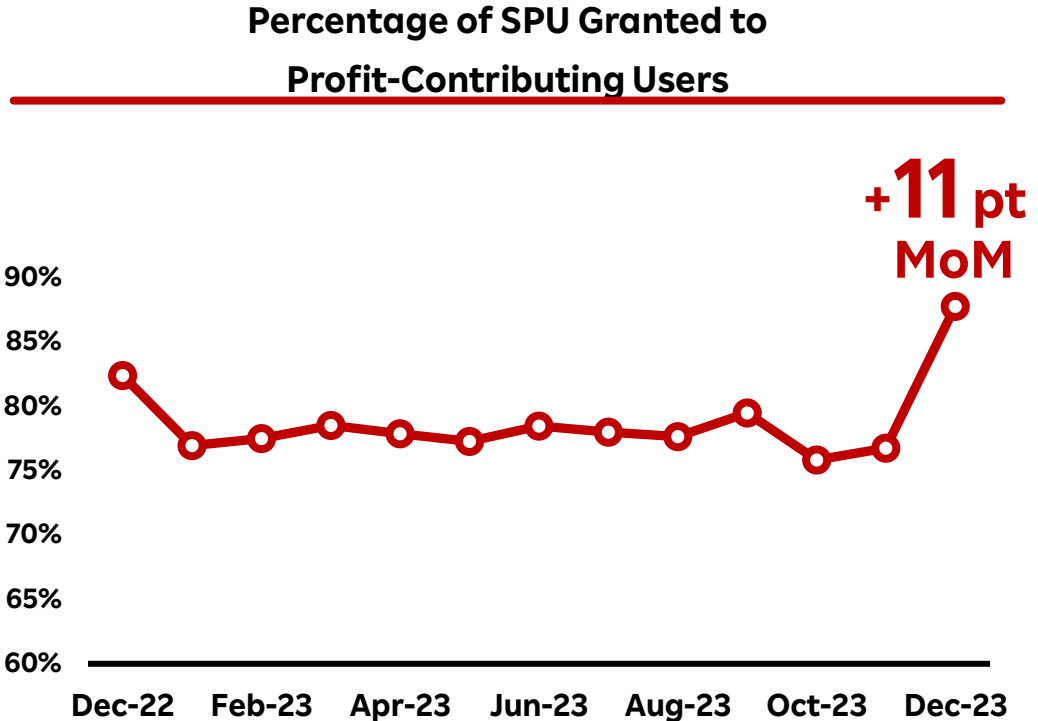
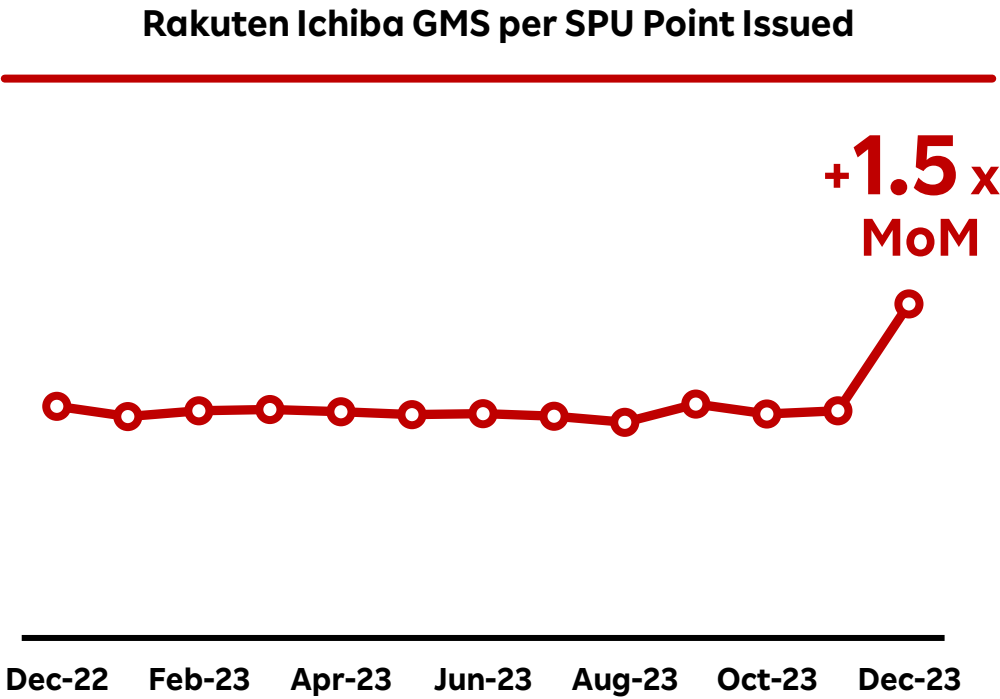
- On days of the month ending in "0" or "5", receive 4x extra points when using Rakuten Card (effective Dec 5, 2023)

Upper limit of points: 19,500pt

A campaign where you receive Rakuten Points when you use your Rakuten Card. For days of the month ending in "0" and "5", the benefits will be changed from 5x to 4x (maximum points earned 3,000 points → 1,000 points).

Revision of SPU in December for Improved Productivity

- As designed, the revision yielded higher Rakuten Ichiba GMS*1 per SPU point issued
- Percentage of SPU points issued to profit-contributing users*2 increased materially



*1 For this analysis, we are assuming Rakuten Ichiba GMS to include Books, Kobo, Rakuten Bic, Rakuten Fashion. Only includes GMS from users with SPU granted.
 *2 Calculated based on results during Dec. 2022 to Nov. 2023 for 24 services with Gross Profit - Variable Cost > 0.



2. Consolidated Financial Results

Q4/23 Consolidated Financial Results Summary^{*1*2}

(JPY bn, rounded)	Q4/22	Q4/23	YoY	Comment
Consolidated Revenue	561.6	580.1	+3.3%	Both Domestic EC and Other Internet services grew. In particular, among Other Internet services, increased subscription revenues from Viki and advertising revenues from Viber contributed. In Rakuten Mobile, telecommunication fees continued to increase, contributing to growth in revenue.
Internet Services Segment	326.0	345.3	+5.9%	
FinTech Segment	173.5	191.6	+10.4%	
Mobile Segment	108.9	99.5	-8.6%	
Adjustments	-46.8	-56.3	-9.5	
Non-GAAP Operating Income (Loss)	-72.6	-3.6	+69.0%	Achieved increases in revenue and profit in Rakuten Card and Rakuten Bank among others. In Rakuten Mobile, progressively worked to reduce costs, primarily network-related costs, and used the new roaming contracts as an opportunity to control capital expenditures at a level far below our previous plan.
<i>(Reference only: Excluding Mobile Segment & Minority Investment Business)</i>	<i>41.7</i>	<i>66.3</i>	<i>+59.0%</i>	
Internet Services Segment	15.0	33.9	+126.2%	
FinTech Segment	21.5	34.7	+61.3%	
Mobile Segment	-107.8	-71.2	+36.6	
Adjustments	-1.3	-0.9	+0.4	
Amortization of Intangible Assets	-2.2	-7.1	-4.8	
Stock Based Compensation	-3.1	-3.3	-0.3	
One-Off Items	-0.8	-19.3	-18.6%	Impairment losses of Rakuten Seiyu Netsuper etc.
IFRS Operating Income (Loss)	-78.7	-33.3	+45.4	
Non-GAAP EBITDA	0.9	75.5	+7,876.8%	
Internet Services Segment	25.5	45.0	+76.8%	
FinTech Segment	36.2	49.6	+36.9%	
Mobile Segment	-71.0	-30.1	+40.9	
Adjustments	10.3	10.9	+6.4%	

*1 The Rakuten Group has adopted IFRS 17 from the beginning of the three months ended March 31, 2023, and reflected the cumulative effect of this accounting standard change on the date of initial transition of January 1, 2022. As a result, figures for the fiscal year ended December 31, 2022 reflect the retrospective application of IFRS 17.

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

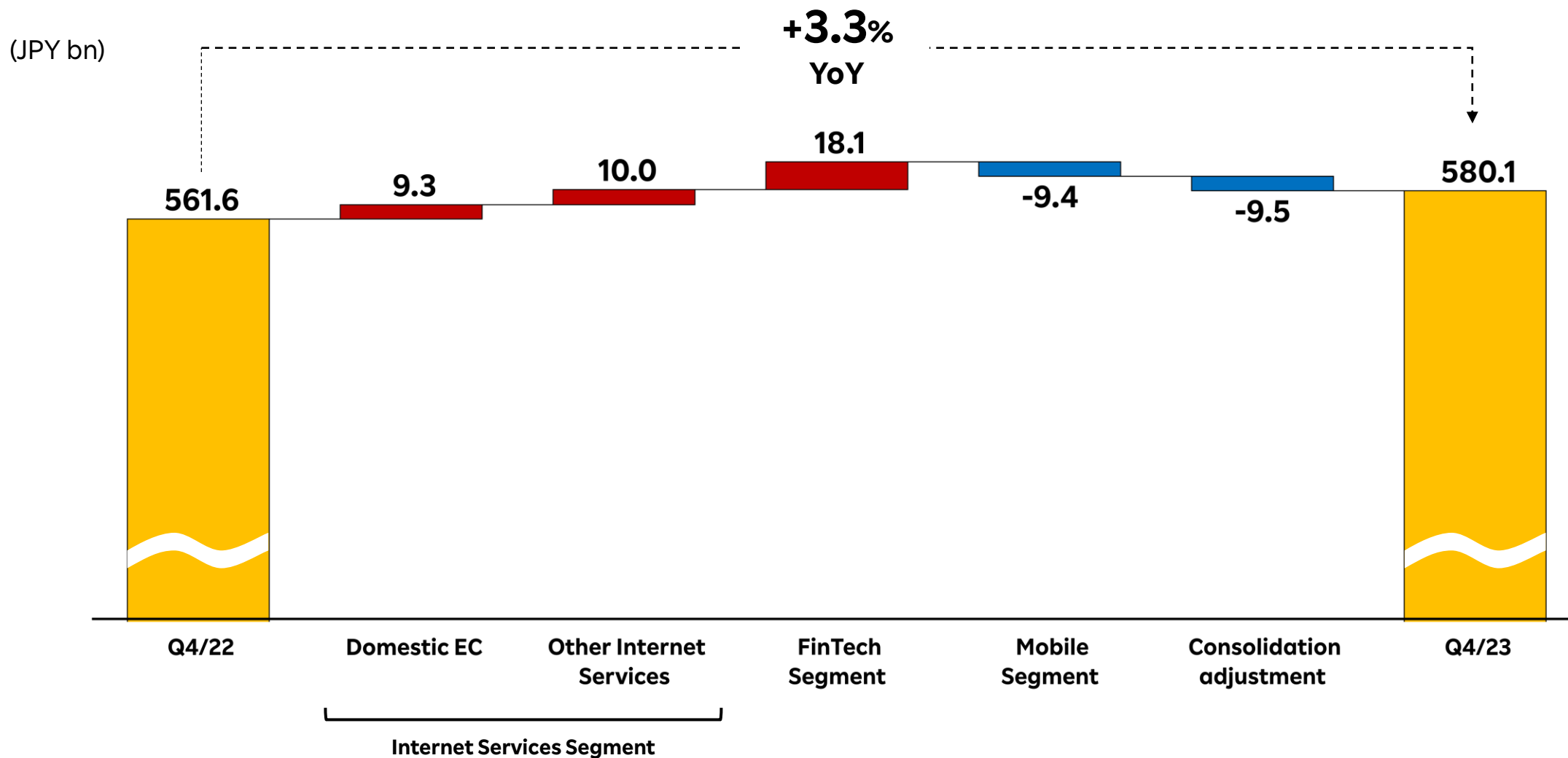
FY2023 Consolidated Financial Results Summary^{1*2}

(JPY bn, rounded)	FY2022	FY2023	YoY	Comment
Consolidated Revenue	1,920.9	2,071.3	+7.8%	<ul style="list-style-type: none"> In addition to an increase in GMS at Rakuten Ichiba and Rakuten Travel, revenue increased mainly in the overseas business. In Rakuten Mobile, telecommunication fees continued to increase, contributing to growth in revenue.
Internet Services Segment	1,103.8	1,212.3	+9.8%	
FinTech Segment	651.9	725.2	+11.2%	
Mobile Segment	350.7	364.6	+3.9%	
Adjustments	-185.6	-230.7	-45.1	
Non-GAAP Operating Income (Loss)	-335.2	-153.0	+182.2%	<ul style="list-style-type: none"> Achieved increases in revenue and profit in Rakuten Card, Rakuten Bank, and Rakuten Securities among others. In Rakuten Mobile, progressively worked to reduce costs, primarily network-related costs, and used the new roaming contracts as an opportunity to control capital expenditures at a level far below our previous plan.
<i>(Reference only: Excluding Mobile Segment & Minority Investment Business)</i>	<i>154.3</i>	<i>191.7</i>	<i>+24.2%</i>	
Internet Services Segment	64.6	76.8	+18.9%	
FinTech Segment	89.8	122.9	+36.8%	
Mobile Segment	-479.3	-337.5	+141.7	
Adjustments	-10.4	-15.3	-4.9	
Amortization of Intangible Assets	-8.7	-13.6	-4.9	
Stock Based Compensation	-12.6	-14.3	-1.7	
One-Off Items	-15.2	-31.9	-16.8	<ul style="list-style-type: none"> Costs temporarily incurred due to the cancellation of base station construction and impairment losses of Rakuten Seiyu Netsuper, etc.
IFRS Operating Income (Loss)	-371.6	-212.9	+158.8	
Non-GAAP EBITDA	-69.9	148.2	+218.1	
Internet Services Segment	99.5	116.2	+16.8%	
FinTech Segment	143.5	181.0	+26.1%	
Mobile Segment	-339.0	-179.1	+159.9	
Adjustments	26.1	30.1	+15.4%	

*1 The Rakuten Group has adopted IFRS 17 from the beginning of the three months ended March 31, 2023, and reflected the cumulative effect of this accounting standard change on the date of initial transition of January 1, 2022. As a result, figures for the fiscal year ended December 31, 2022 reflect the retrospective application of IFRS 17.

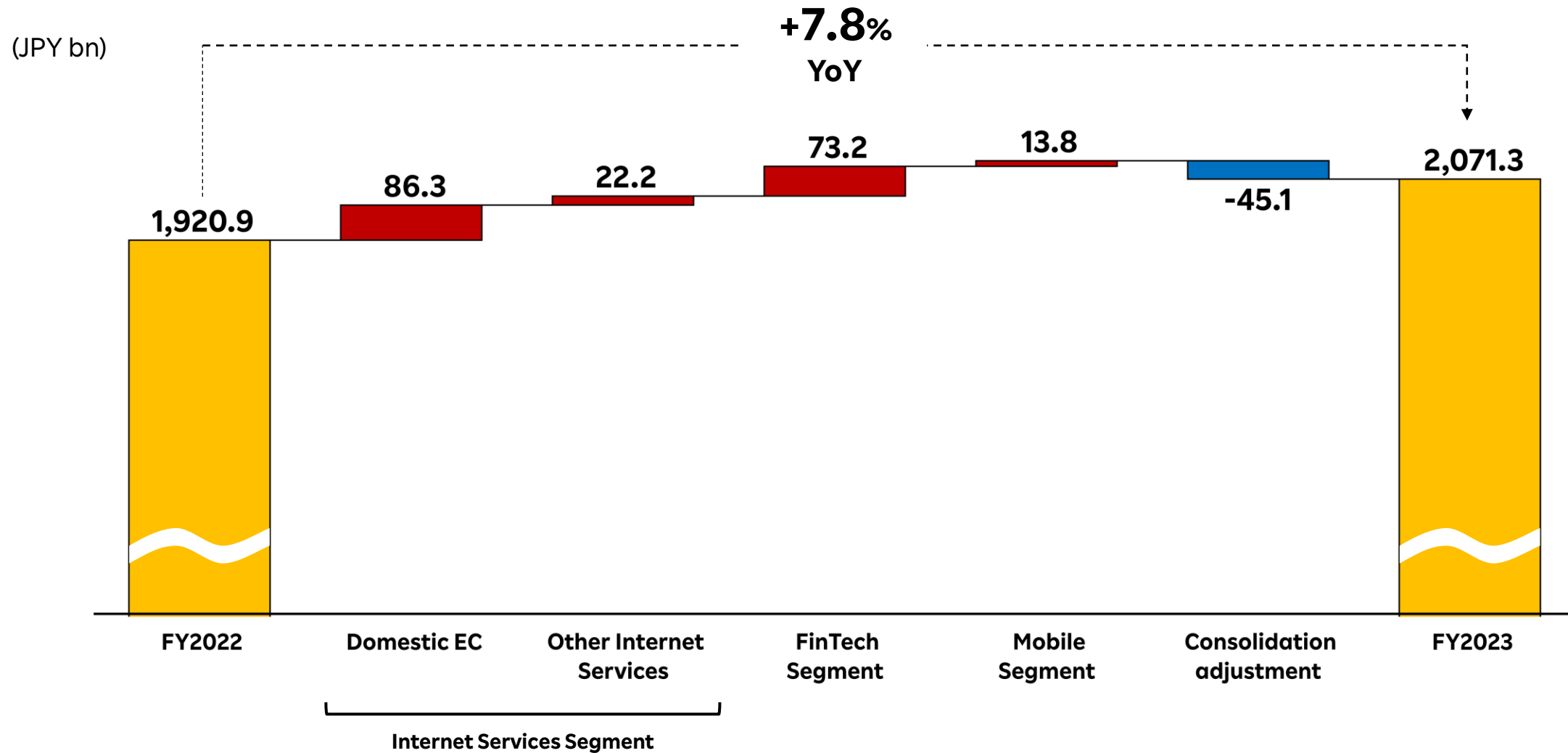
*2 Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

Q4/23 Revenue Breakdown*



*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.

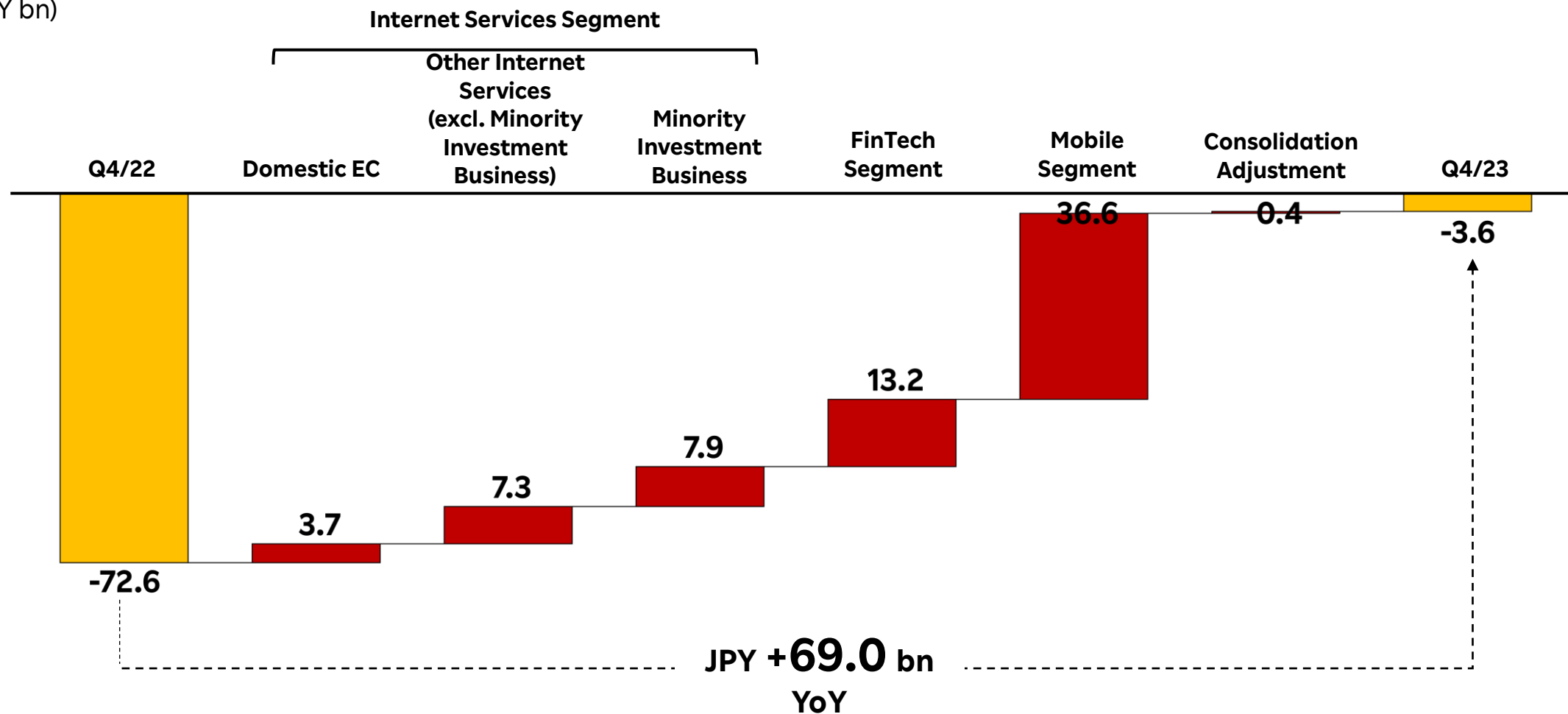
FY2023 Revenue Breakdown*



*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.

Q4/23 Non-GAAP Operating Income or Loss Breakdown

(JPY bn)

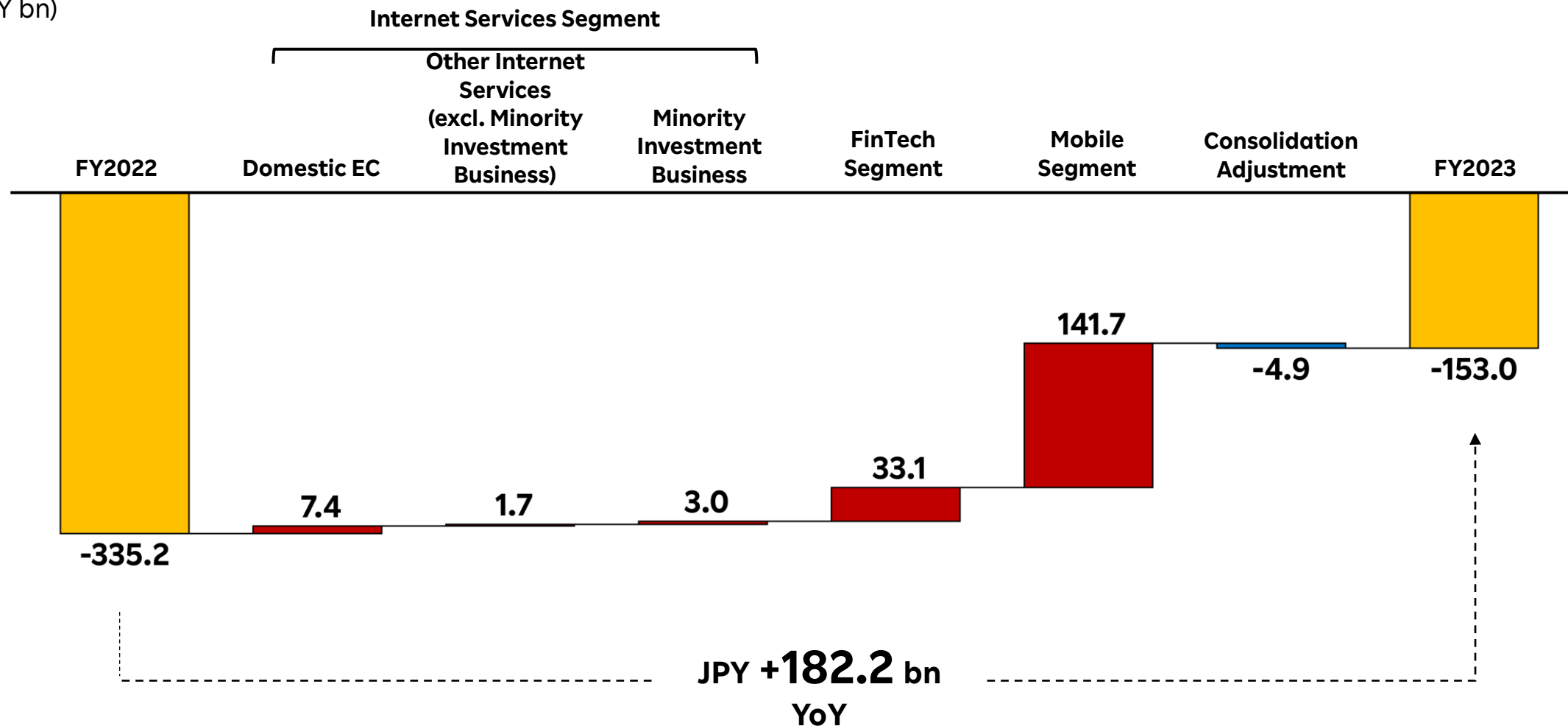


*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.



FY2023 Non-GAAP Operating Income or Loss Breakdown

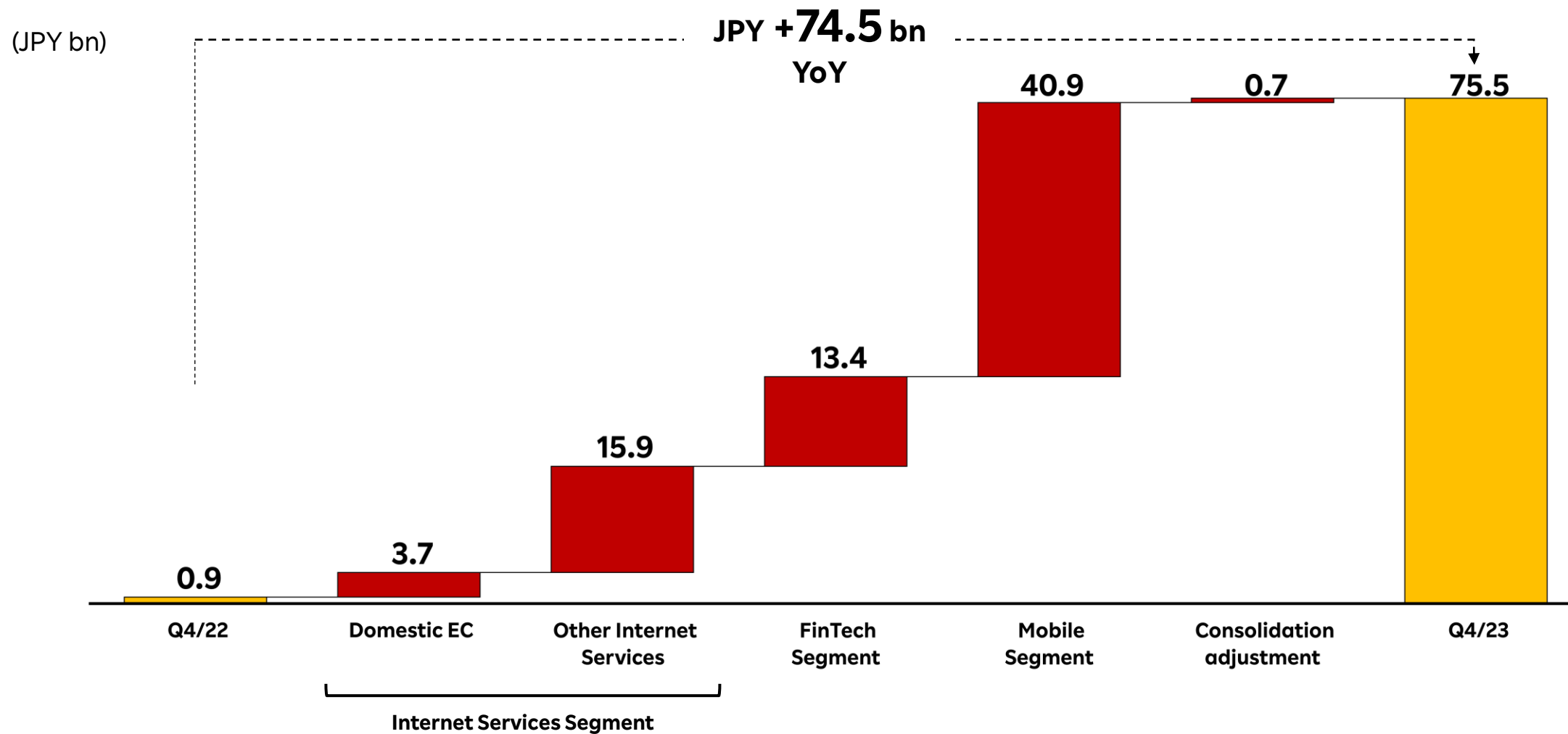
(JPY bn)



*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.



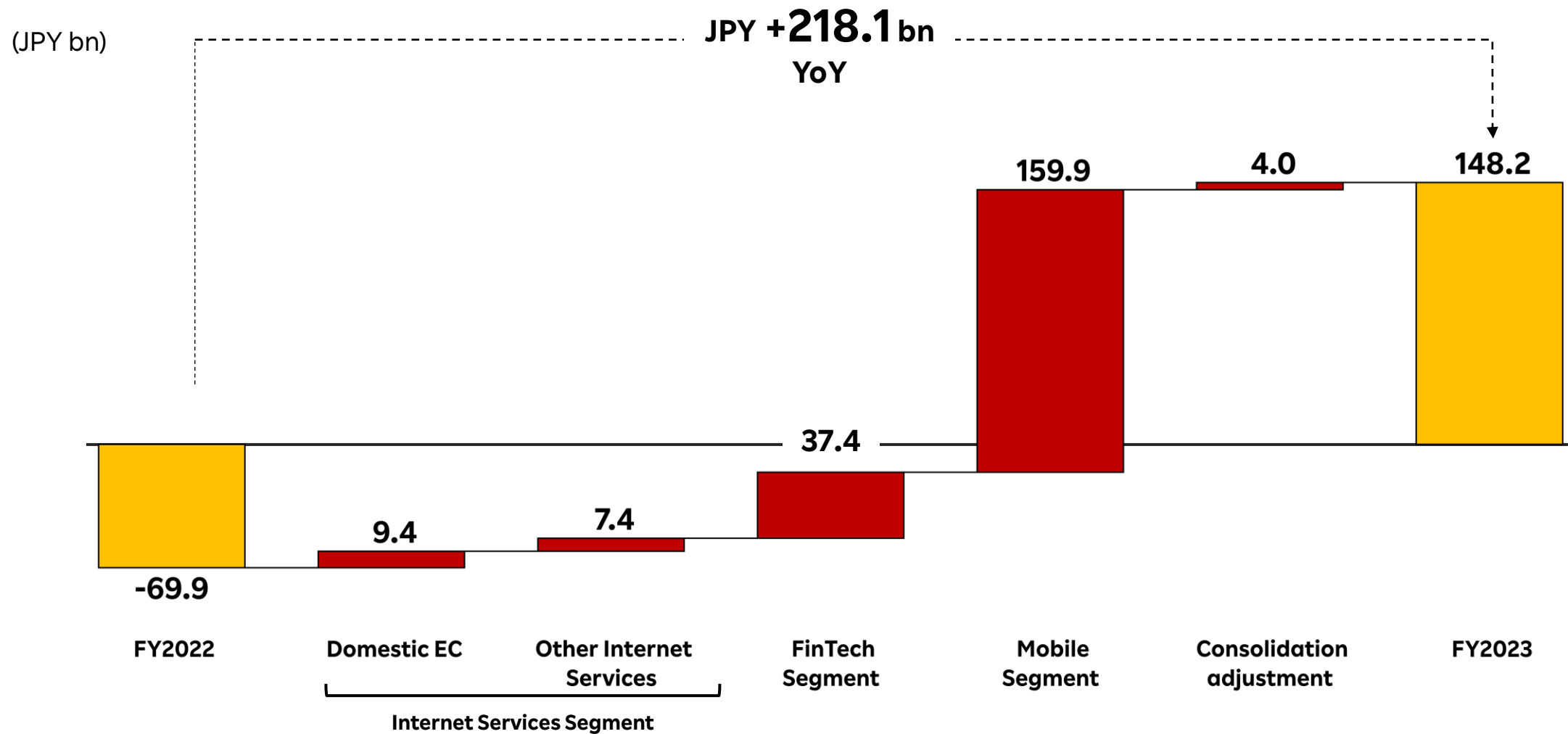
Q4/23 Non-GAAP EBITDA



*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.



FY2023 Non-GAAP EBITDA

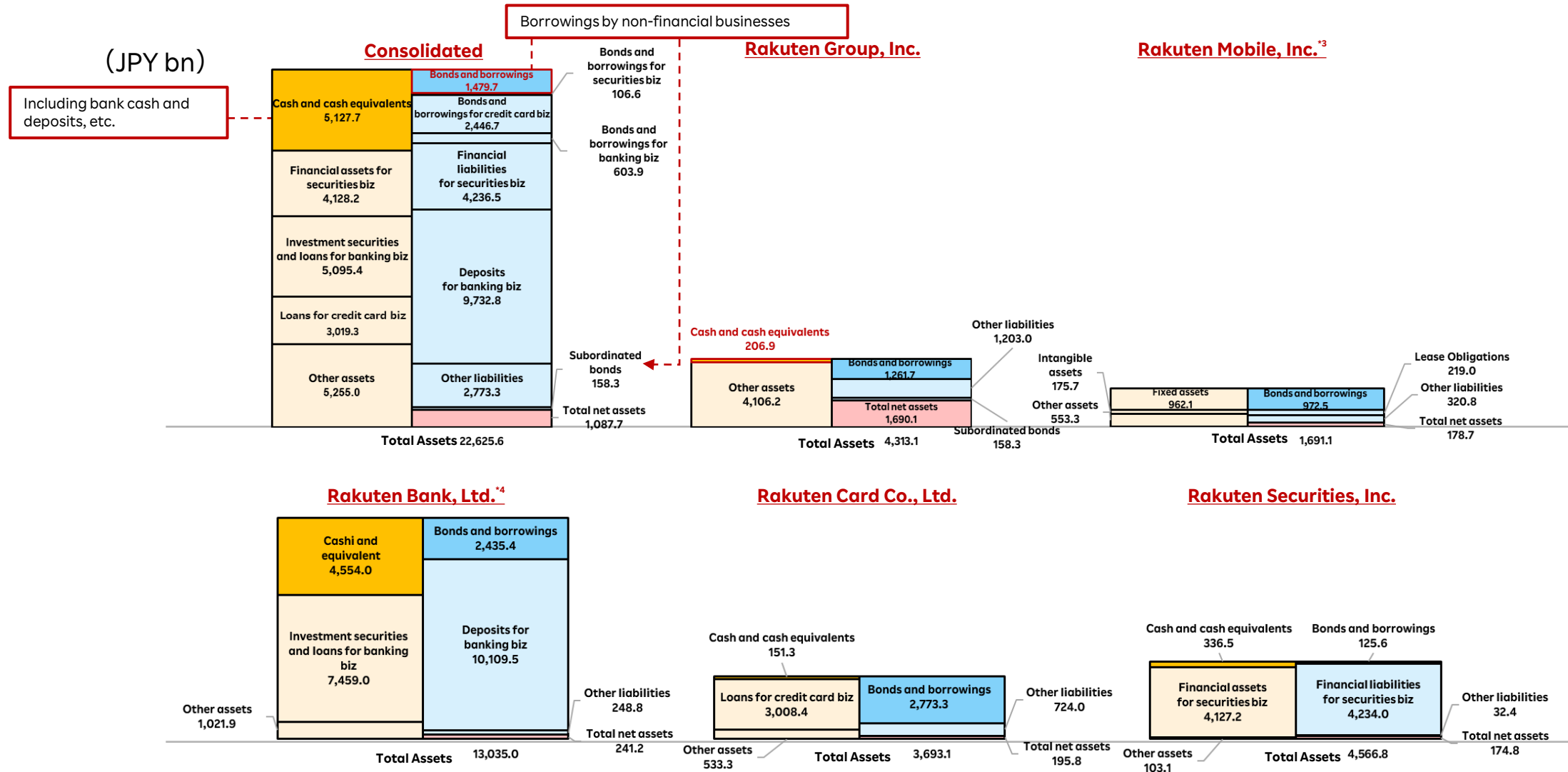


*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.



Consolidated and Major Subsidiaries' Balance Sheets – As of Dec 31, 2023^{*1*2}

※Non-consolidated balance sheets include internal transactions



*1 Rakuten Group, Inc., Rakuten Bank, Ltd., Rakuten Card Co., Ltd., Rakuten Securities, Inc., Rakuten Life Insurance Co., Ltd., Rakuten General Insurance Co., Ltd. and Rakuten Mobile, Inc. are based on IFRS nonconsolidated 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 Breakdown (1)

– As of December 31, 2023^{*1*2}

(JPY bn, rounded)	Q3/23	Q4/23	QoQ
Rakuten Group, Inc. (Consolidated)			
Total Assets	21,641.0	22,625.6	+4.5%
Cash and Equivalents	4,704.8	5,127.7	+9.0%
Financial Assets for Securities Business	3,950.7	4,128.2	+4.5%
Investment Securities and Loans for Banking Business	4,922.3	5,095.4	+3.5%
Loans for Credit Card	2,791.6	3,019.3	+8.2%
Other Assets	5,271.5	5,255.0	-0.3%
Total Liabilities	20,509.8	21,537.9	+5.0%
Bonds and Borrowings	1,740.0	1,638.0	-5.9%
Subordinated Bonds	226.2	158.3	-30.0%
Borrowings for Securities Business	131.6	106.6	-19.0%
Bonds and Borrowings for Credit Card Business	621.6	603.9	-2.8%
Borrowings for Banking Business	2,320.1	2,446.7	+5.5%
Deposits for Banking Business	9,121.2	9,732.8	+6.7%
Financial Liabilities for Securities Business	3,982.6	4,236.5	+6.4%
Other Liabilities	2,592.7	2,773.3	+7.0%
Total Net Assets	1,131.2	1,087.7	-3.8%
Total Liabilities and Equity	21,641.0	22,625.6	+4.5%

Including Rakuten Bank cash and deposits, etc.

Borrowings by non-financial businesses

(JPY bn, rounded)	Q3/23	Q4/23	QoQ
Rakuten Group, Inc. (Non-consolidated)			
Total Assets	4,196.4	4,313.1	+2.8%
Cash and Equivalents	199.5	206.9	+3.7%
Other Assets	3,996.9	4,106.2	+2.7%
Total Liabilities	2,666.7	2,623.0	-1.6%
Bonds and Borrowings	1,504.2	1,419.9	-5.6%
Debt from External Financial Institutions	1,482.2	1,390.1	-6.2%
Subordinated Bonds	226.2	158.3	-30.0%
Internal Transactions	22.0	29.8	+35.4%
Other Liabilities	1,162.5	1,203.0	+3.5%
Total Net Assets	1,529.7	1,690.1	+10.5%
Total Liabilities and Equity	4,196.4	4,313.1	+2.8%



*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.

Consolidated and Major Subsidiaries' Balance Sheets Breakdown (2)

– As of December 31, 2023^{*1*2}

(JPY bn, rounded)	Q3/23	Q4/23	QoQ
Rakuten Mobile, Inc.			
Total Assets	1,737.6	1,691.1	-2.7%
Fixed Assets	977.5	962.1	-1.6%
Intangible Assets	165.1	175.7	6.4%
Other Assets	595.1	553.3	-7.0%
Total Liabilities	1,637.6	1,512.3	-7.7%
Loans, Lease Finance, and Others	1,072.6	972.5	-9.3%
Debt from External Financial Institutions	257.9	244.9	-5.0%
Internal Transactions	814.7	727.6	-10.7%
Lease Obligations	240.1	219.0	-8.8%
Other Liabilities	325.0	320.8	-1.3%
Total Net Assets	100.0	178.7	78.8%
Total Liabilities and Equity	1,737.6	1,691.1	-2.7%

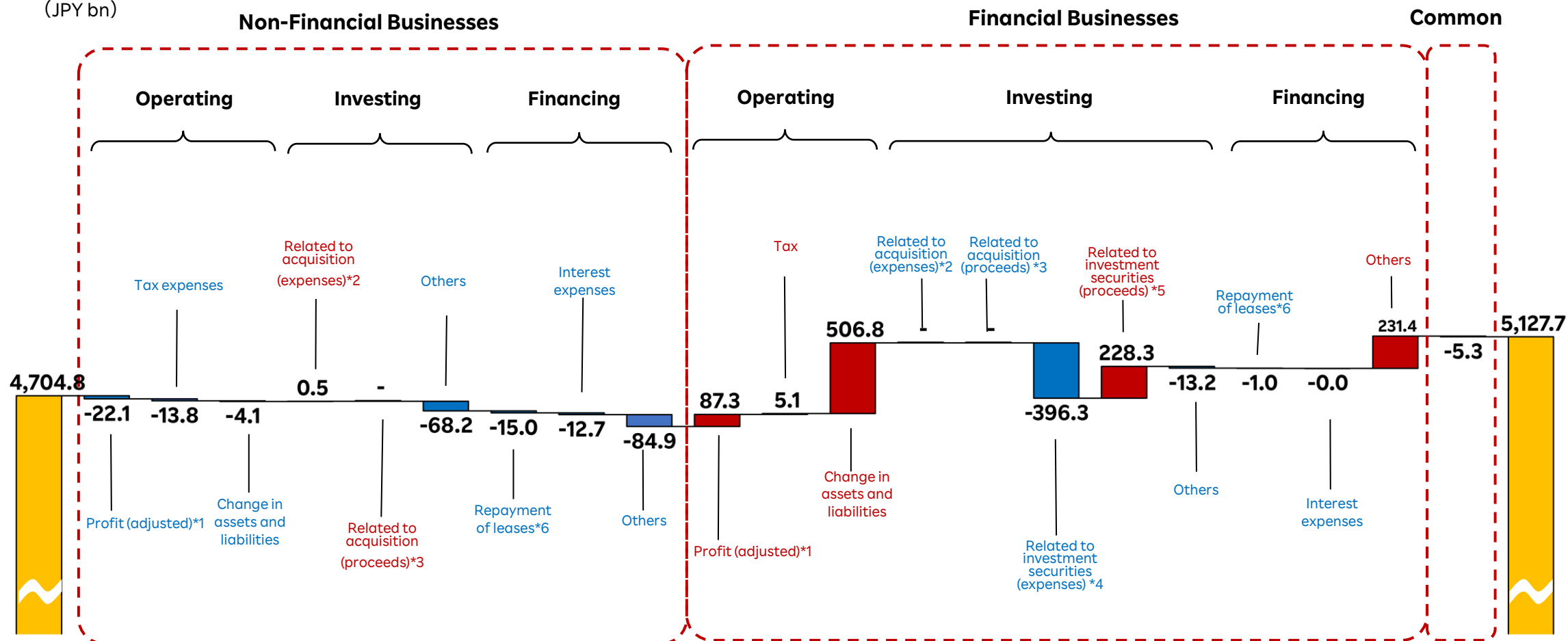
*1 Rakuten Group, Inc. and Rakuten Mobile, Inc. are based on IFRS non-consolidated balance sheets

*2 Bonds and borrowings include corporate straight bonds, CP, bank borrowings, etc.



Q4/23 Cash Flow Breakdown

(JPY bn)



Q4/23

Balance of cash and cash equivalents at the beginning of the quarter (Sep 30, 2023)



*1 Total amount of "Income or Loss before Income Tax," "Depreciation and Amortization," "Impairment Loss" and "Other Profits or Losses"

*2 Total amount of "Acquisition of Subsidiaries" and "Acquisition of Investments in Associates and Joint Ventures"

*3 Total amount of "Proceeds from Sales of Subsidiaries" and "Proceeds from Investments in Associates and Joint Ventures"

*4 Total amount of "Purchase of Investment Securities for Banking Business," "Purchase of Investment Securities for Insurance Business" and "Purchase of Investment Securities"

*5 Total amount of "Proceeds from Sales and Redemption of Investment Securities for Banking Business," "Proceeds from Sales and Redemption of Investment Securities for Insurance Business" and "Proceeds from Sales and Redemption of Investment Securities"

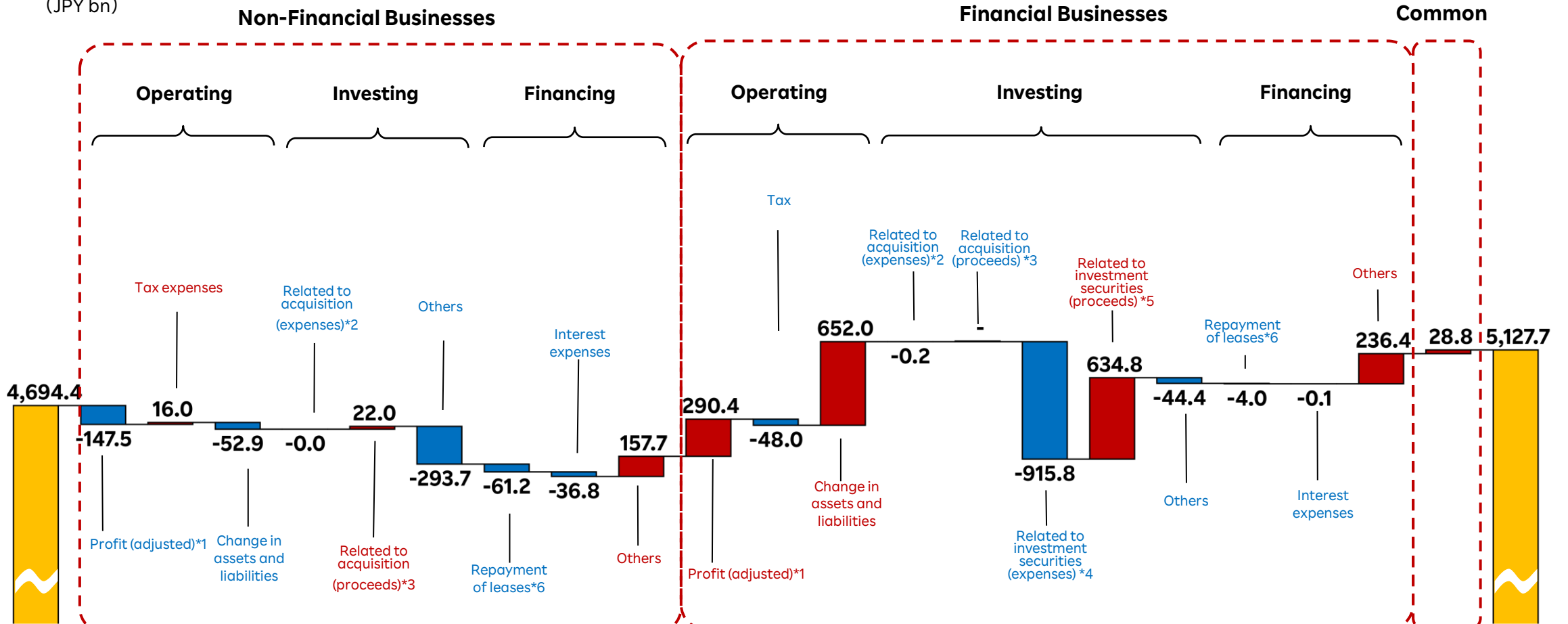
*6 Payment related to right-of-use assets accounts

Q4/23

Balance of cash and cash equivalents at the end of the quarter (Dec 31, 2023)

FY2023 Cash Flow Breakdown

(JPY bn)



FY2023

Balance of cash and cash equivalents at the beginning of fiscal year (Dec 31, 2022)

- *1 Total amount of "Income or Loss before Income Tax," "Depreciation and Amortization," "Impairment Loss" and "Other Profits or Losses"
- *2 Total amount of "Acquisition of Subsidiaries" and "Acquisition of Investments in Associates and Joint Ventures"
- *3 Total amount of "Proceeds from Sales of Subsidiaries" and "Proceeds from Investments in Associates and Joint Ventures"
- *4 Total amount of "Purchase of Investment Securities for Banking Business," "Purchase of Investment Securities for Insurance Business" and "Purchase of Investment Securities"
- *5 Total amount of "Proceeds from Sales and Redemption of Investment Securities for Banking Business," "Proceeds from Sales and Redemption of Investment Securities for Insurance Business" and "Proceeds from Sales and Redemption of Investment Securities"
- *6 Payment related to right-of-use assets accounts

FY2023

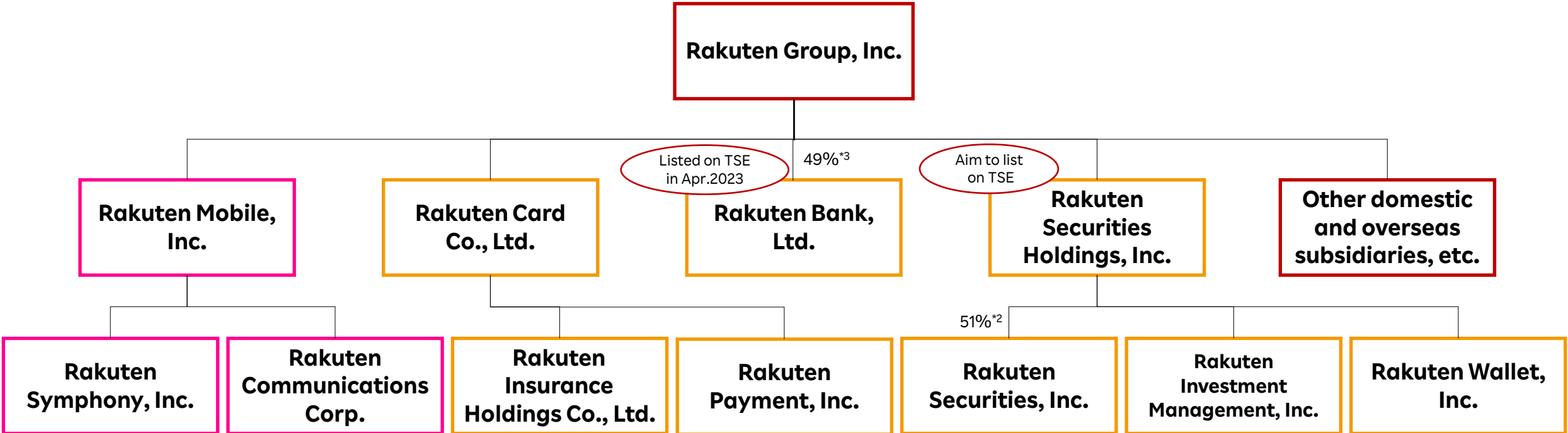
Balance of cash and cash equivalents at the end of the fiscal year (Dec 31, 2023)



3. Segment Results and KPIs

Rakuten Group Organizational Chart and Segment Correspondence Chart*¹

- Internet Services Segment
- FinTech Segment
- Mobile Segment



*1 The advertising business (refer to the "Ad Business" section on the following pages) aggregates advertising revenues from domestic operating entities. The advertising business outside of Japan is included in the "Other Internet Services" segment.

*2 19.99% and additional 29.0007% of Rakuten Securities common stock was transferred to Mizuho Securities.

*3 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.

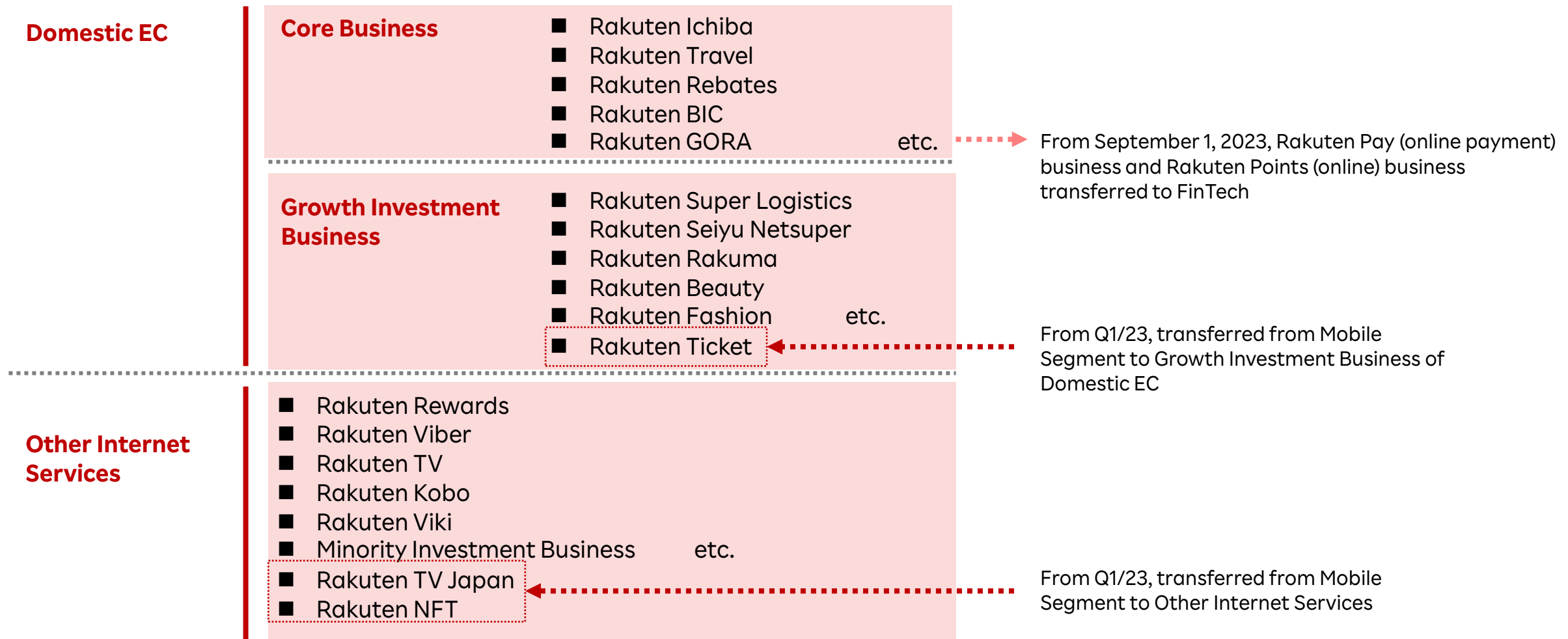
^{*1} All are Group Executive Vice Presidents excluding Hitoshi Mikitani Representative Director, Chairman, President and CEO, Masayuki Hosaka Representative Director and Vice Chairman, Kentaro Hyakuno Representative Director and Group Executive Vice President, Kazuhiro Suzuki Group Senior Managing Executive 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 Individual 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.
Media & Content Business	<ul style="list-style-type: none">■ Rakuten Ticket■ Rakuten TV Japan■ Rakuten NFT

From Q1/23, transferred to Internet Services Segment

Internet Services Segment

Q4/23 Internet Services Segment Financial Results ^{*1}

Q4/23 (JPY bn)	Revenue	YoY	Non-GAAP Operating Income	YoY
Domestic EC	239.0	+4.0%	32.6	+12.8%
Core Businesses	209.5	+3.5%	41.7	+4.8%
Growth Investment Businesses	29.5	+7.9%	-9.1	+1.8%
Other Internet Services	106.3	+10.4%	1.3	+15.2%
Rakuten Rewards	52.2	+20.2%	3.9	+92.9%
Minority Investment Business ^{*2}			1.4	+7.9%
Others	54.1	+2.3%	-3.9	+5.5%
Segment Total	345.3	+5.9%	33.9	+126.2%

^{*1} Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are 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} Revenues related to "Minority Investment Business" are included in "Others".

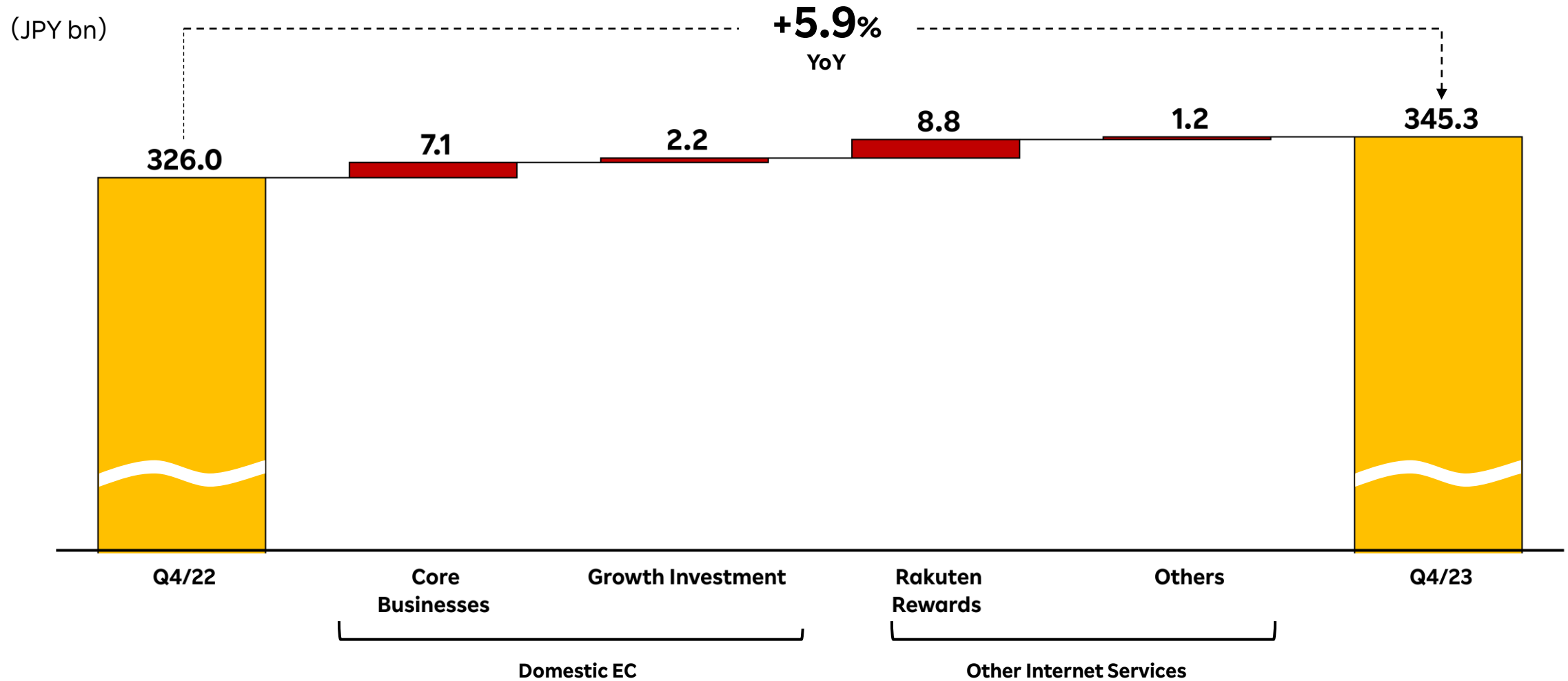
FY2023 Internet Services Segment Financial Results^{*1}

FY2023 (JPY bn)	Revenue	YoY	Non-GAAP Operating Income	YoY
Domestic EC	885.6	+10.8%	102.5	+7.8%
Core Businesses	772.2	+10.7%	143.3	+6.0%
Growth Investment Businesses	113.3	+11.3%	-40.7	-0.7%
Other Internet Services	326.7	+7.3%	-25.7	+4.8%
Rakuten Rewards	132.5	+21.6%	6.8	-1.5%
Minority Investment Business ^{*2}			-7.2	+3.0%
Others	194.3	-0.7%	-25.3	+1.8%
Segment Total	1,212.3	+9.8%	76.8	+18.9%

^{*1} Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are 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.

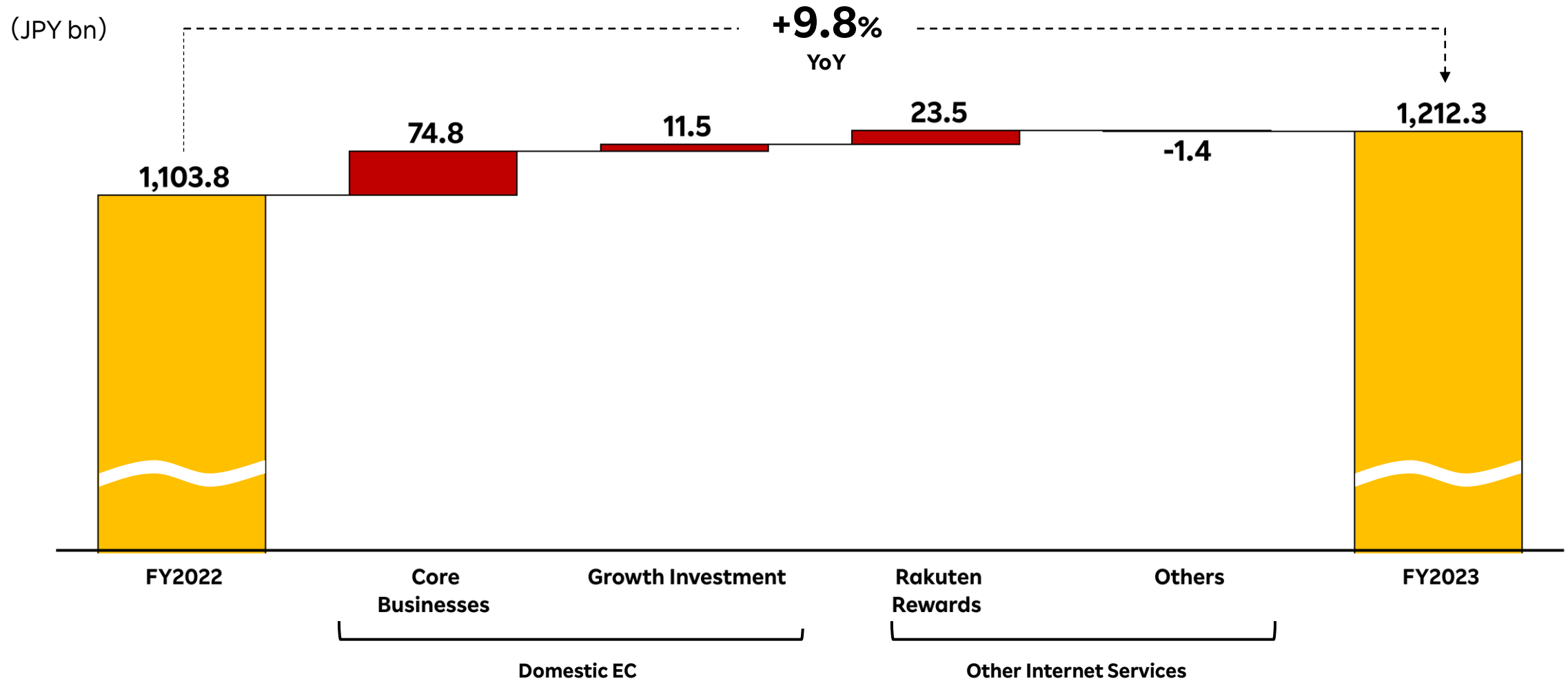
^{*2} Revenues related to "Minority Investment Business" are included in "Others".

Q4/23 Internet Services Segment Revenue Breakdown



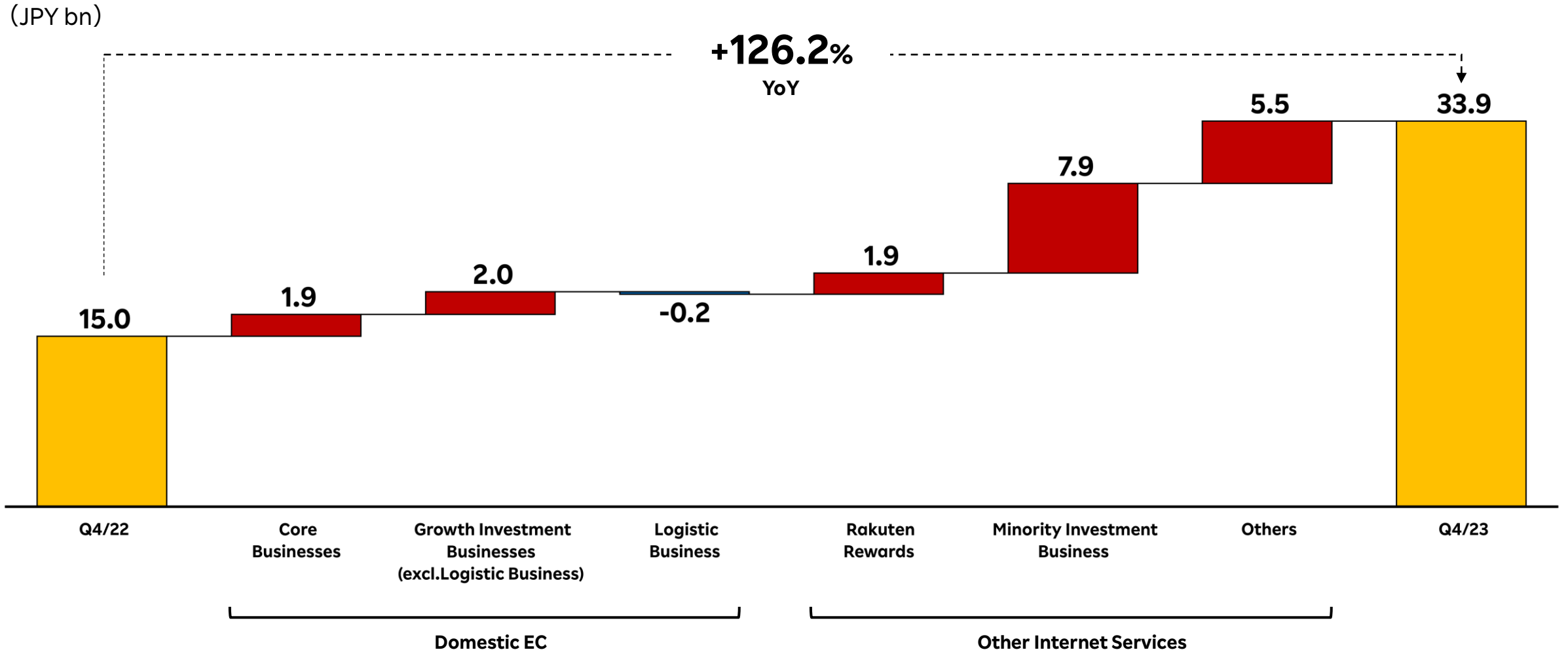
*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

FY2023 Internet Services Segment Revenue Breakdown



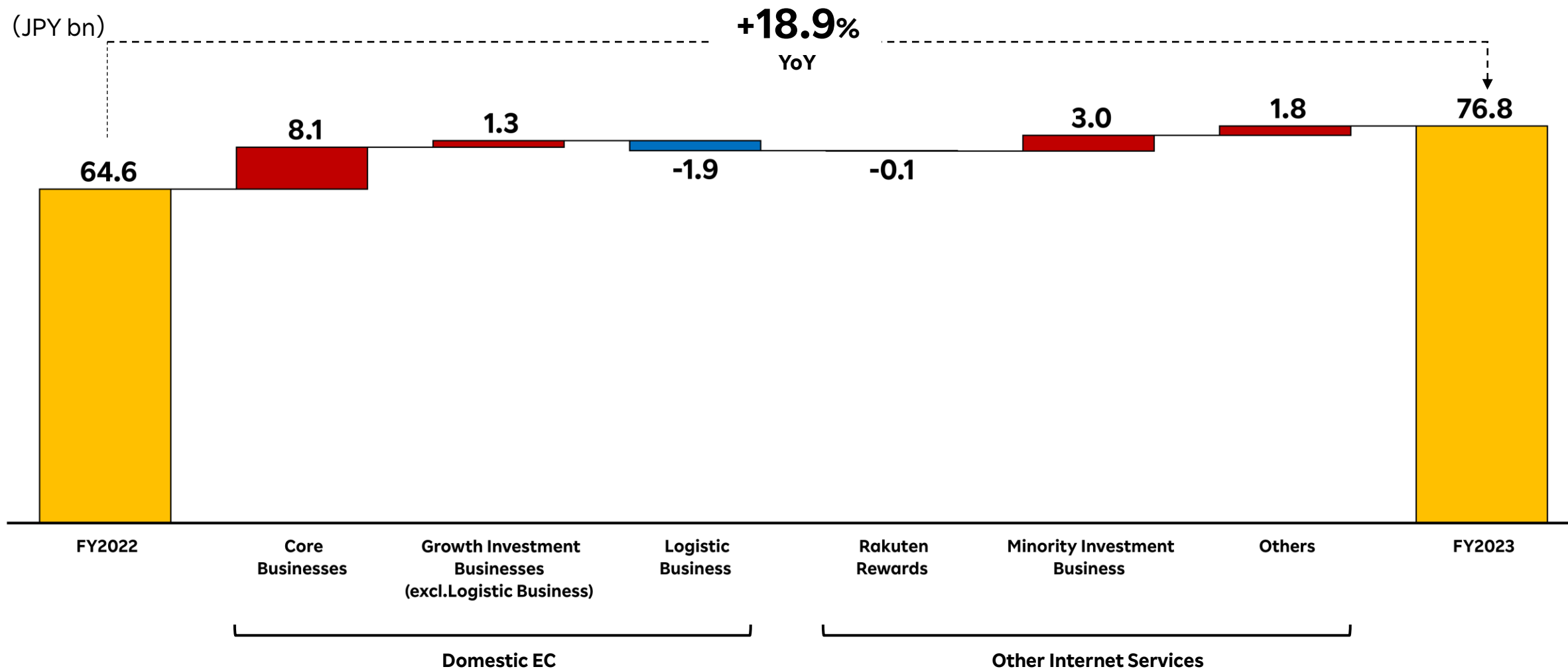
*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

Q4/23 Internet Services Segment Non-GAAP Operating Income Breakdown



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

FY2023 Internet Services Segment Non-GAAP Operating Income Breakdown

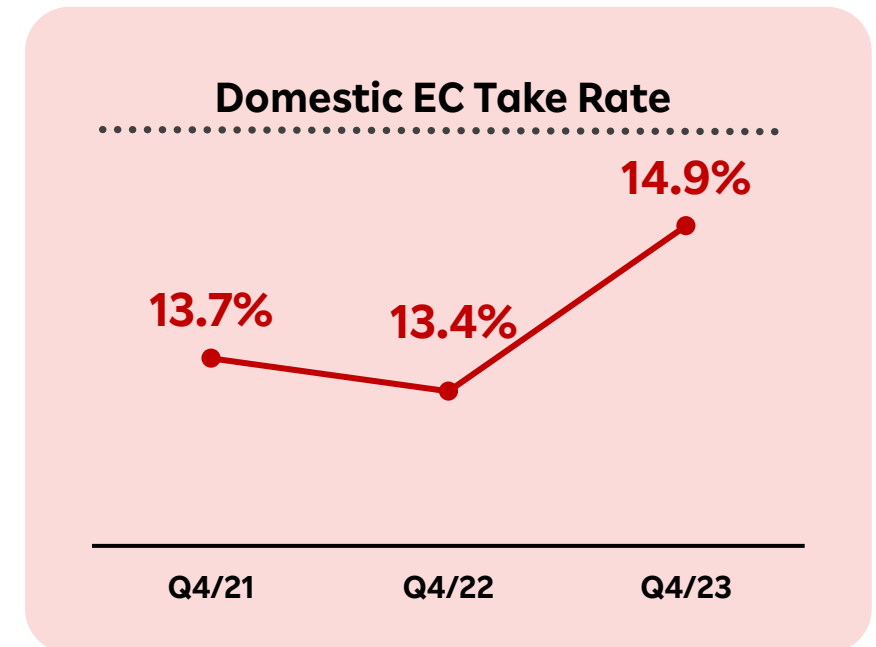
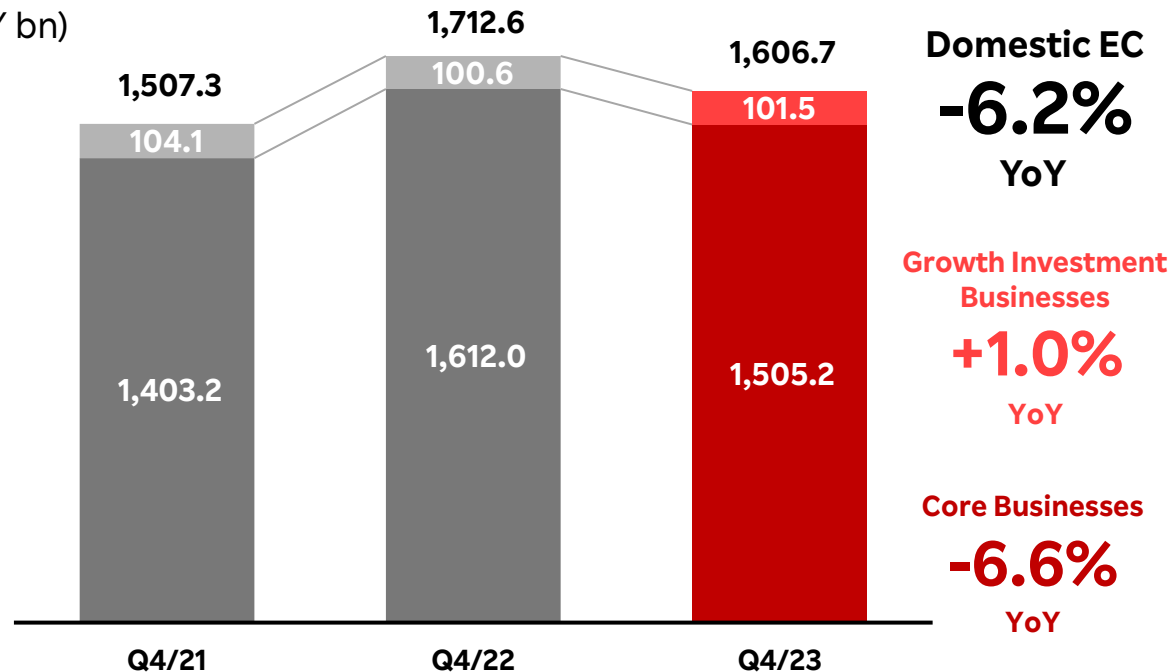


*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

Q4/23 Domestic E-Commerce GMS^{*1*2*3*4}

- Rakuten Ichiba GMS decreased in Q4/23 due to a last-minute demand for hometown tax triggered by unfavorable rule changes started in October 2023 as well as SPU and 0/5 revision started in December 2023. Rakuten Travel GMS grew despite the YoY hurdle of nationwide travel campaign.
- Domestic EC GMS growth would have been positive if excluding one-off impacts (Payment Online transfer, SPU 0/5 rule change, hometown tax rule change, nationwide travel campaign termination)

(JPY bn)



*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 Q1/23, Rakuten Ticket was transferred from Others segment to Domestic E-commerce segment. Past figures have been retroactively adjusted.

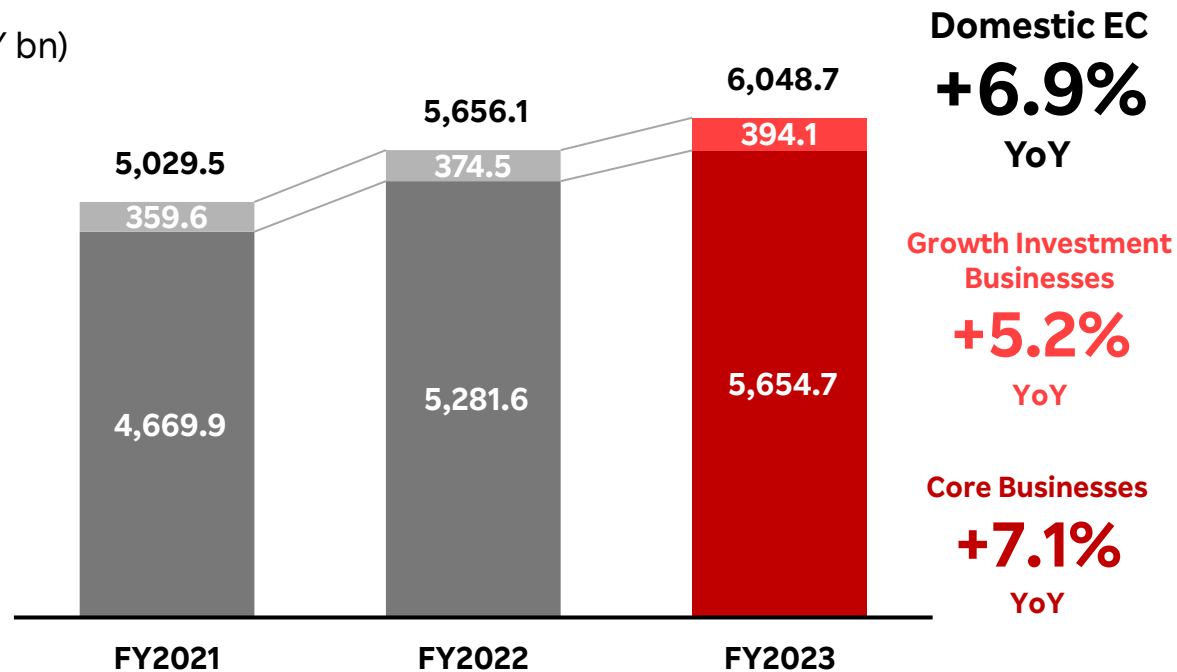
*3 From Q2/23, a portion of Domestic E-commerce GMS definitions, etc. have been revised. Past figures have been retroactively adjusted.

*4 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.

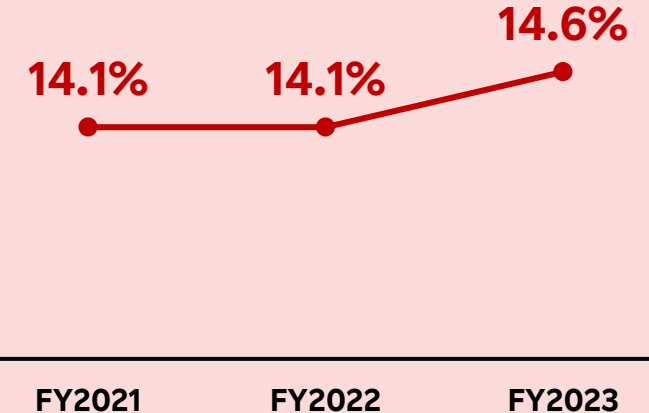
FY2023 Domestic E-Commerce GMS^{*1*2*3*4}

- Maintained solid growth in core business due to strong growth of Rakuten Ichiba and Rakuten Travel

(JPY bn)



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 Q1/23, Rakuten Ticket was transferred from Others segment to Domestic E-commerce segment. Past figures have been retroactively adjusted.

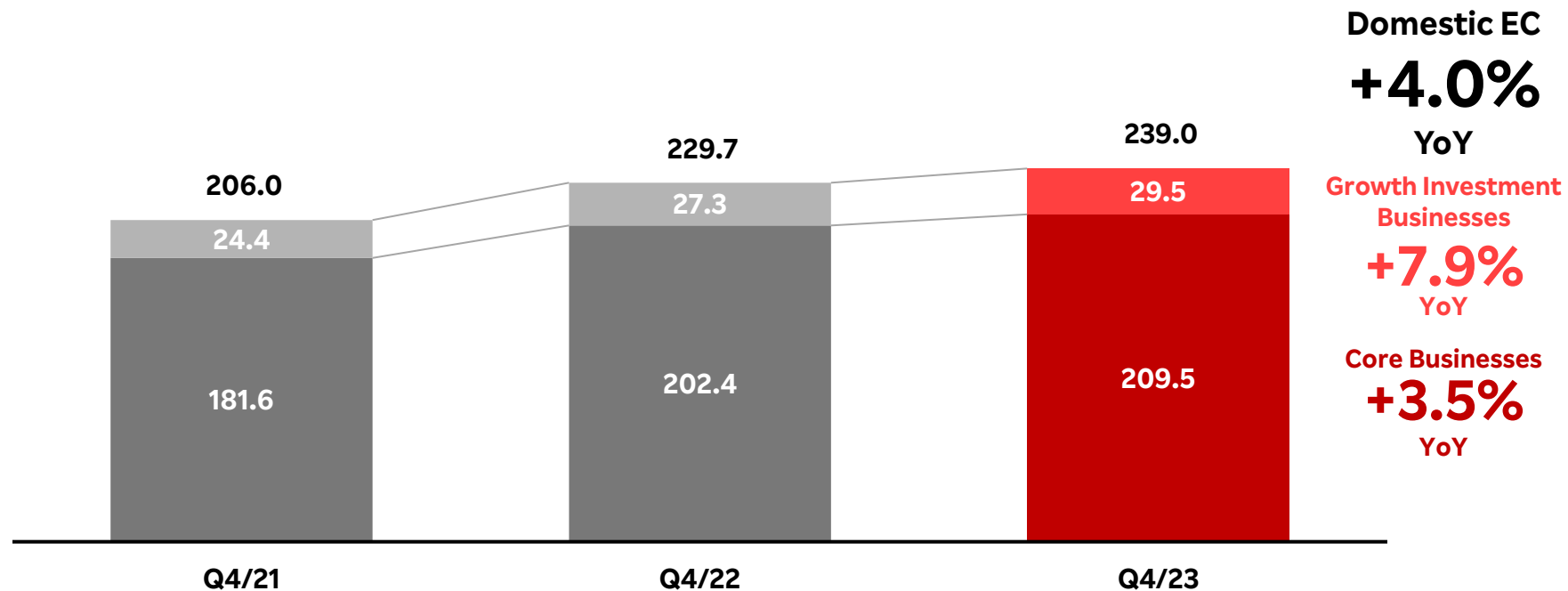
*3 From Q2/23, a portion of Domestic E-commerce GMS definitions, etc. have been revised. Past figures have been retroactively adjusted.

*4 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.

Q4/23 Domestic E-Commerce Revenue^{*1*2}

- In the Core Businesses, growth rate of Rakuten Ichiba slowed due to a last-minute demand for hometown tax triggered by unfavorable rule changes started in October 2023 as well as SPU and 0/5 revision started in December 2023
- In the Growth Investment Businesses, revenue increased due to an increase in shipping volume in the logistics business

(JPY bn)



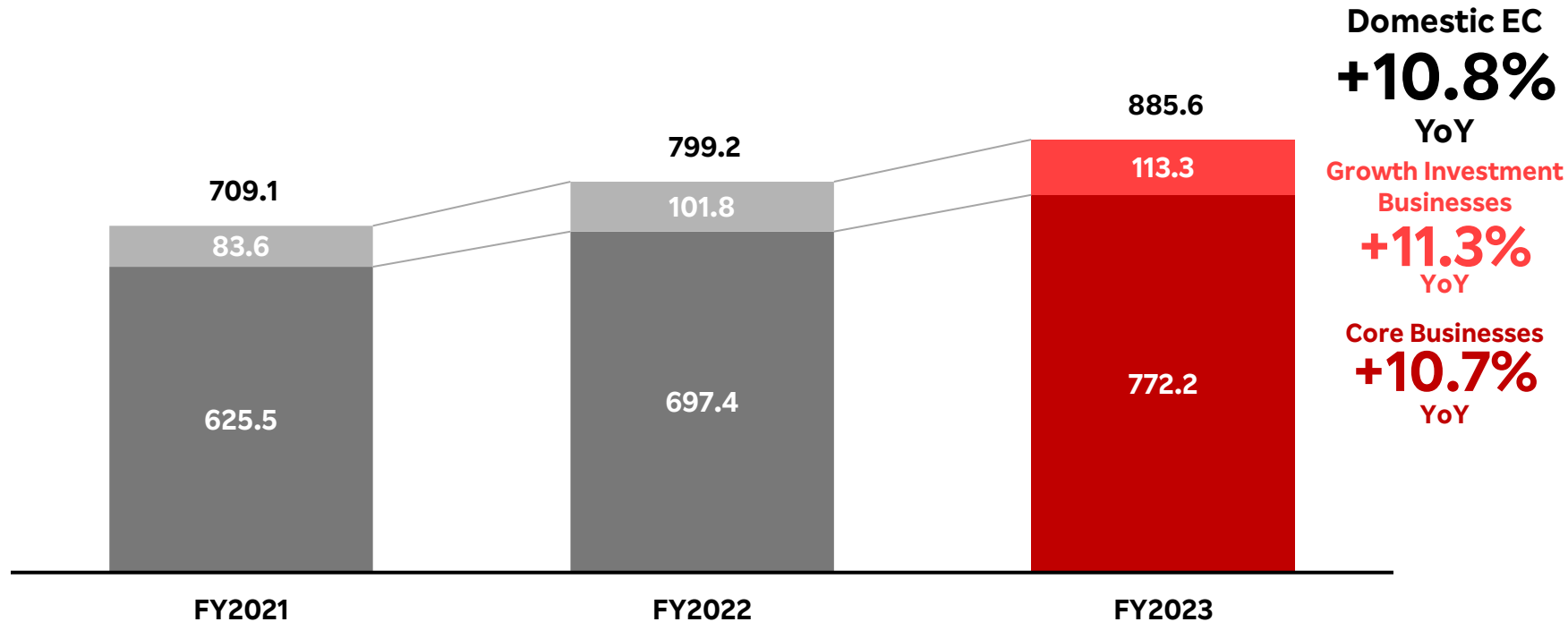
*1 From Q1/23, Rakuten Ticket was transferred from Mobile segment to Domestic E-commerce segment. Past figures have been retroactively adjusted.

*2 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.

FY2023 Domestic E-Commerce Revenue^{*1*2}

- Core Businesses grew by 10.7% YoY due to strong growth of Rakuten Ichiba, Rakuten Travel, etc.
- Growth Investment Businesses grew by 11.3% YoY driven by Logistics, Rakuten Fashion, and Netsuper

(JPY bn)

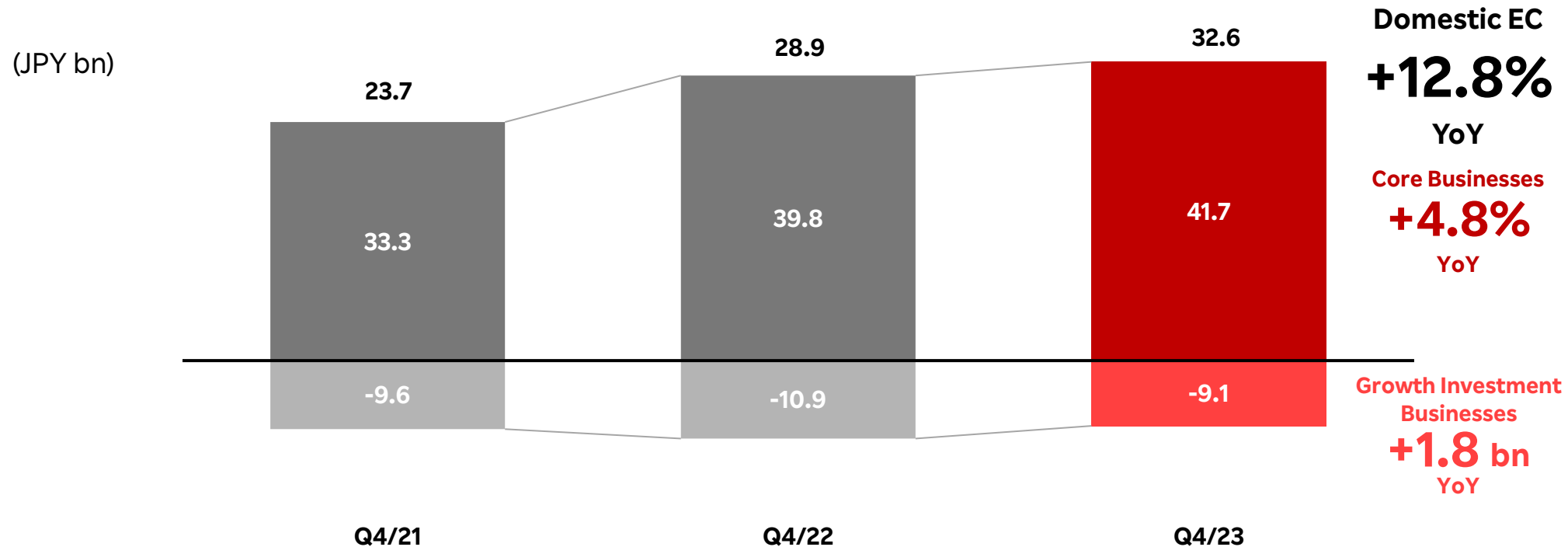


*1 From Q1/23, Rakuten Ticket was transferred from Mobile segment to Domestic E-commerce segment. Past figures have been retroactively adjusted.

*2 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.

Q4/23 Domestic E-Commerce Operating Income^{*1*2}

- Excluding Payment Online transfer, SPU 0/5 rule revision, hometown tax rule change, termination of nationwide travel campaign, and SPU transfer cost^{*3} from Rakuten Mobile, operating income is estimated to have been over 40% YoY



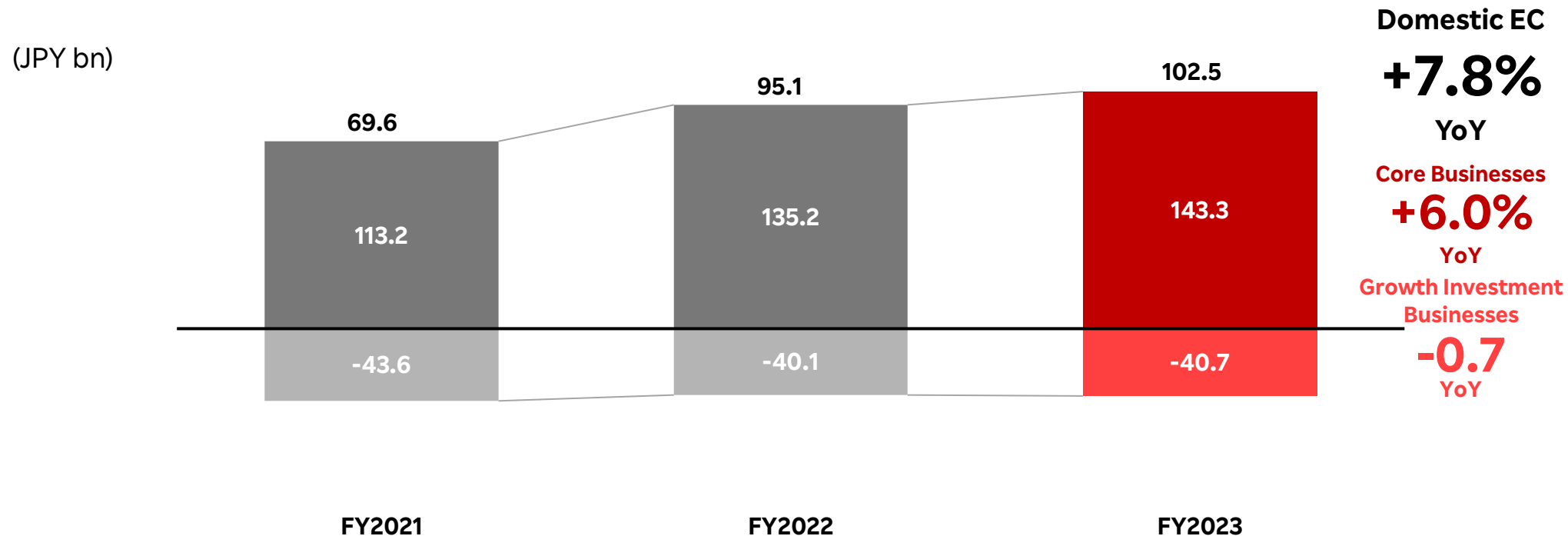
*1 From Q1/23, Rakuten Ticket was transferred from Mobile segment to Domestic E-commerce segment. Past figures have been retroactively adjusted.

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

*3 From Q1/23, a part of the SPU costs was transferred from Rakuten Mobile to Rakuten Ichiba. Past figures have not been retroactively adjusted.

FY2023 Domestic E-Commerce Operating Income^{*1*2}

- Excluding the impact of SPU transfer costs^{*3} from Rakuten Mobile, Domestic EC grew by +16.8% YoY
- Although operating income has been affected by the transfer cost of personnel from Rakuten Mobile as well as from the re-allocation of SPU costs, personnel from Rakuten Mobile will contribute to further Domestic E-Commerce revenue growth in the near future.



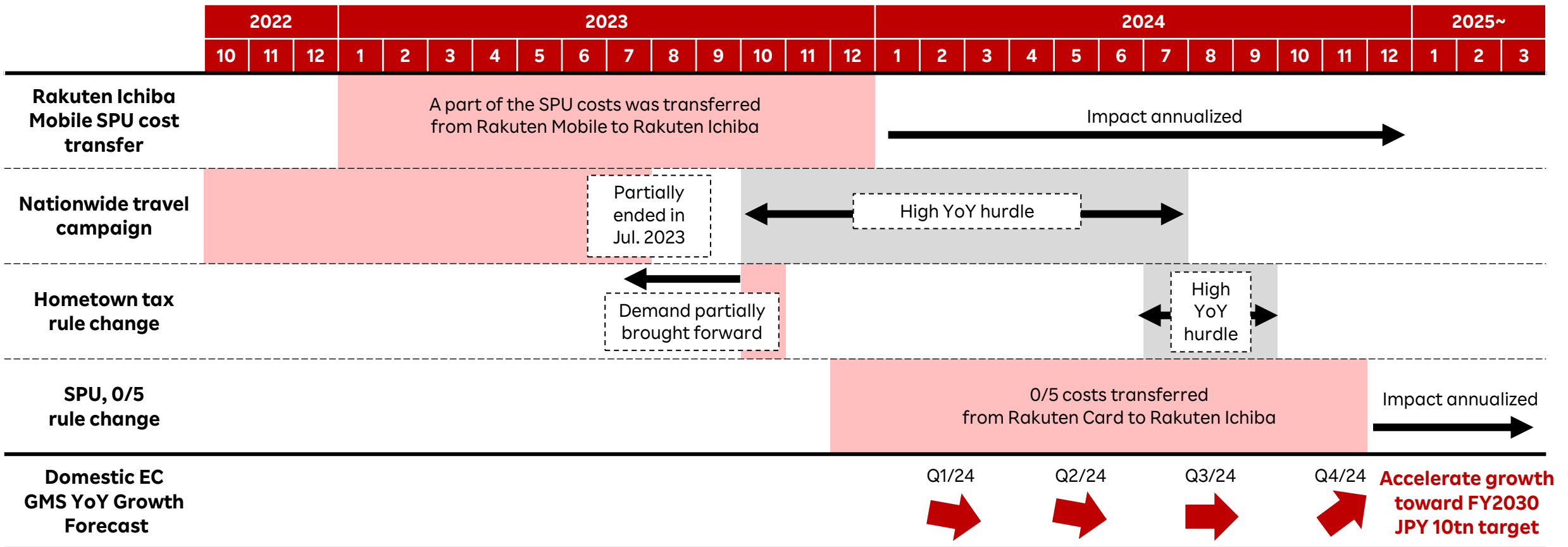
*1 From Q1/23, Rakuten Ticket was transferred from Mobile segment to Domestic E-commerce segment. Past figures have been retroactively adjusted.

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

*3 From Q1/23, a part of the SPU costs was transferred from Rakuten Mobile to Rakuten Ichiba. Past figures have not been retroactively adjusted.

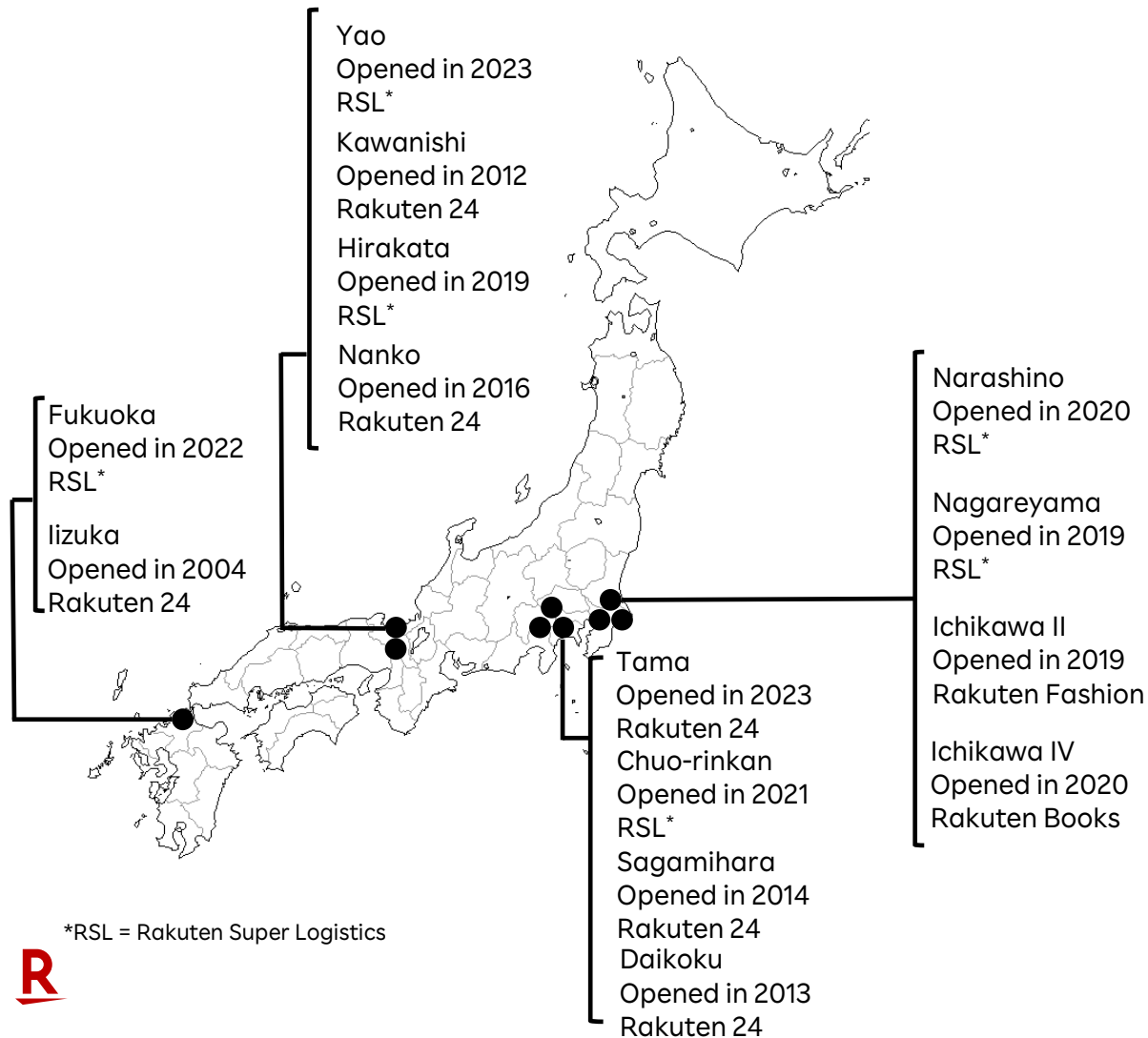
Domestic EC: Adjustment Items in FY2024

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

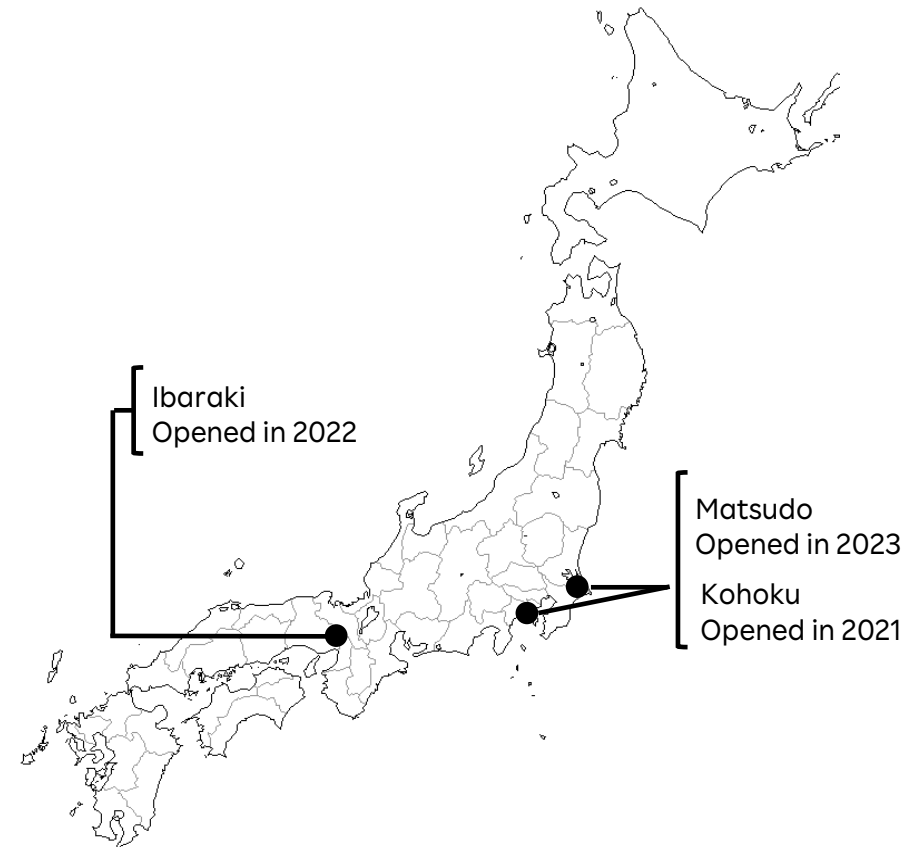


List of Logistics Centers

JP Rakuten Logistics



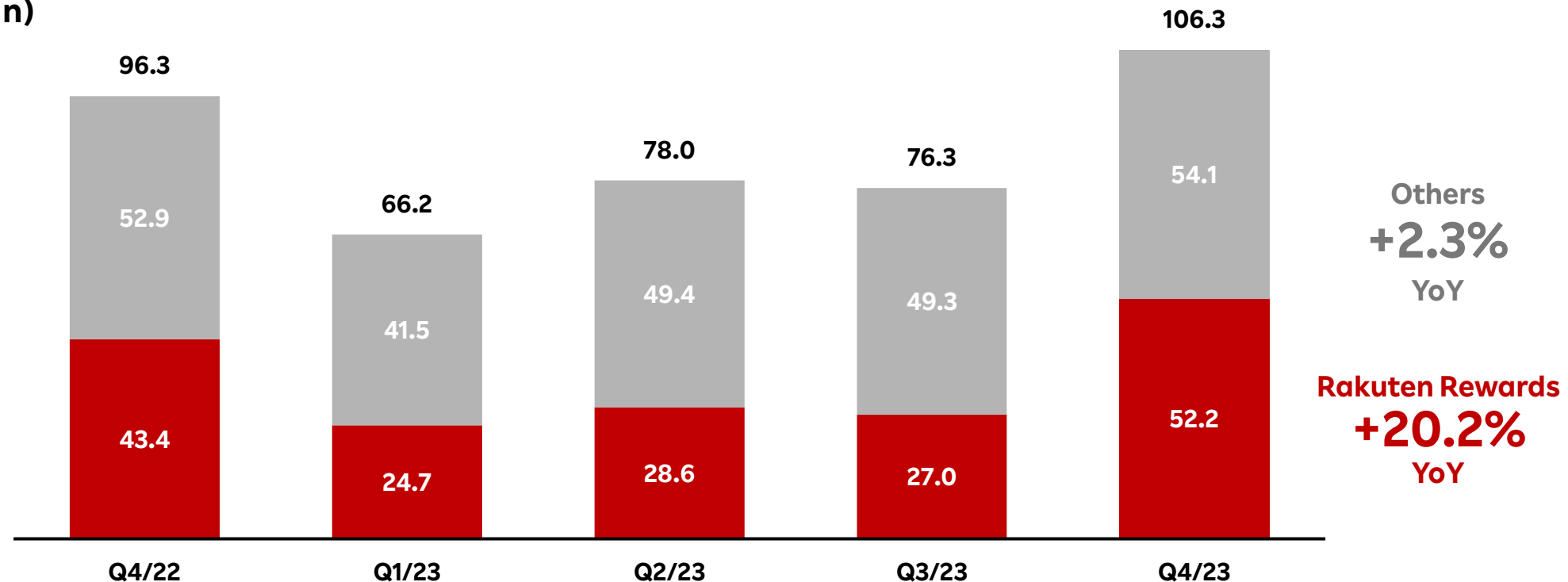
Rakuten Seiyu Netsuper Logistics Centers



Q4/23 Other Internet Services* Revenue

- Rakuten Rewards was almost flat YoY on a local currency basis
- Revenue increase driven by Viki subscription and Viber advertising

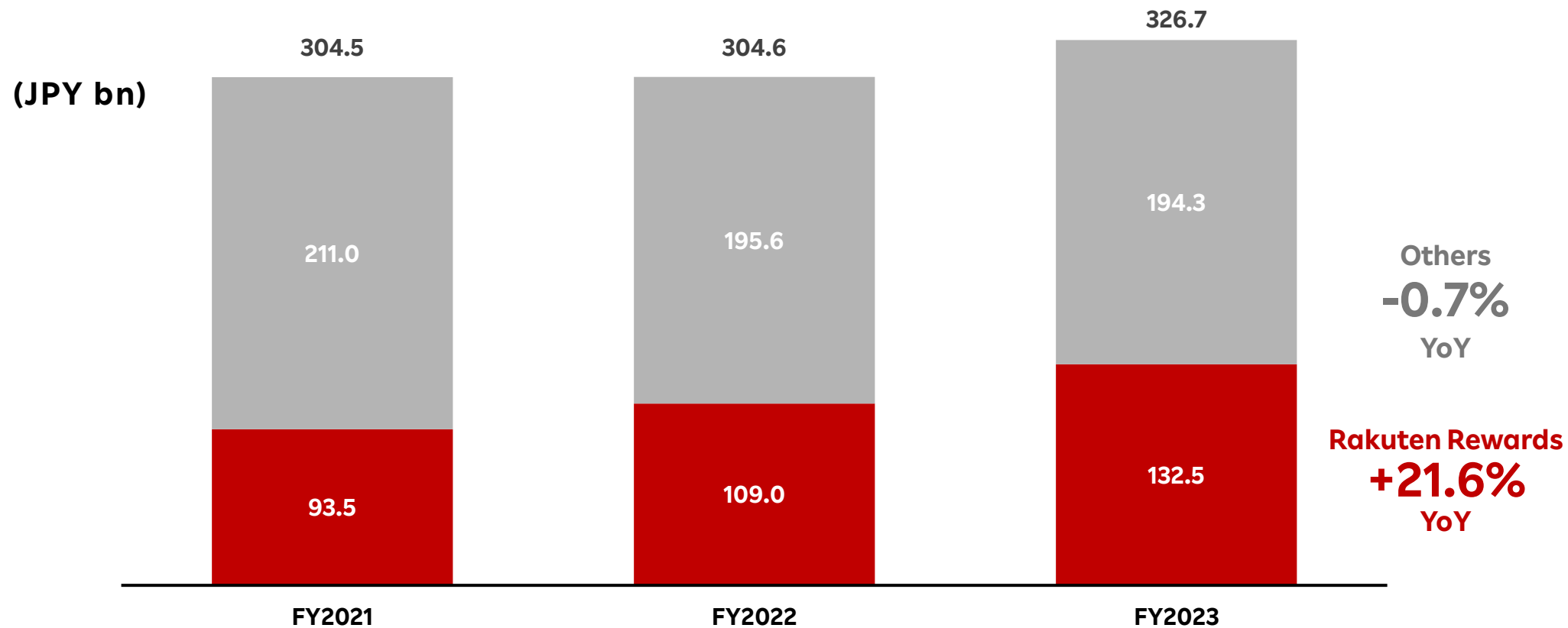
(JPY bn)



*From Q1/23, Contents Media, Streaming JP, NBA Broadcast, Rakuten TV Europe, IP Content, and Pacific League etc. were transferred to Other Internet Services in Internet Services segment. Past figures have been retroactively adjusted.

FY2023 Other Internet Services* Revenue

- Rakuten Rewards was almost flat YoY on a local currency basis
- Revenue increase driven by Kobo and Viki subscription as well as by Viber advertising

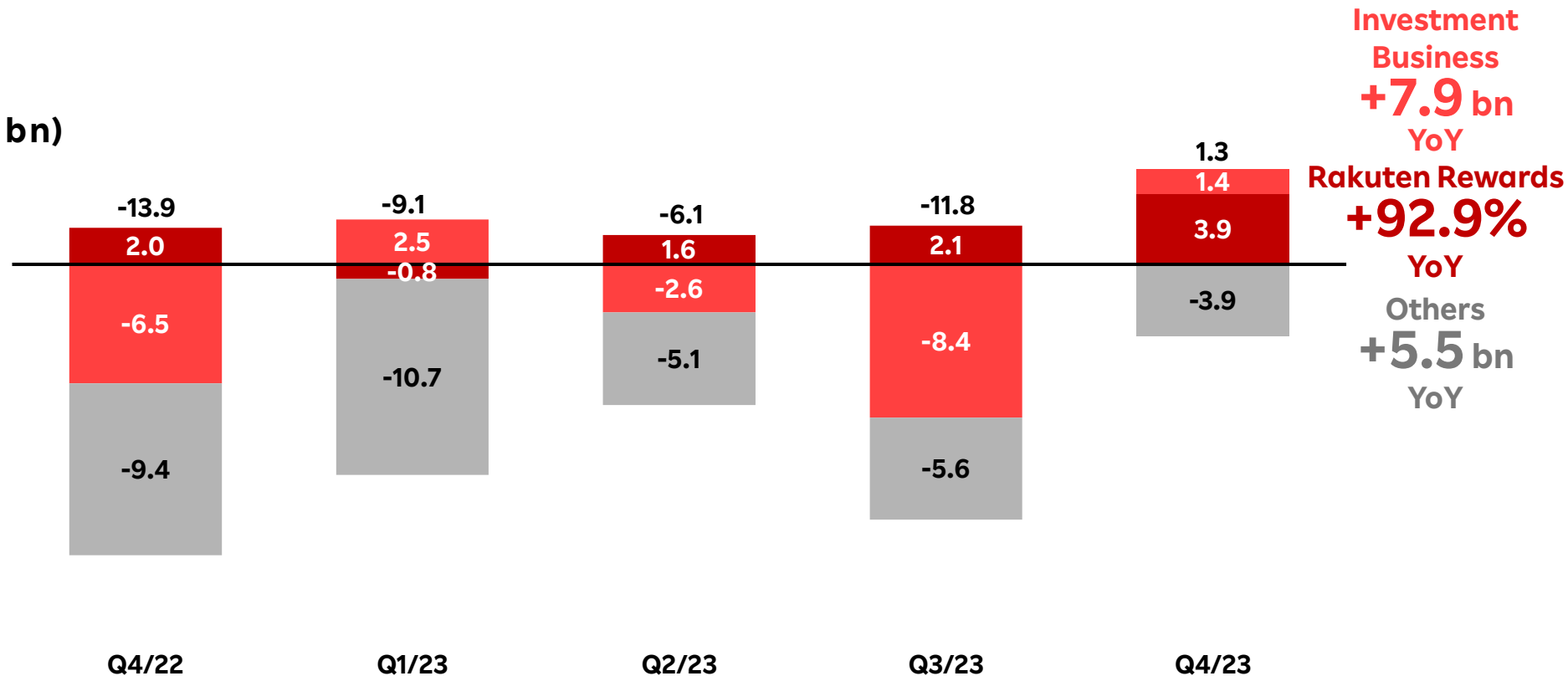


*From Q1/23, Contents Media, Streaming JP, NBA Broadcast, Rakuten TV Europe, IP Content, and Pacific League etc. were transferred to Other Internet Services in Internet Services segment. Past figures have been retroactively adjusted.

Q4/23 Other Internet Services* Operating Income

- Rakuten Rewards grew operating income YoY on a local currency basis
- Improvements in Sports Businesses and Viber drove profit growth

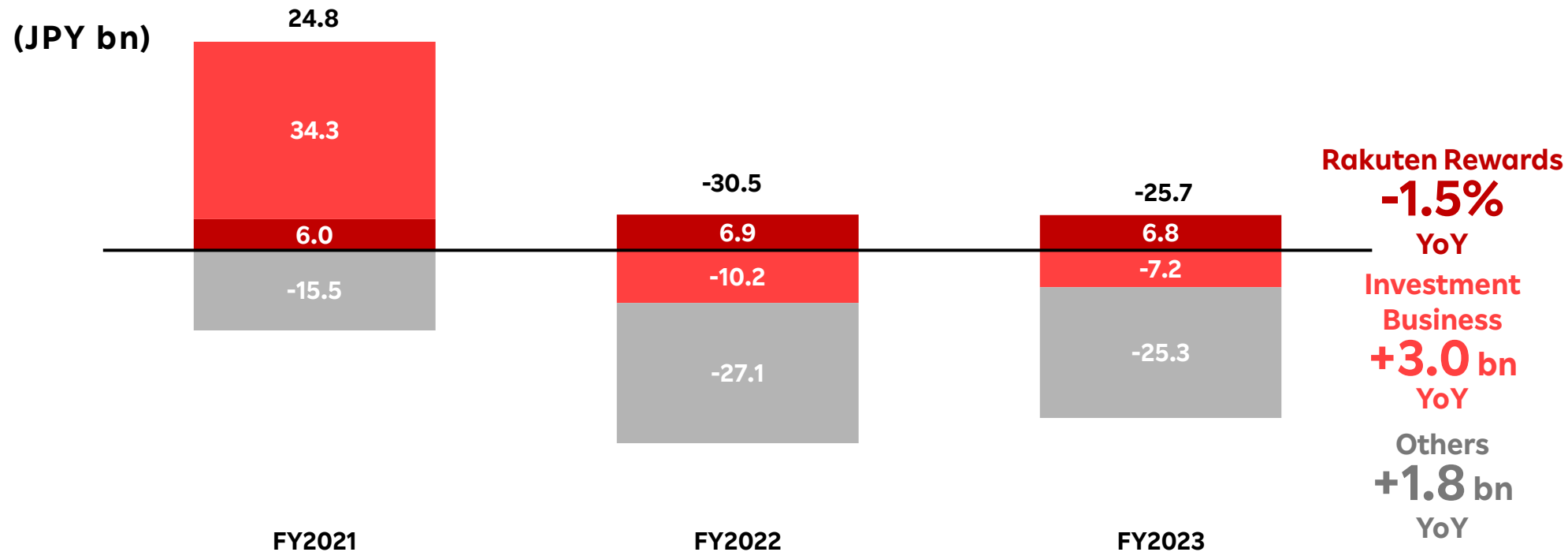
(JPY bn)



*From Q1/23, Contents Media, Streaming JP, NBA Broadcast, Rakuten TV Europe, IP Content, and Pacific League etc. were transferred to Other Internet Services in Internet Services segment. Past figures have been retroactively adjusted.

FY2023 Other Internet Services* Operating Income

- Rakuten Rewards profit down in local currency terms due to U.S. macro impact
- Improvements in Sports Businesses and Viber drove profit growth

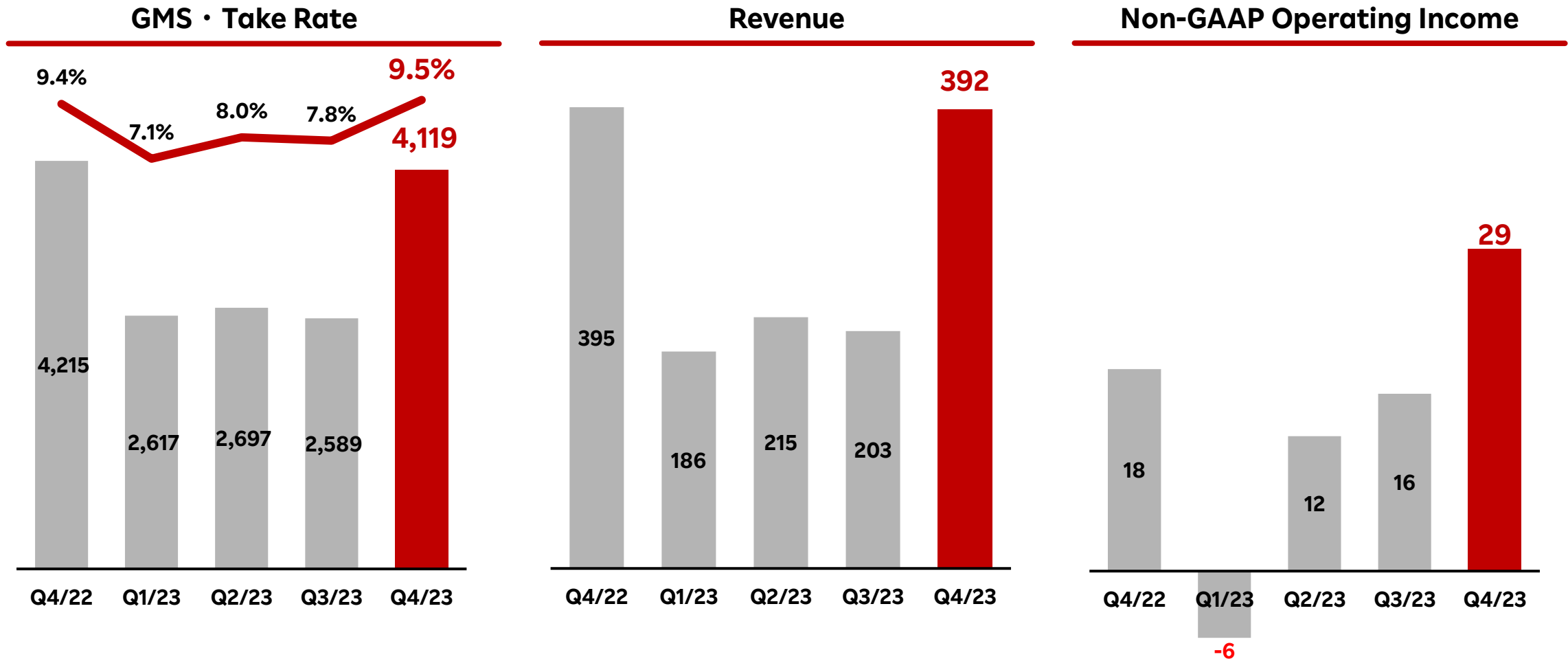


*From Q1/23, Contents Media, Streaming JP, NBA Broadcast, Rakuten TV Europe, IP Content, and Pacific League etc. were transferred to Other Internet Services in Internet Services segment. Past figures have been retroactively adjusted.

Q4/23 Rakuten Rewards

- GMS and revenue were flat YoY on a local currency basis due to the impact of US macroeconomics
- Operating income improved due to cost control initiatives

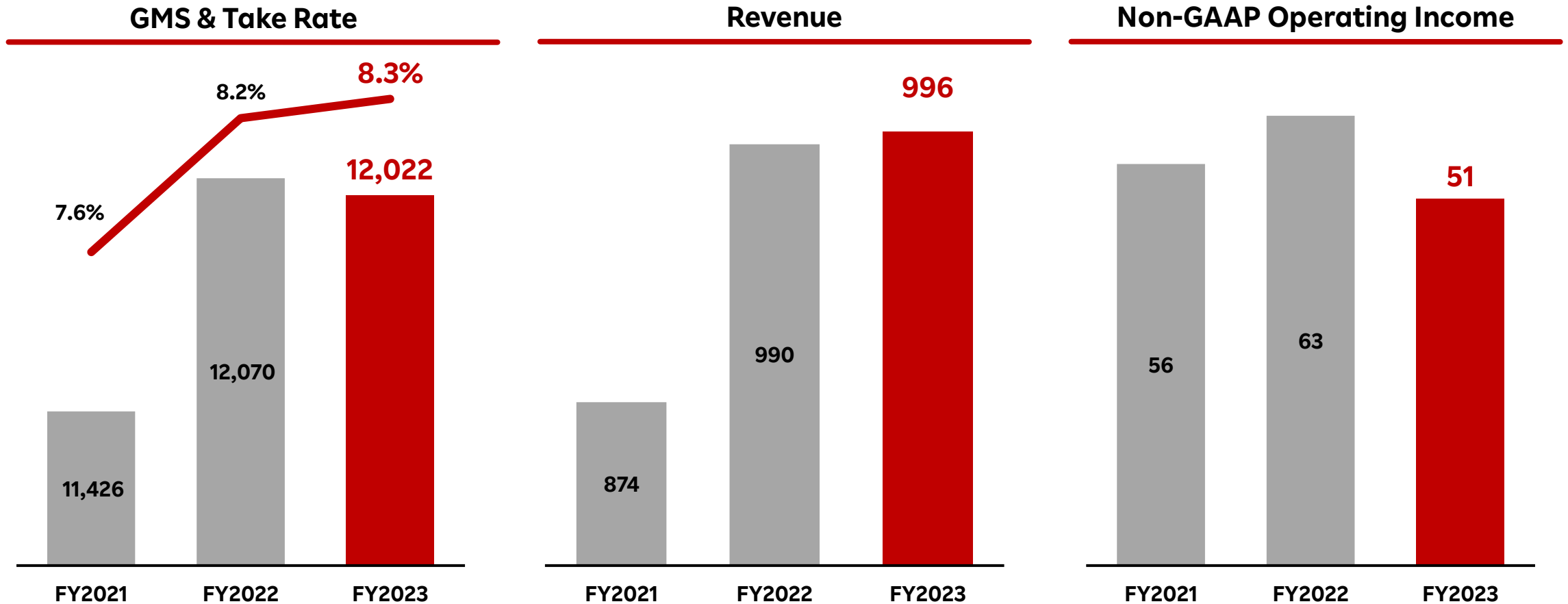
(USD mm)



FY2023 Rakuten Rewards

- GMS, revenue, and operating income growth slowed down on a local currency basis due to the impact of US macroeconomics

(USD mm)

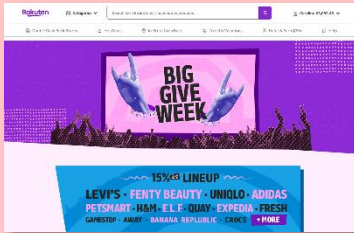


Global Customer Base

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

Rakuten

(Rakuten Rewards)



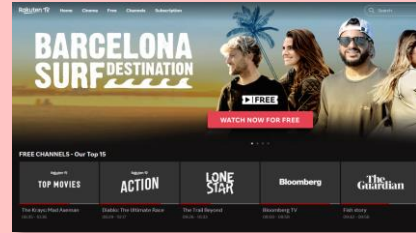
GMS
FY2023

-0.4%

YoY

USD 12.0 bn
(Q4/23 USD 4.1 bn)

Rakuten TV



Total Users*
(As of the end of Dec/23)

+42.8%

YoY

93.9 mm

Rakuten kobo



Registered Users
(As of the end of Dec/23)

+6.5%

YoY

64.7 mm

Rakuten Viber



Registered Users
(As of the end of Dec/23)

+5.5%

YoY

1.5 bn

Rakuten VIKI



Registered Users
(As of the end of Dec/23)

+23.4%

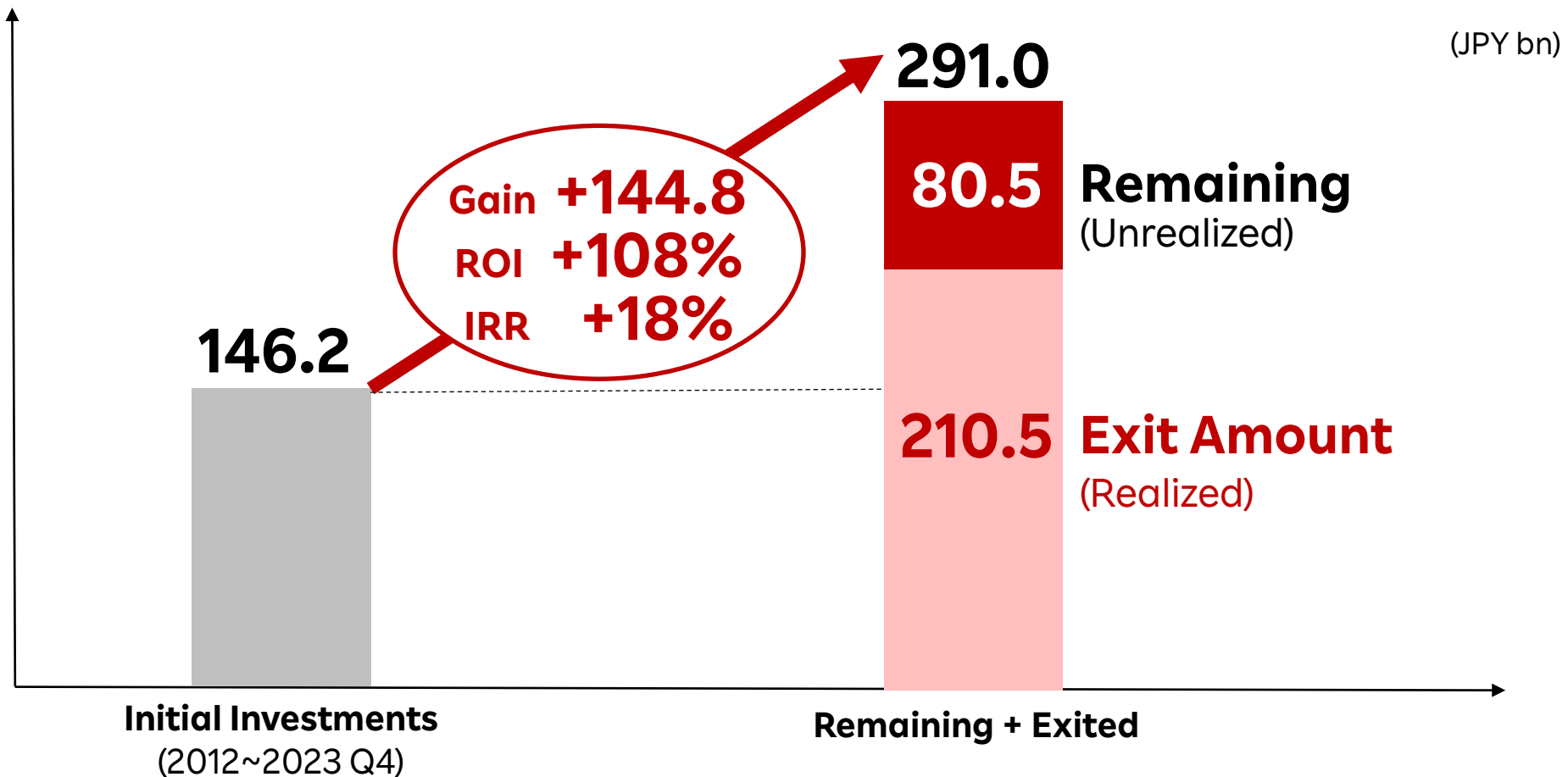
YoY

82.5 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 December 31, 2023^{*2}



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

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

Minority Investment Portfolio

	Remaining	Exited*1	Non R-Capital*2
Number of Investments*3:	44	43	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>	
			 (Partial)
			
			

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

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

*3 Numbers are related to Rakuten Capital investments only as of Q4/23.

FinTech Segment

FinTech Segment Financial Results ^{*1*2*3*4*5}

Q4/23 (JPY bn)	Revenue	YoY	Non-GAAP Operating Income	YOY
Rakuten Card	84.9	+7.0%	15.1	+63.6%
Rakuten Bank	34.0	+14.4%	13.5	+19.6%
Rakuten Securities	26.6	+7.5%	5.0	-7.4%
Insurance Business	21.3	+0.0%	4.0	+1068.4%
Rakuten Payment	21.1	+23.8%	-1.3	+0.3%
Others	3.7	+177.2%	-1.5	+1.6%
Segment Total	191.6	+10.4%	34.7	+61.3%

*1 Rakuten Securities includes Rakuten Securities Inc. and its off-shore subsidiaries.

*2 Insurance Business includes Life Insurance, General Insurance, and Insurance Agency.

*3 Insurance Business introduced IFRS 17, new accounting rules (Effective from FY 2023). Revenue and Operating income of FY2022 was retroactively adjusted.

*4 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).

*5 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.

FY2023 FinTech Segment Financial Results ^{*1*2*3*4*5}

FY2023 (JPY bn)	Revenue	YoY	Non-GAAP Operating Income	YOY
Rakuten Card	317.0	+7.2%	51.6	+17.2%
Rakuten Bank	127.7	+13.7%	48.2	+26.8%
Rakuten Securities	111.3	+16.2%	30.2	+61.5%
Insurance Business	84.5	-4.3%	9.4	+712.3%
Rakuten Payment	75.0	+35.7%	-9.1	-4.3%
Others	9.6	+104.8%	-7.5	-0.2%
Segment Total	725.2	+11.2%	122.9	+36.8%

*1 Rakuten Securities includes Rakuten Securities Inc. and its off-shore subsidiaries.

*2 Insurance Business includes Life Insurance, General Insurance, and Insurance Agency.

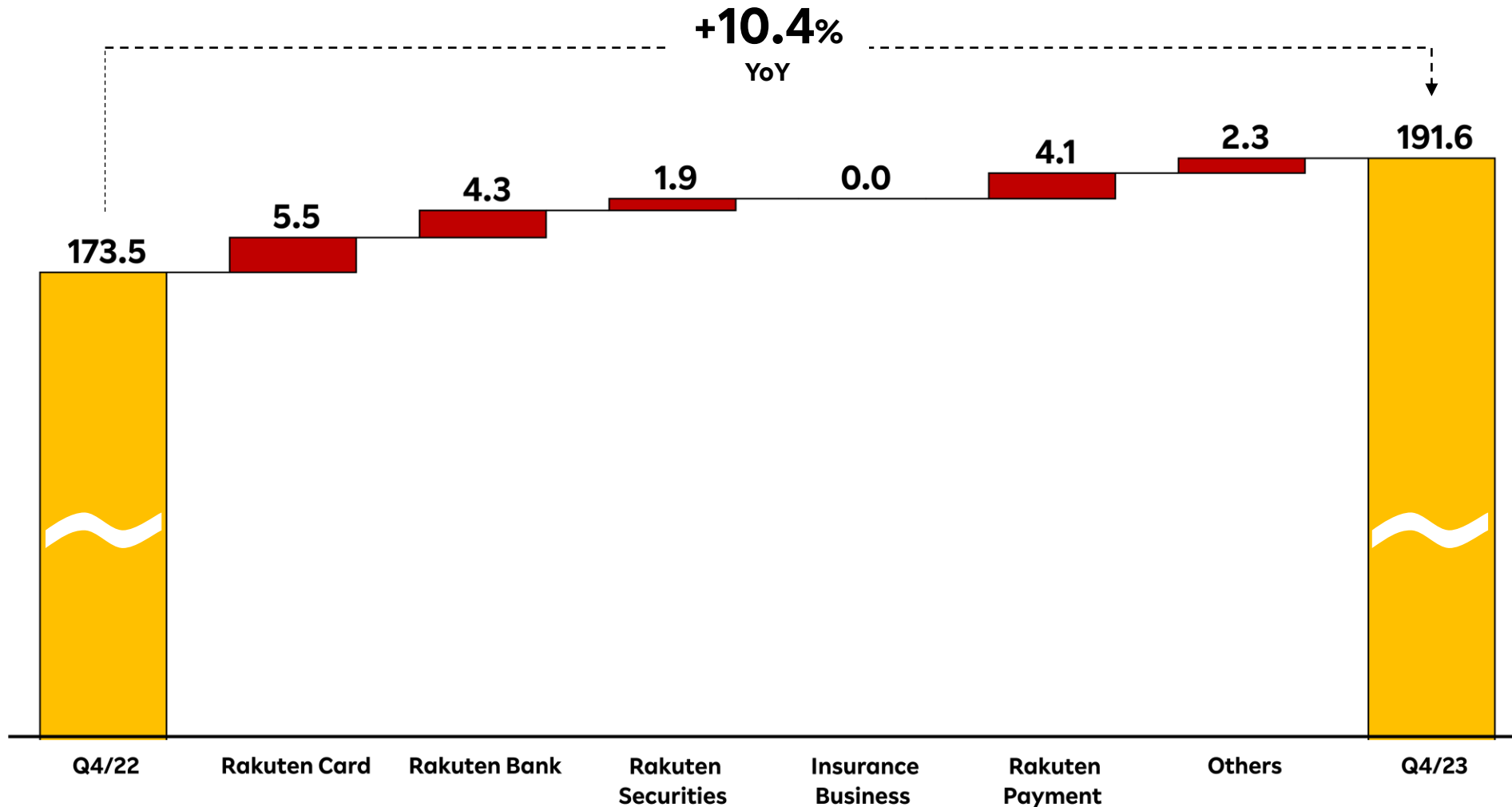
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*5 Others include Rakuten Card's off-shore subsidiaries, Rakuten Bank's off-shore subsidiaries, Rakuten Securities HD Inc., Rakuten Wallet, Inc., and Rakuten Investment Management, Inc. etc.

Q4/23 FinTech Segment Revenue Breakdown^{*1*2}

(JPY bn)

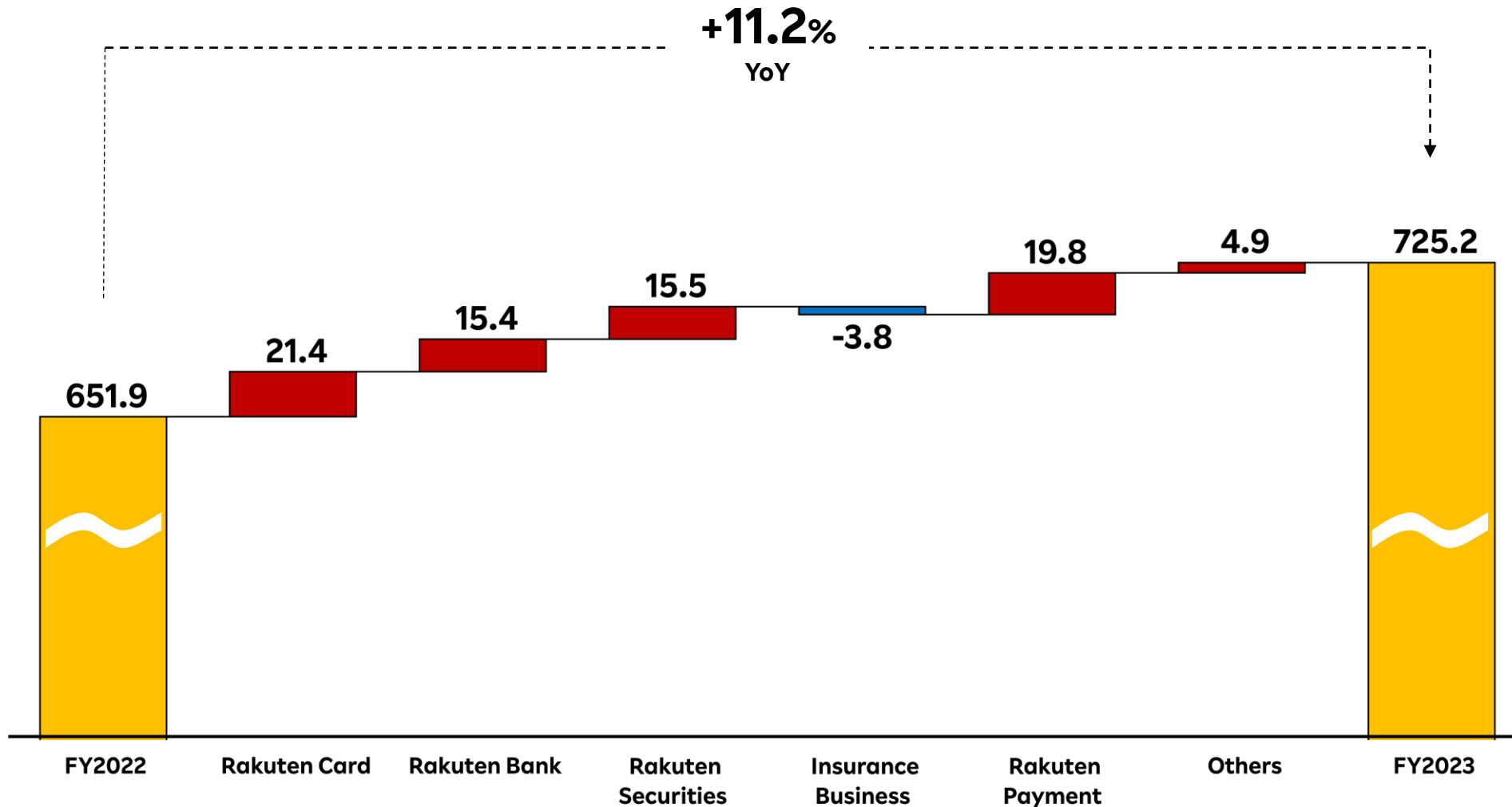


*1 Insurance Business introduced IFRS 17, new accounting rules (Effective from FY 2023). Revenue and Operating income of FY2022 was retroactively adjusted.

*2 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.

FY2023 FinTech Segment Revenue Breakdown^{*1*2}

(JPY bn)

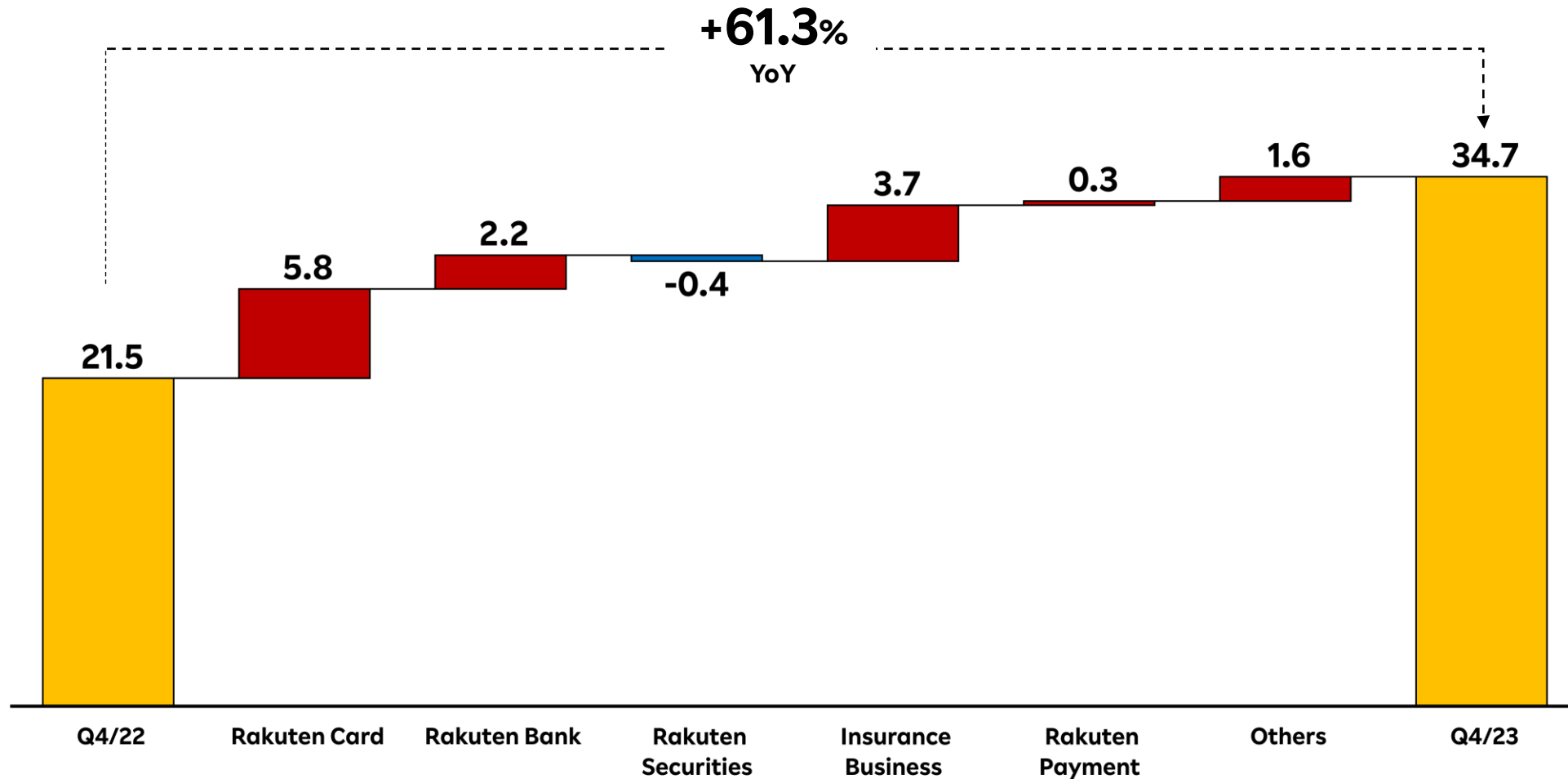


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*2 Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Service segment (Domestic EC) to the FinTech segment. Retrospective revisions were made to Rakuten Payment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

Q4/23 FinTech Segment Non-GAAP Operating Income Breakdown^{*1*2}

(JPY bn)

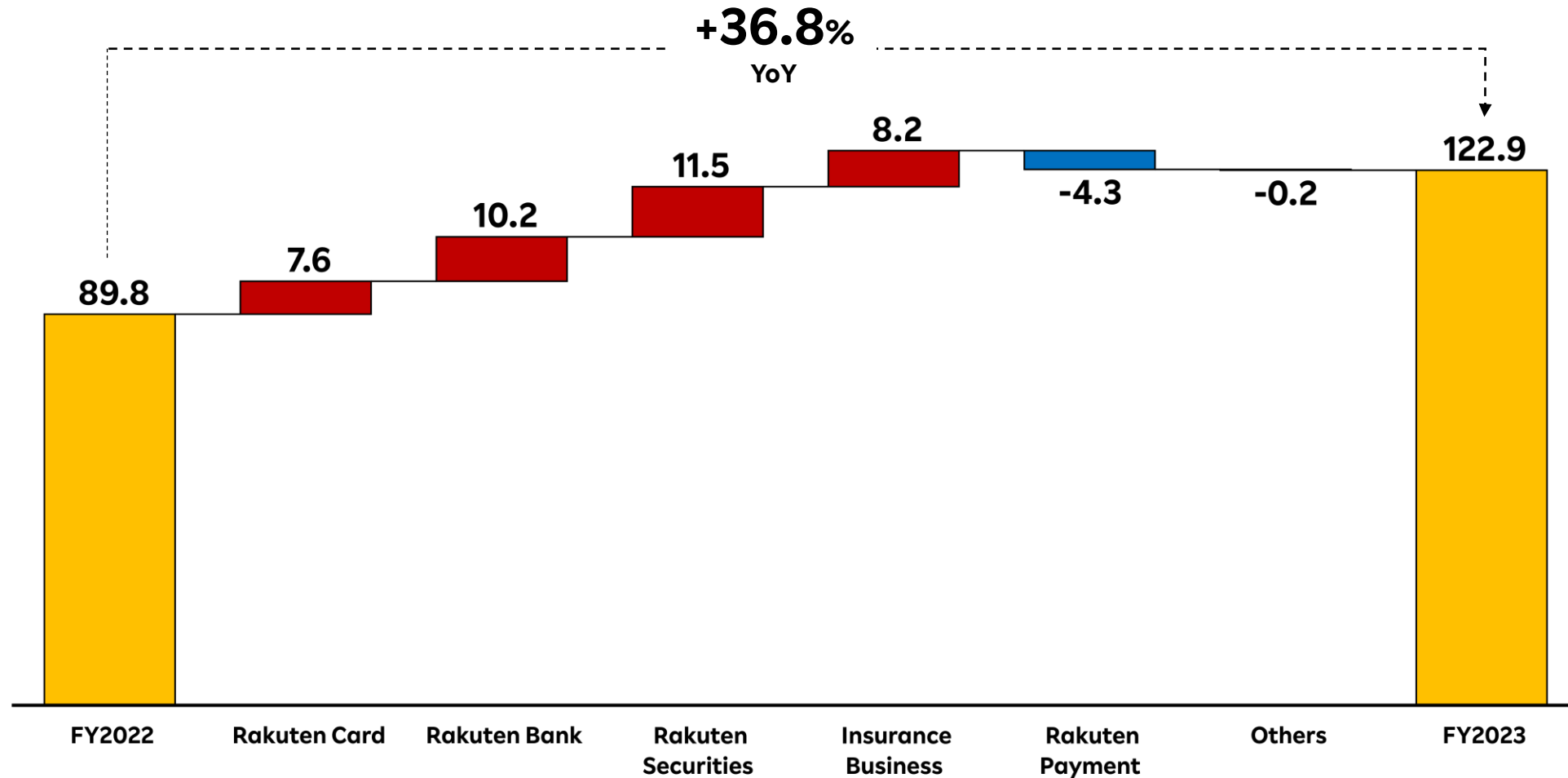


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FY2023 FinTech Segment Non-GAAP Operating Income Breakdown^{*1*2}

(JPY bn)



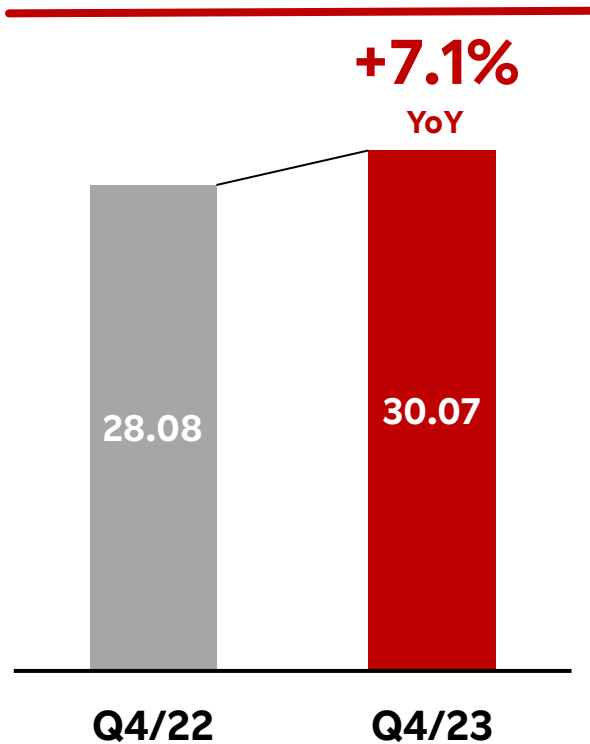
*1 Insurance Business introduced IFRS 17, new accounting rules (Effective from FY 2023). Revenue and Operating income of FY2022 was retroactively adjusted.

*2 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.

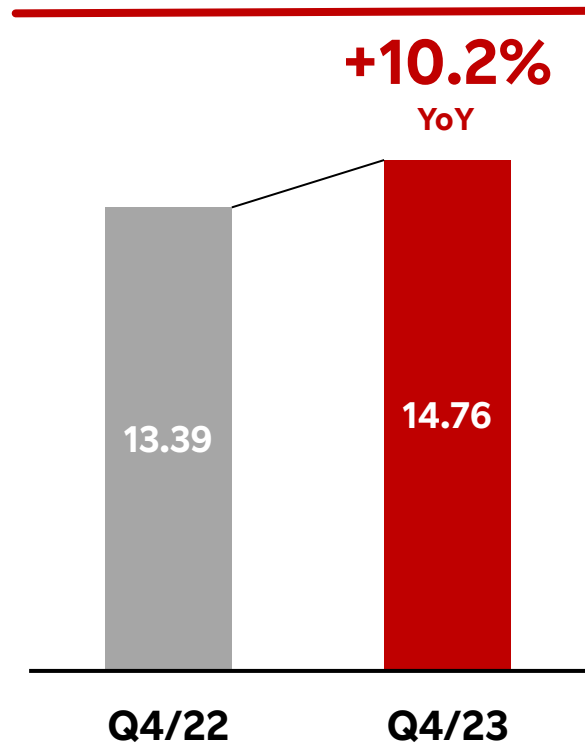
FinTech Segment Membership

- Each service continued their strong membership growth momentum

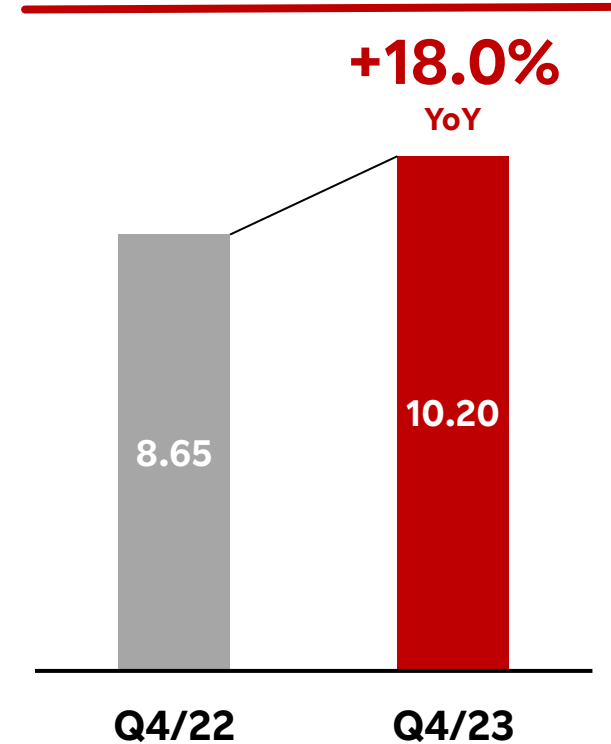
Rakuten Cards
Issued (mm)



Rakuten Bank
Accounts (mm)



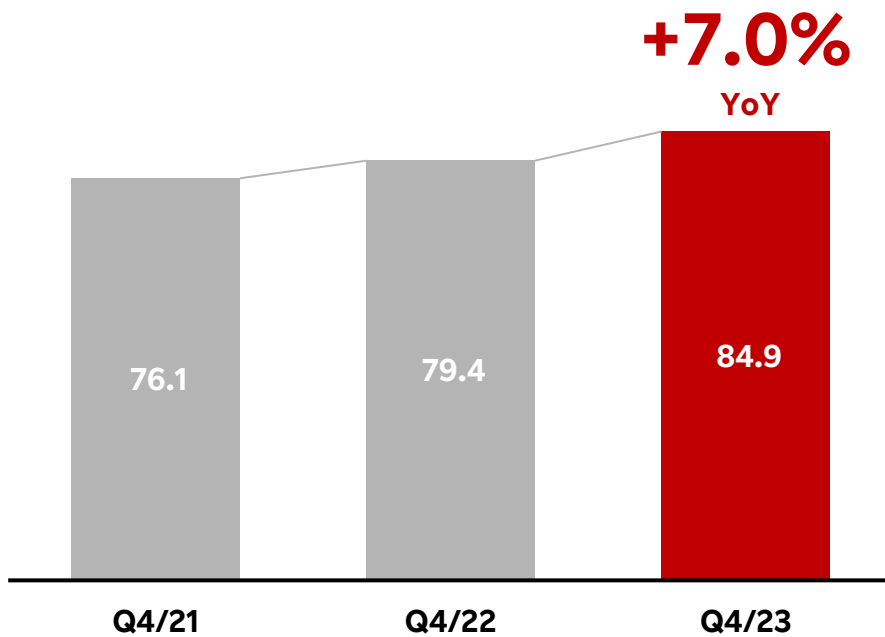
Rakuten Securities
General Accounts (mm)



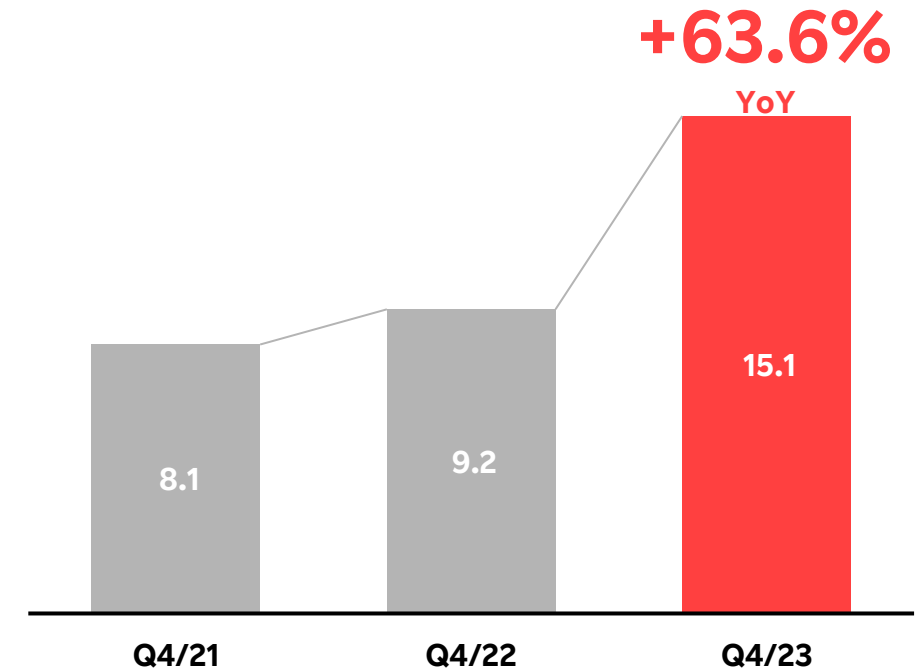
Q4/23 Rakuten Card Financial Results

- Revenue increased resulting from expansion of shopping GTV and cash advances transaction volume
- Non-GAAP operating income achieved significant increase by optimizing marketing expenses and maintaining a low level of expenses related to doubtful accounts

Revenue (JPY bn)



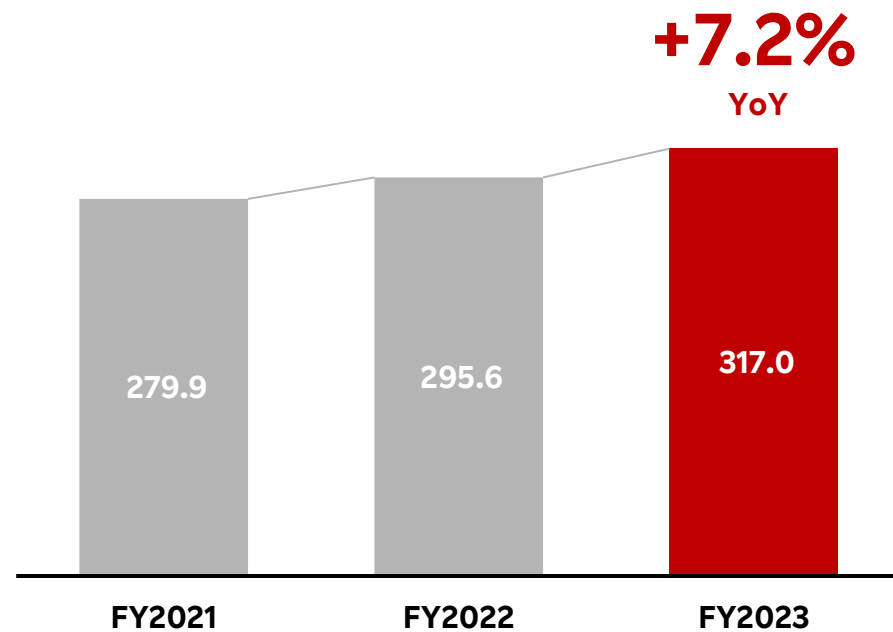
Non-GAAP Operating Income (JPY bn)



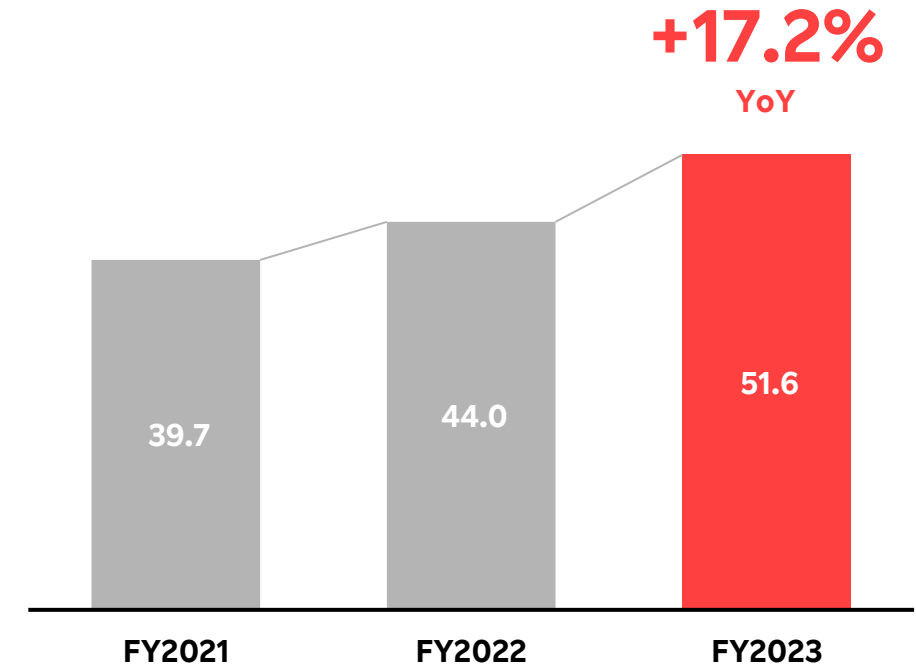
FY2023 Rakuten Card Financial Results

- Revenue growth resulting from the increase in the number of cards issued. Revenue growth also driven by continued recovery in fund demands (shopping revolving, shopping installment payment, and cash advances)
- Achieved profit growth through appropriate cost control despite business expansion

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 on expansion of increasing shopping GTV and GTV share

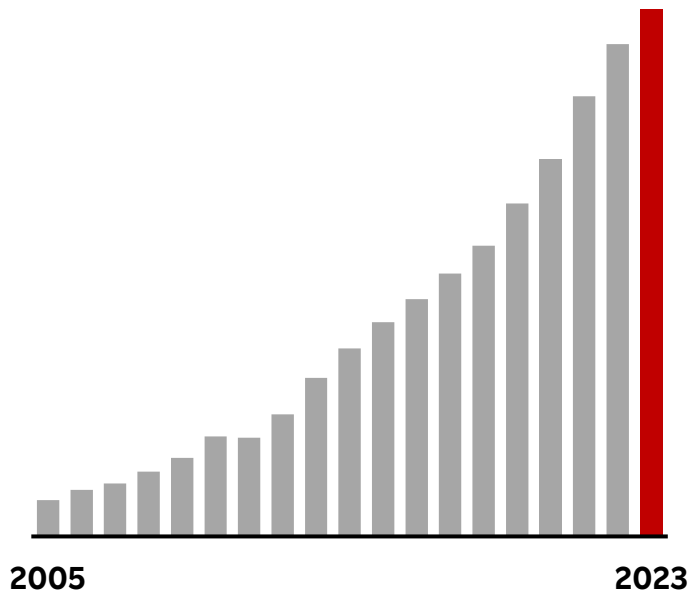
Cards Issued

Target

30 mm

Dec-23

30.07 mm



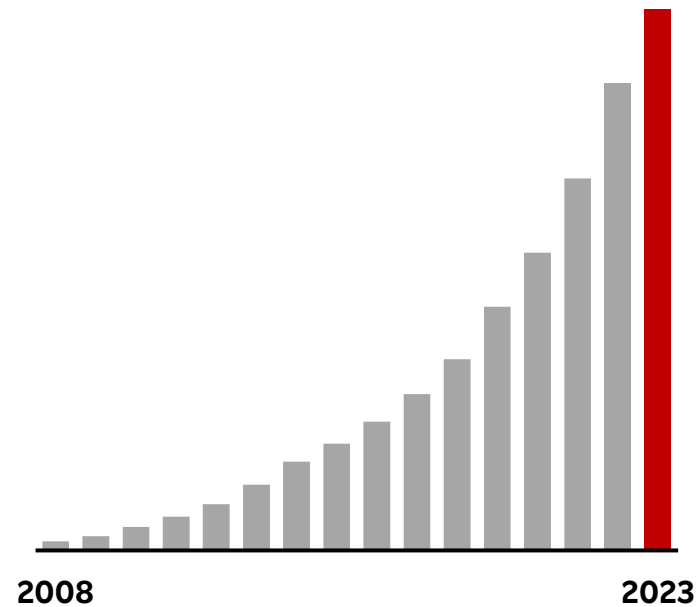
Shopping GTV

Target

JPY 30 tn

2023

JPY 21.1 tn



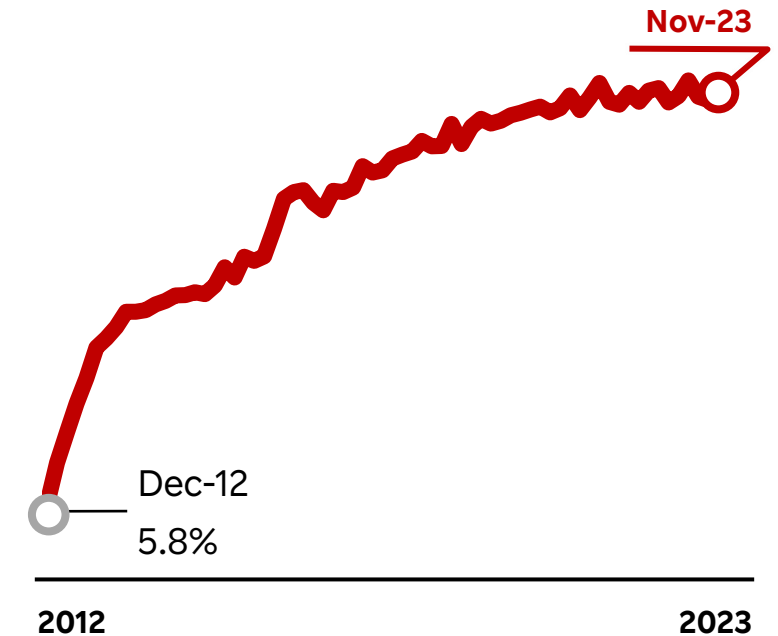
GTV Share^{*2}

Target

30%

Nov-23

23.2%

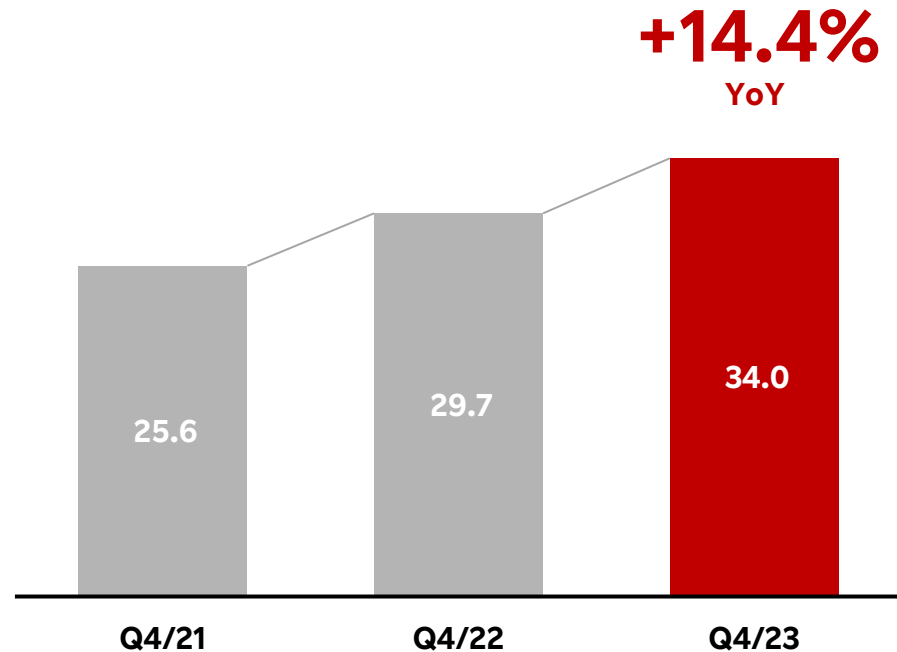


*Calculated based on "Ministry of Economy, Trade and Industry, Specified Service Industry Statistics Survey, Credit Card Industry."

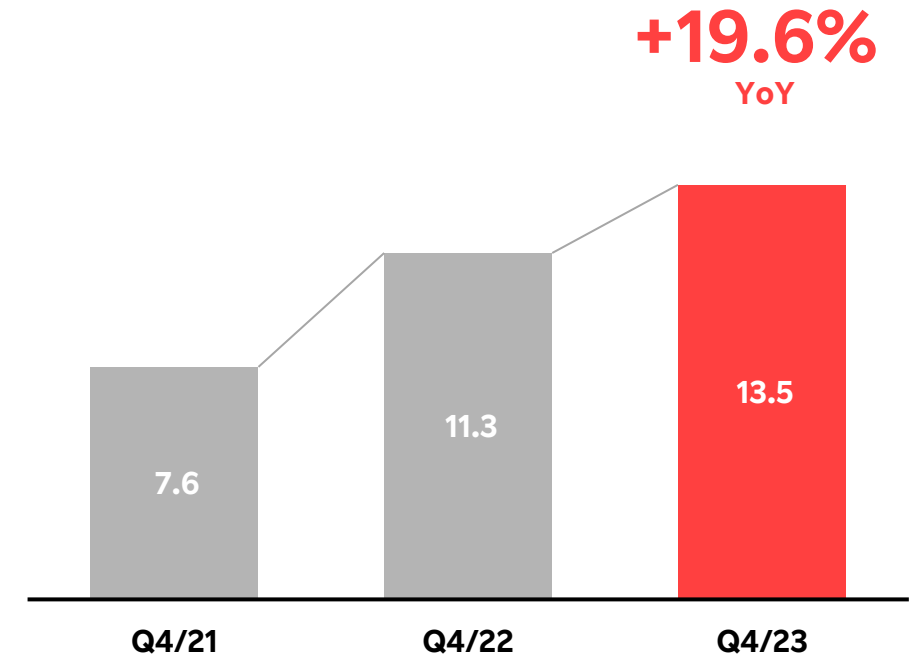
Q4/23 Rakuten Bank Financial Results

- Bank account openings via Rakuten Securities further accelerated due to new NISA (starting from Jan 2024). Improved interest income, driven by a steady increase in assets under management and growth in the number of accounts and deposit balances, contributed to the expansion of revenue
- Profit also improved significantly due to continued improvements in management efficiency with business scale expansion

Revenue (JPY bn)



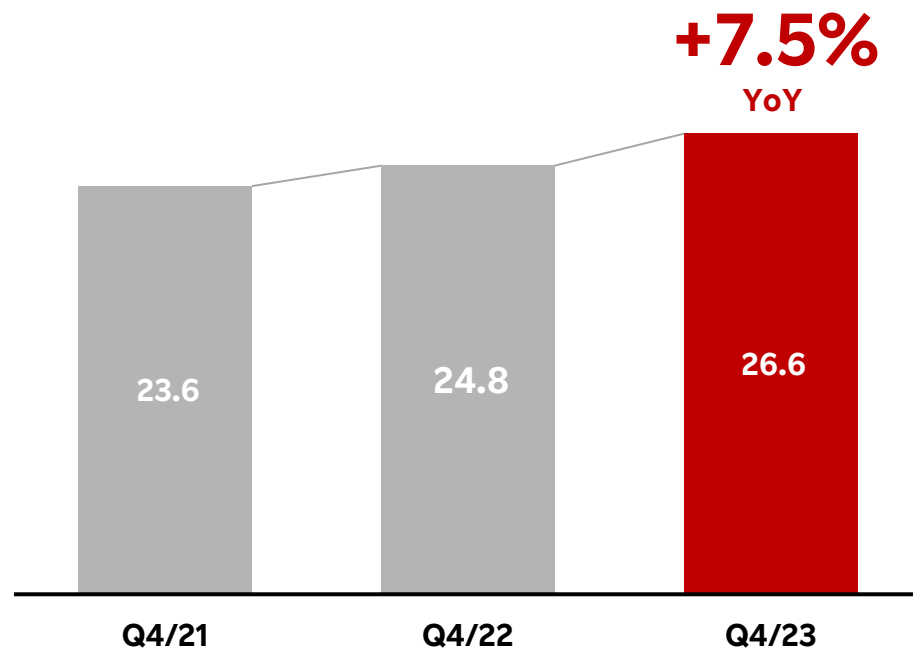
Non-GAAP Operating Income (JPY bn)



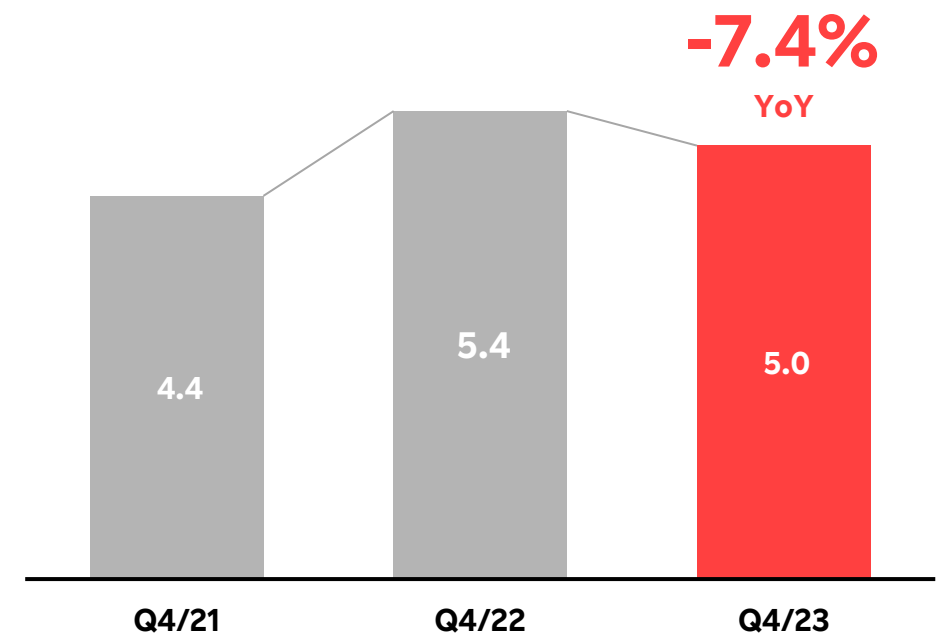
Q4/23 Rakuten Securities Financial Results

- Revenues increased due to the diversification of the revenue mix/growth, such as financial revenues related to margin transactions, despite the impact of zero-commission trades for domestic stocks (from October 2023)
- Non-GAAP operating income fell YoY, due to higher trading-related expenses from more stock trading. Future outlook is positive though, with an expectation of more financial revenues related to margin transaction as trading share expands

Revenue (JPY bn)



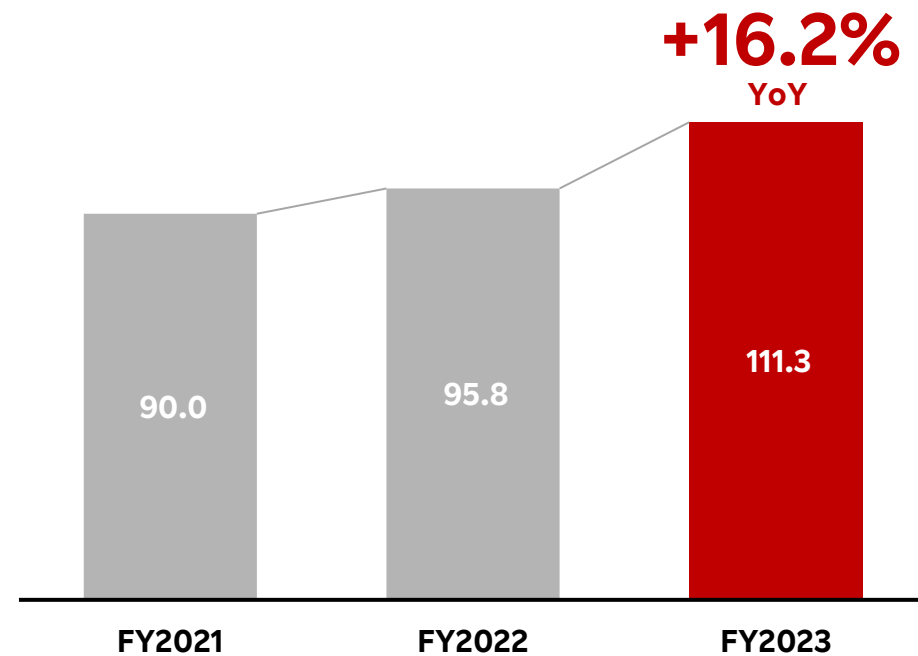
Non-GAAP Operating Income (JPY bn)



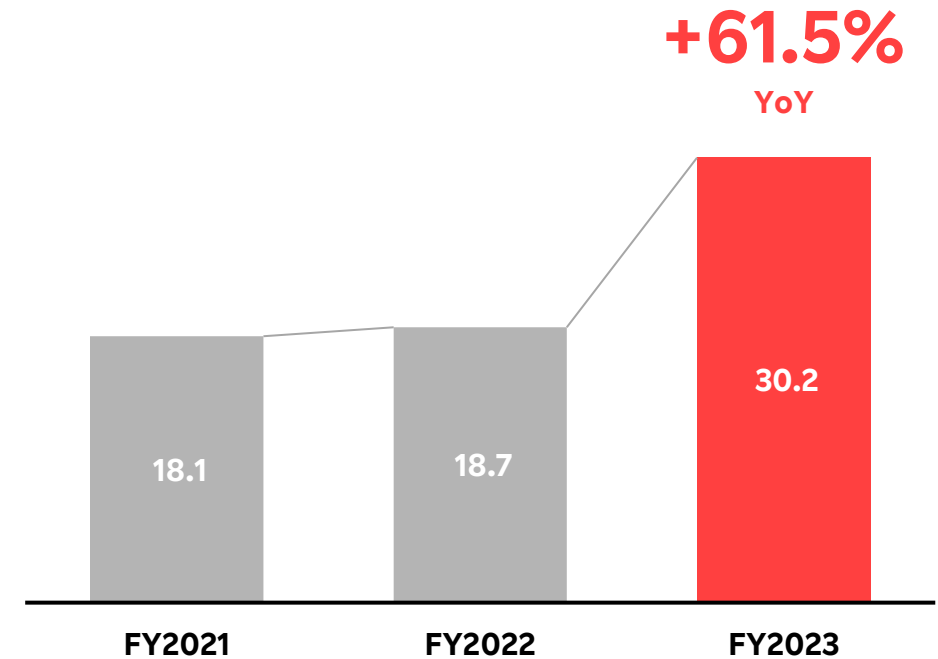
FY2023 Rakuten Securities Financial Results

- Achieved revenue growth due to steady growth in the number of general accounts, market trends, and others.
- Non-GAAP operating income significant grew by controlling operating costs despite revenue growth

Revenue (JPY bn)



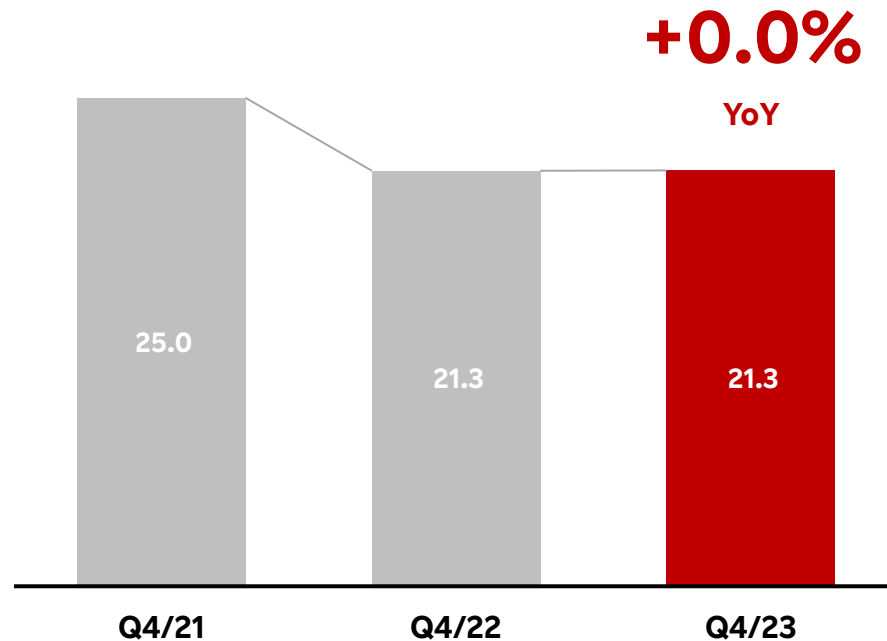
Non-GAAP Operating Income (JPY bn)



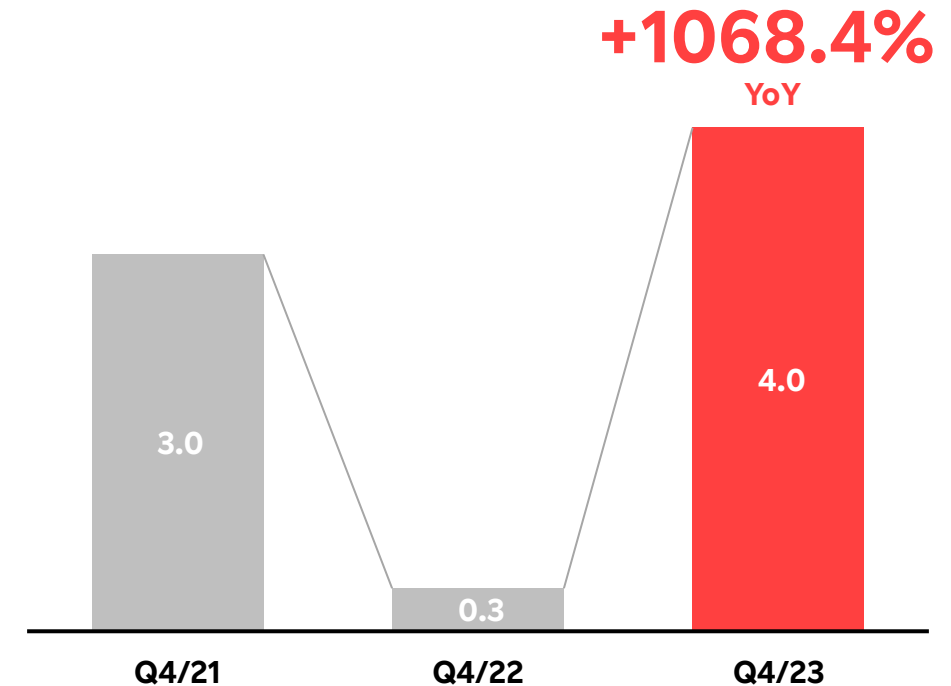
Q4/23 Insurance Business Financial Results^{*1}

- In Life Insurance, both revenue and profit increased due to a decrease in payouts for COVID-19 pandemic settlement and due to growth in insurance premium per policy
- In General Insurance, profit increased while revenue decreased due to strengthened underwriting standards. “Drive Assist (personal auto insurance)” with new discounts^{*2} for Rakuten Diamond members contributed to growth

Revenue (JPY bn)



Non-GAAP Operating Income (JPY bn)



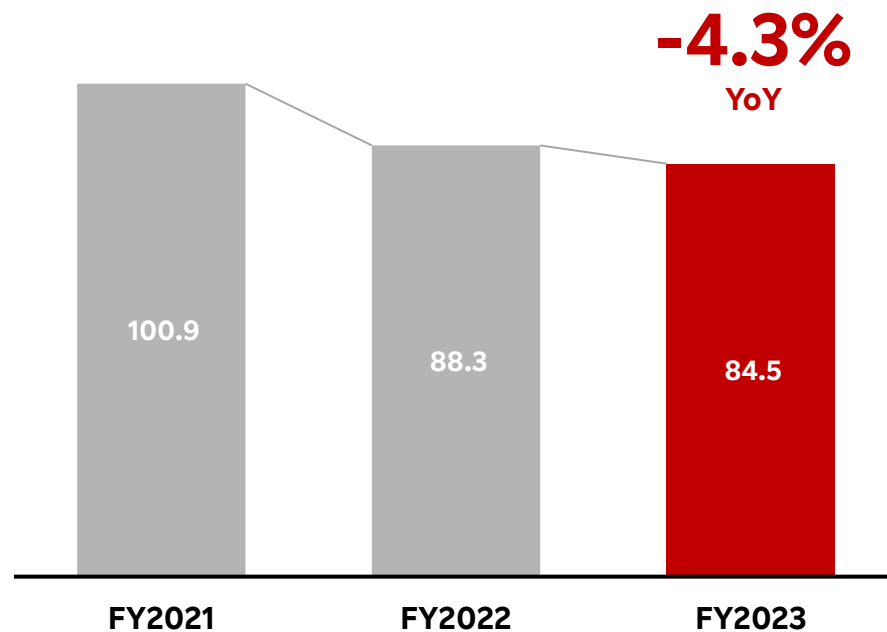
^{*1} Insurance Business introduced IFRS 17, new accounting rules (Effective from FY2023). Revenue and Operating income of FY2022 was retroactively adjusted.

^{*2} Applies to insurance starting on or after December 1, 2023.

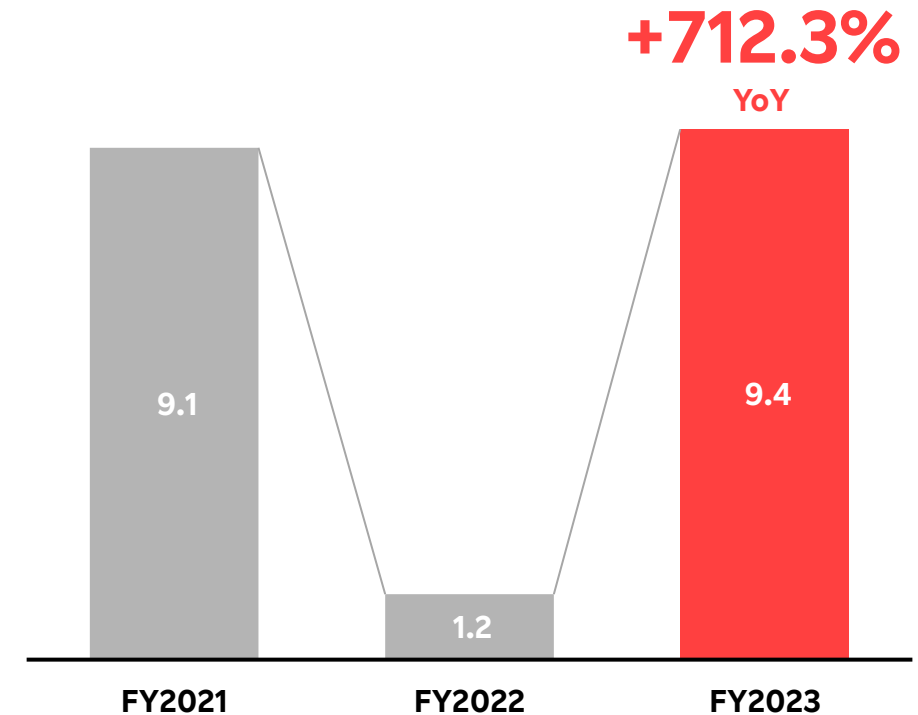
FY2023 Insurance Business Financial Results*

- In Life Insurance, revenue increased due to growth in insurance premium per policy and a steady increase in the number of banks that handle group trusts. Profit also increased due to a decrease in payouts related to COVID-19 and optimization of marketing costs
- In General Insurance, while revenue decreased due a decrease in reinsurance income and strengthened underwriting standards, profits increased due to fewer natural disasters and the effects of ongoing cost efficiency improvements, etc.

Revenue (JPY bn)



Non-GAAP Operating Income (JPY bn)

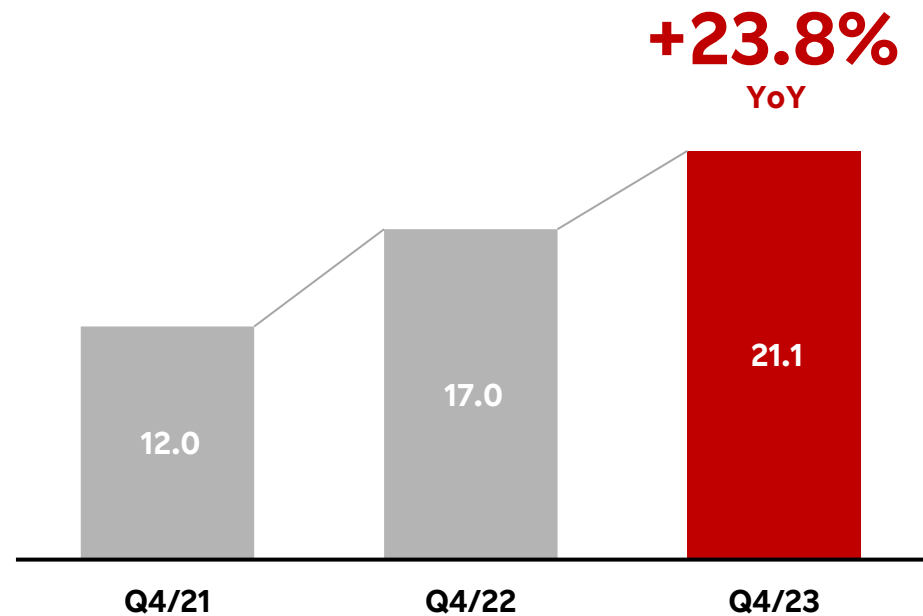


*Insurance Business introduced IFRS 17, new accounting rules (Effective from FY2023). Revenue and Operating income of FY2022 was retroactively adjusted.

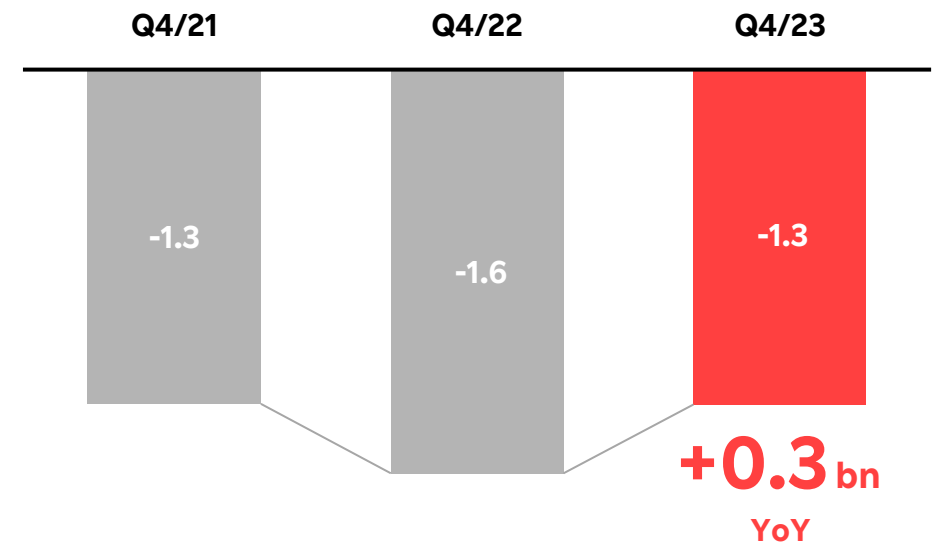
Q4/23 Rakuten Payment Financial Results*

- Revenue increased with strong growth in the number of users and transaction value, especially for Rakuten Pay (app payments)
- Losses shrunk as a result of marketing and operational efficiency improvements, despite continued aggressive investment to expand usage

Revenue (JPY bn)



Non-GAAP Operating Income (JPY bn)

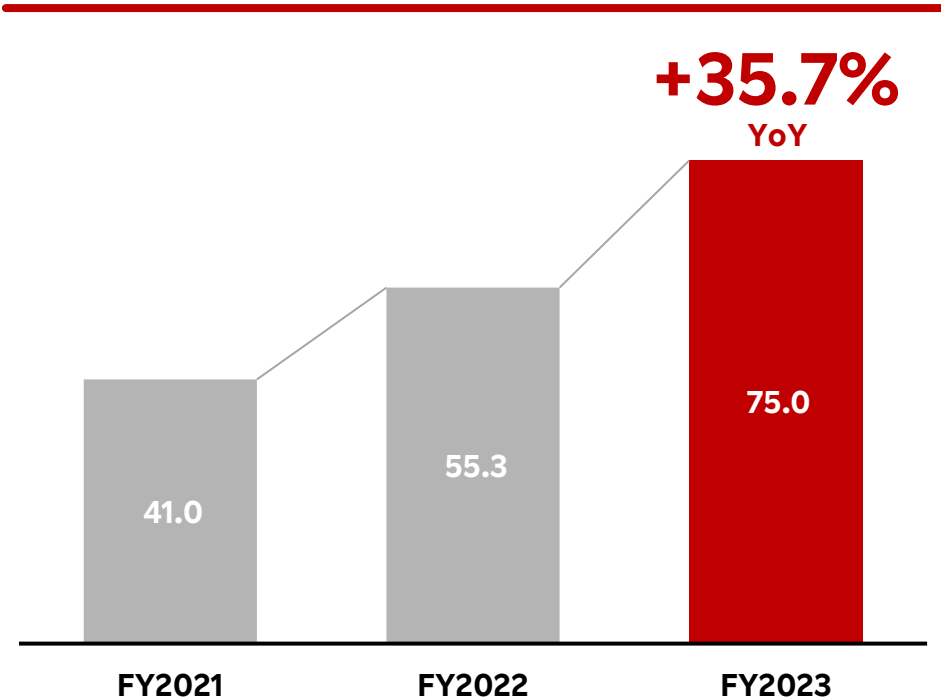


*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business were transferred from the Internet Service segment (Domestic EC) to the FinTech segment. Retrospective revisions were made to Rakuten Payment and others. The segment total remains unchanged.

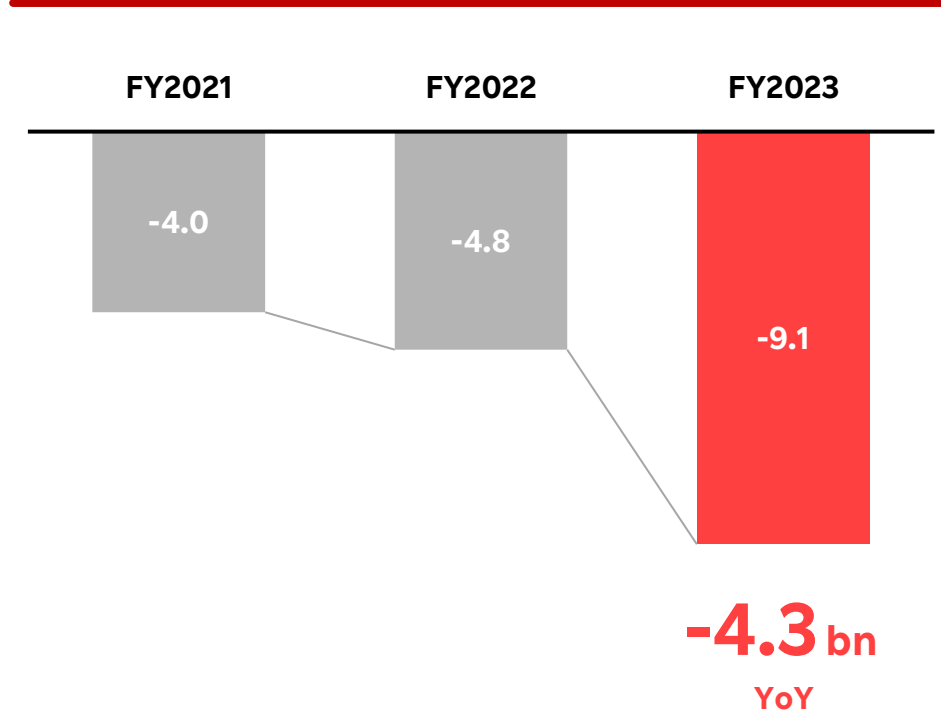
FY2023 Rakuten Payment Financial Results*

- Revenue increased due to expansion of usage in Rakuten Pay and Rakuten Cash
- Non-GAAP operating income decreased reflecting aggressive investment for future growth

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 Service segment (Domestic EC) to the FinTech segment. Retrospective revisions were made to Rakuten Payment and others. The segment total remains unchanged.

Mobile Segment

Q4/23 Mobile Segment Financial Results

Q4/23 (JPY bn)	Revenue	QoQ	Non-GAAP Operating Income	QoQ
Rakuten Mobile ^{*1}	59.1	+6.2%	-68.0	+8.8
MNO	33.0	+8.7%		
MVNO ^{*2}	2.6	-9.5%		
Device Revenue	14.0	+3.4%		
Other Revenue (including Rakuten Hikari, etc.)	9.5	+6.9%		
Rakuten Symphony	21.5	+91.5%		
Rakuten Energy	12.3	-19.5%	-3.3	+1.2
Others	6.6	+1.2%		
Segment Total	99.5	+12.2%	-71.2	+10.0

*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.



FY2023 Mobile Segment Financial Results

FY2023 (JPY bn)	Revenue	YoY	Non-GAAP Operating Income	YoY
Rakuten Mobile ^{*1}	224.9	+17.7%	-322.5	+136.8
MNO	118.1	+57.3%		
MVNO ^{*2}	12.2	-37.0%		
Device Revenue	56.9	-13.0%		
Other Revenue (including Rakuten Hikari, etc.)	37.7	+20.9%		
Rakuten Symphony	52.4	+0.0%		
Rakuten Energy	58.0	-22.5%	-15.0	+4.9
Others	29.3	-9.9%		
Segment Total	364.6	+3.9%	-337.5	+141.7

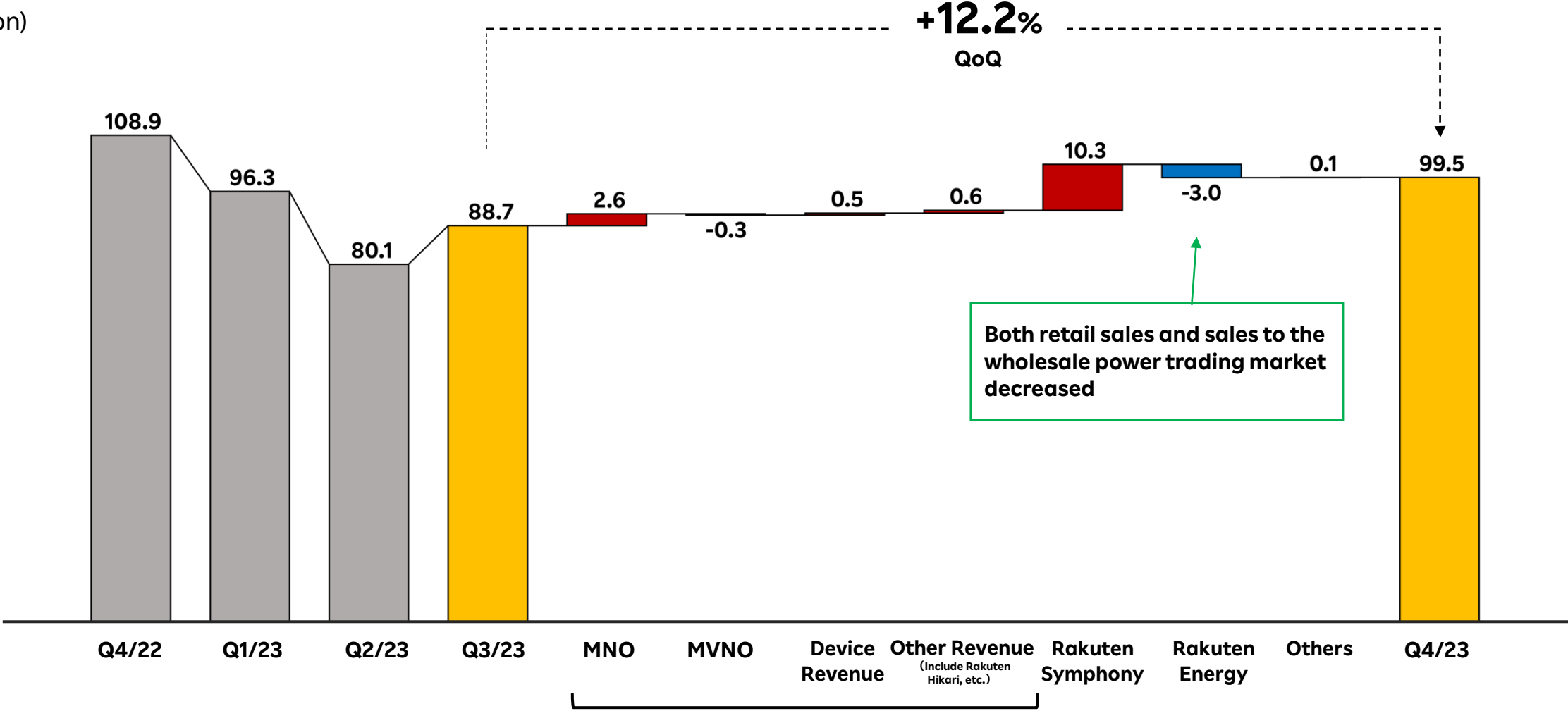
*1 Breakdown of Rakuten Mobile revenue has been revised. Past figures have been retroactively adjusted.

*2 From April 7, 2020, we ceased accepting new registrations for MVNO services.



Q4/23 Mobile Segment Revenue Breakdown

(JPY bn)



Both retail sales and sales to the wholesale power trading market decreased

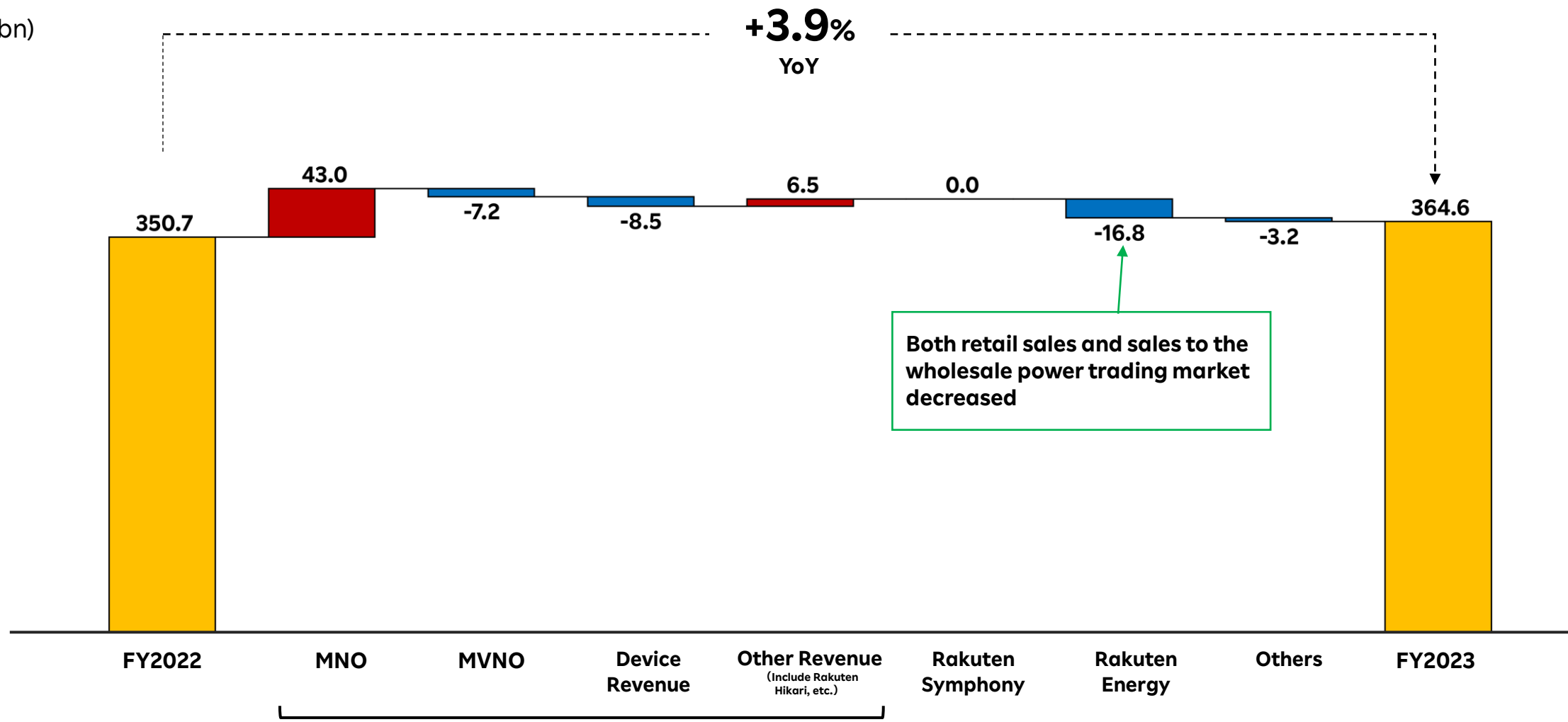
Rakuten Mobile, Inc.*

*The breakdown of Rakuten Mobile revenue have been revised. Past figures have been retroactively adjusted.



FY2023 Mobile Segment Revenue Breakdown

(JPY bn)



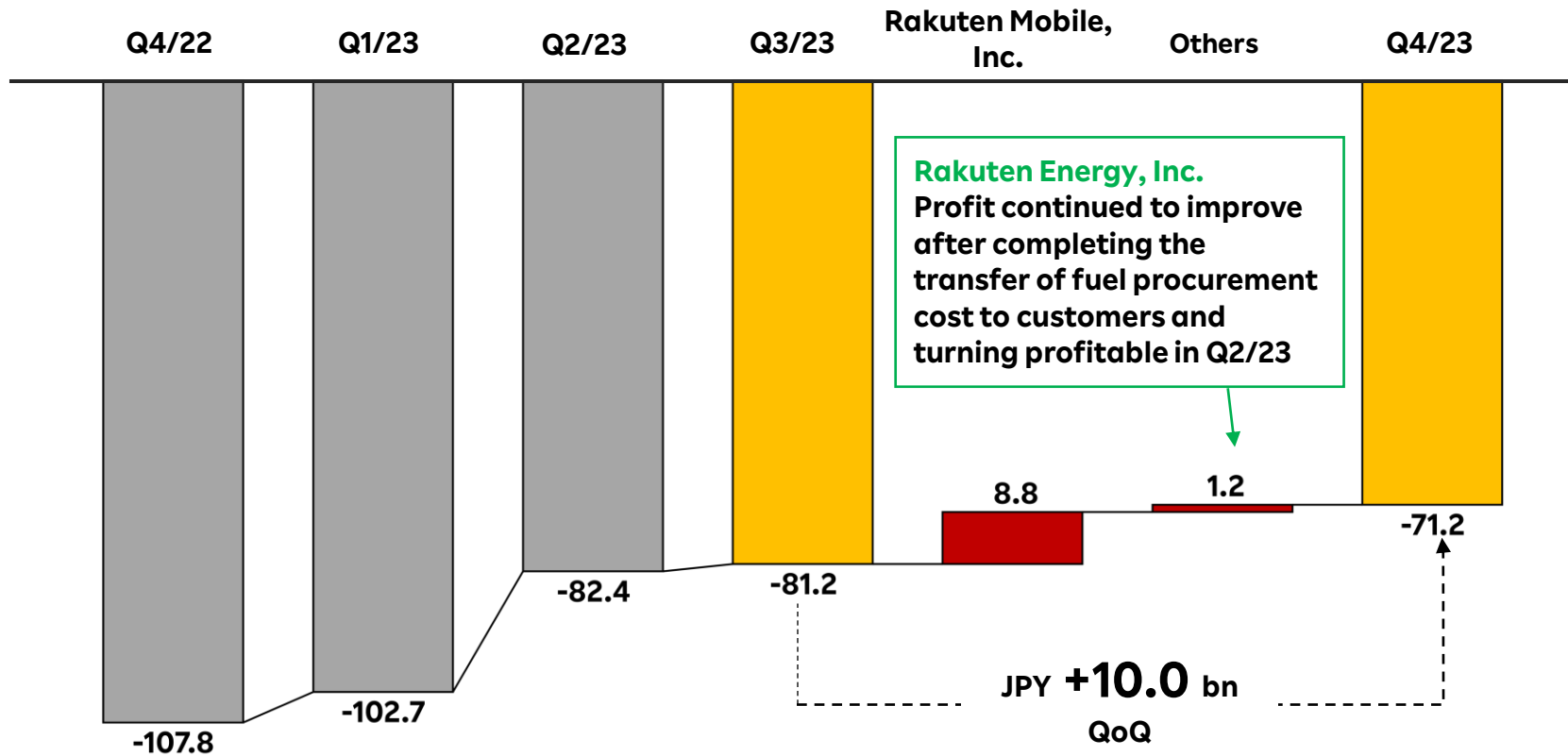
Rakuten Mobile, Inc.*

*The breakdown of Rakuten Mobile revenue have been revised. Past figures have been retroactively adjusted.



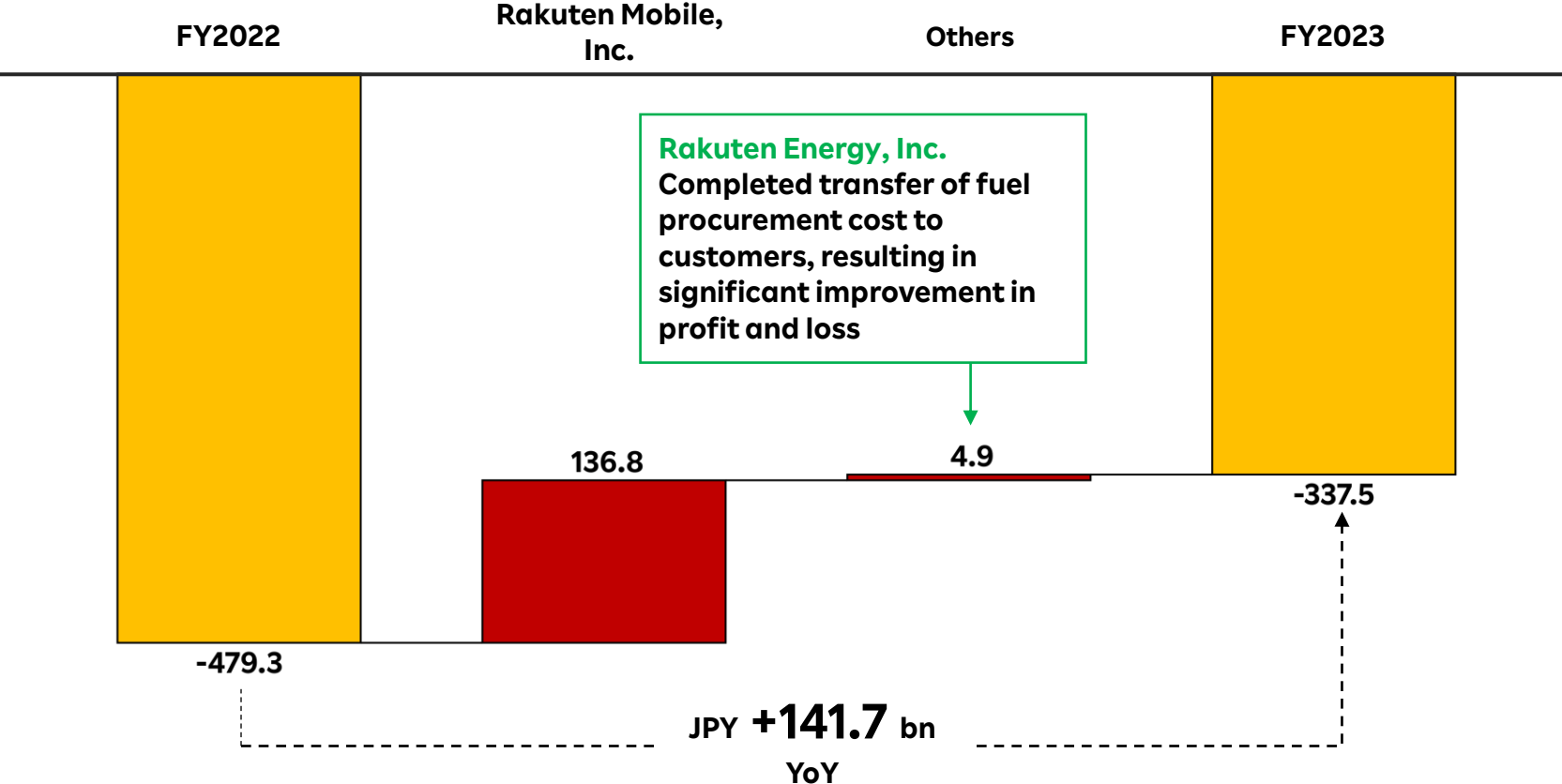
Q4/23 Mobile Segment Non-GAAP Operating Income/Loss Breakdown

(JPY bn)



FY2023 Mobile Segment Non-GAAP Operating Income/Loss Breakdown

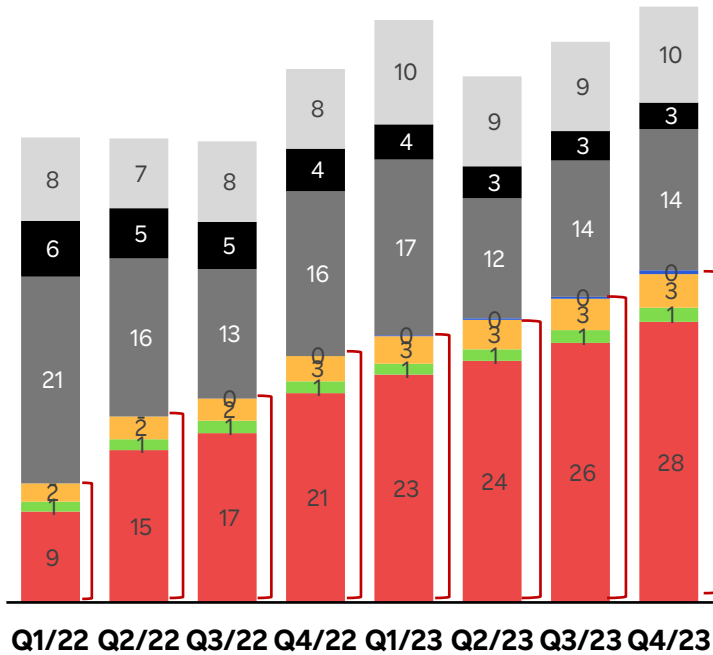
(JPY bn)



Q4/23 Rakuten Mobile, Inc. Financial Results

Revenue*

(JPY bn)



MNO [■ Data ■ Call ■ Option ■ Others]

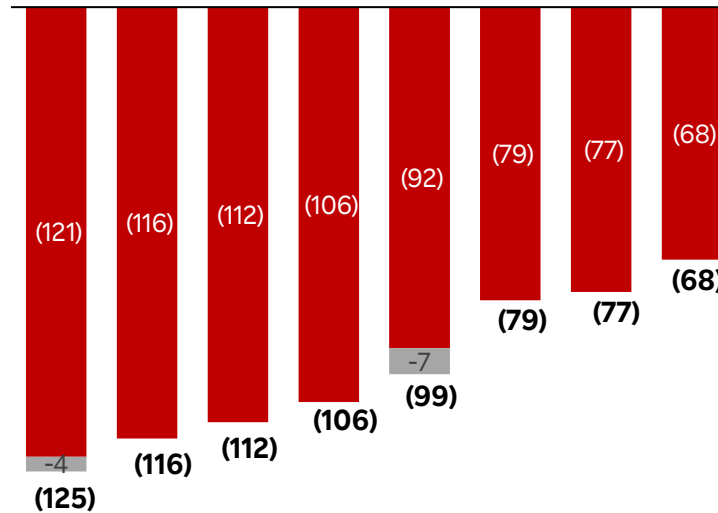
■ Device Revenue ■ MVNO

■ Other Revenue (including Rakuten Hikari etc.)

Non-GAAP Operating Income

(JPY bn)

Q1/22 Q2/22 Q3/22 Q4/22 Q1/23 Q2/23 Q3/23 Q4/23



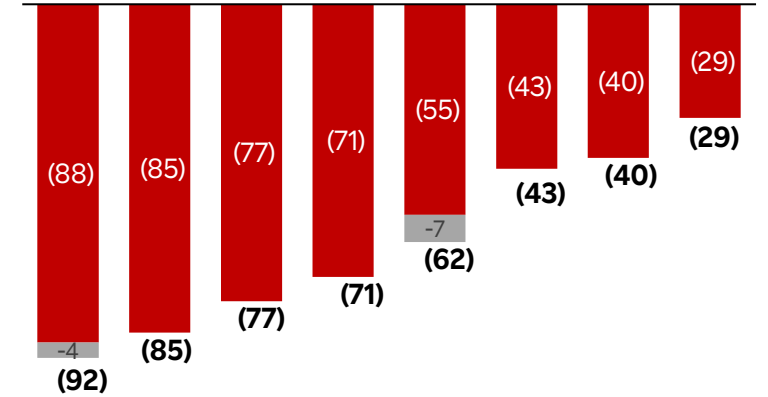
■ Non-GAAP Operating Income excluding property tax

■ Property tax

Non-GAAP EBITDA

(JPY bn)

Q1/22 Q2/22 Q3/22 Q4/22 Q1/23 Q2/23 Q3/23 Q4/23



■ Non-GAAP EBITDA excluding property tax

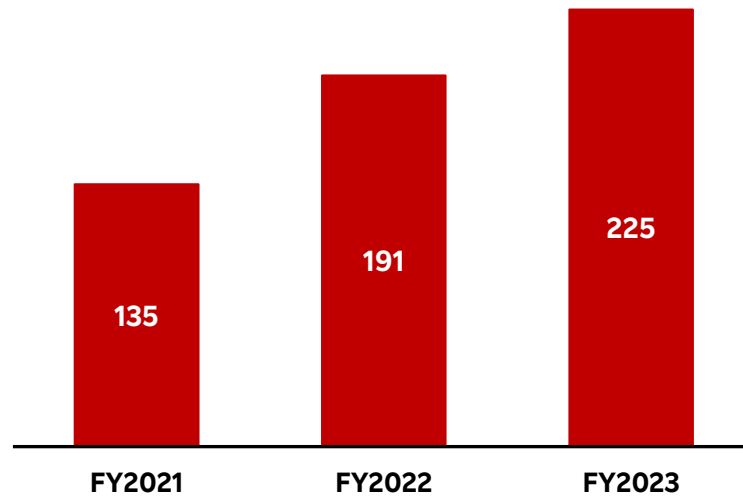
■ Property tax

*The breakdown of Rakuten Mobile revenue has been revised. Past figures have been retroactively adjusted.

FY2023 Rakuten Mobile, Inc. Financial Results

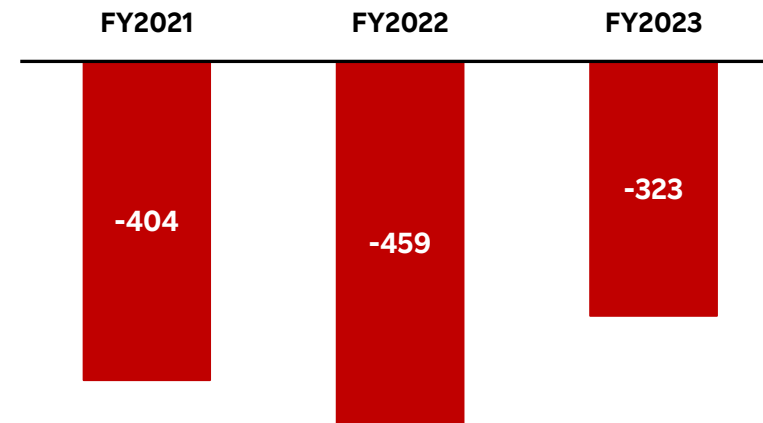
Revenue

(JPY bn)



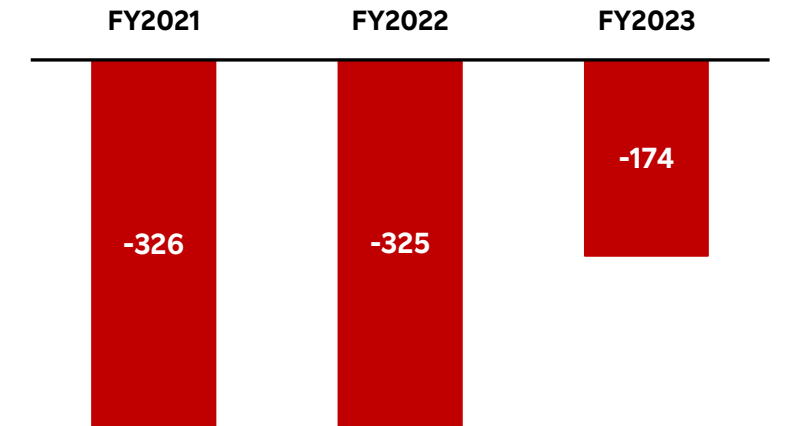
Non-GAAP Operating Income

(JPY bn)



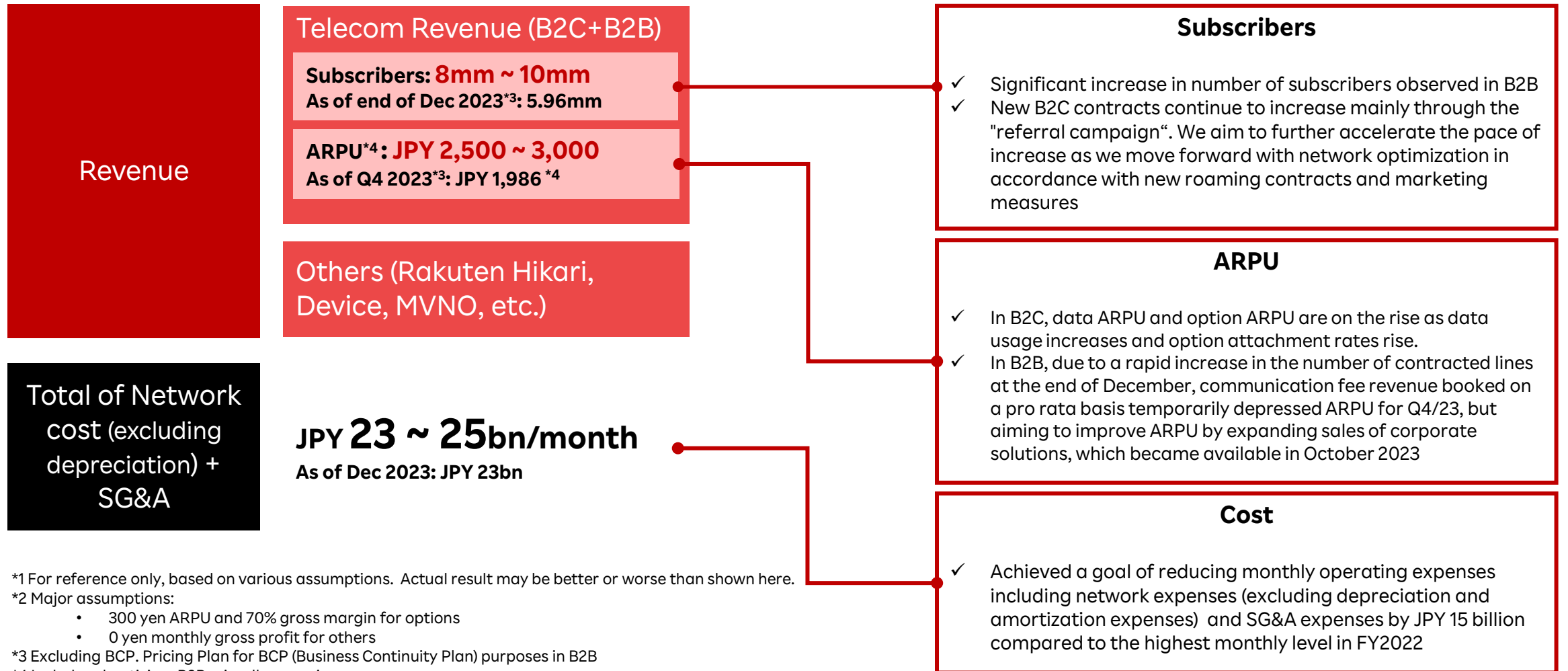
Non-GAAP EBITDA

(JPY bn)



About EBITDA Breakeven for Rakuten Mobile, Inc. ^{*1 *2}

- Aiming for monthly EBITDA breakeven by the end of 2024
- Aiming for annual EBITDA breakeven in 2025



*1 For reference only, based on various assumptions. Actual result may be better or worse than shown here.

*2 Major assumptions:

- 300 yen ARPU and 70% gross margin for options
- 0 yen monthly gross profit for others

*3 Excluding BCP. Pricing Plan for BCP (Business Continuity Plan) purposes in B2B

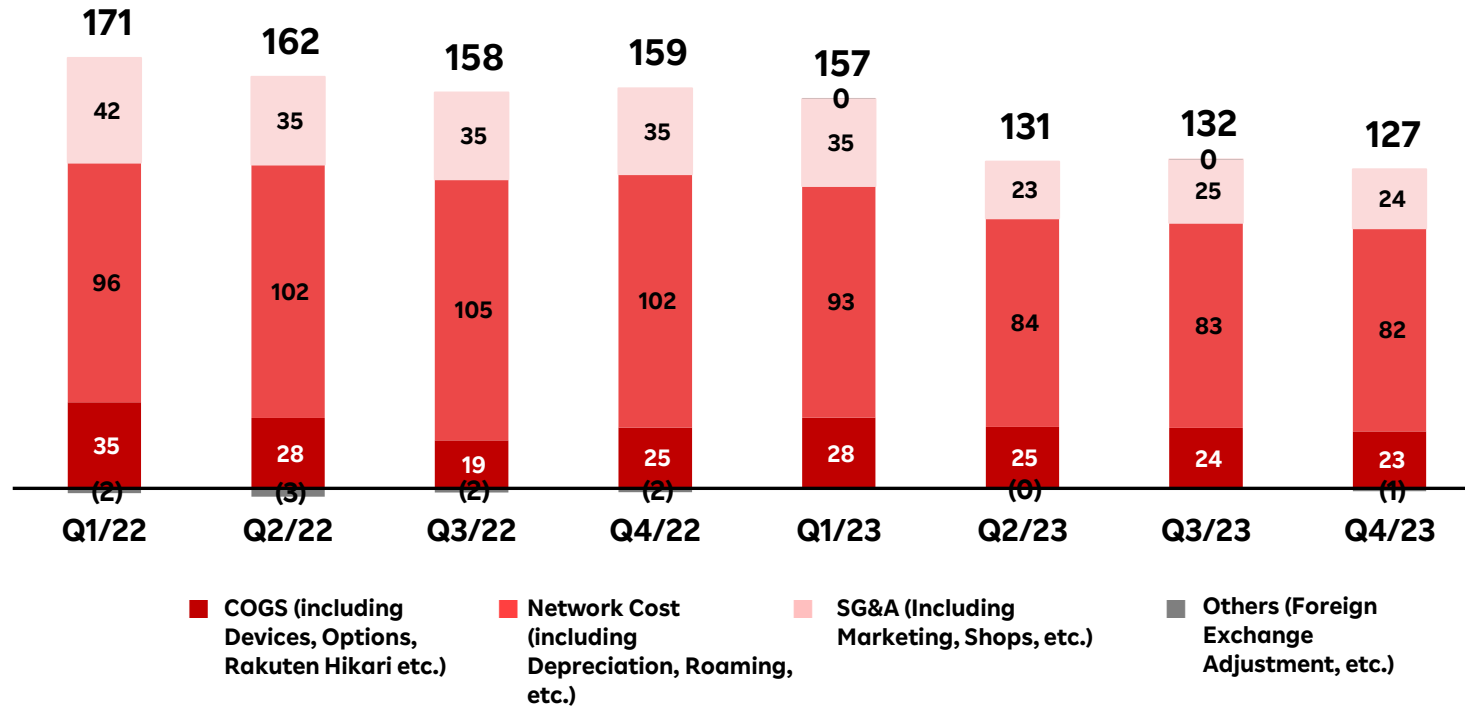
*4 Include advertising, B2B miscellaneous income

Rakuten Mobile, Inc. Operating Cost and Capital Expenditure

- Maintaining a lean management structure by continually reviewing costs
- Capital investment in FY2024 is planned to be approximately JPY 100 billion

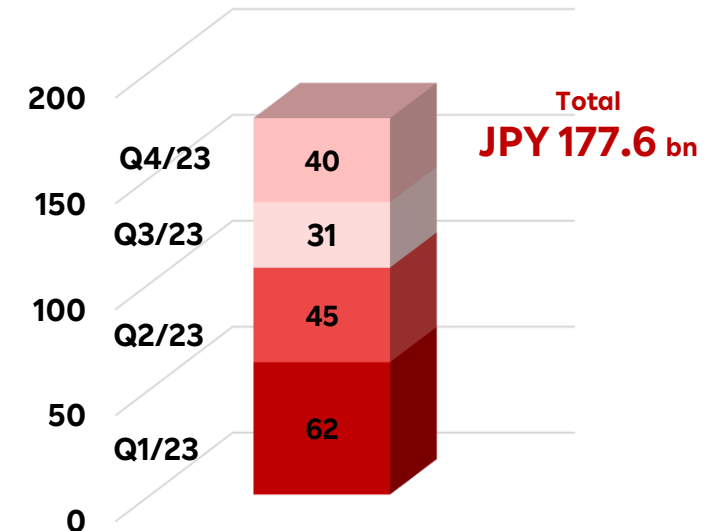
Operating Cost (Quarterly basis, including depreciation)

(JPY bn)



Capital Expenditure ^{*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.

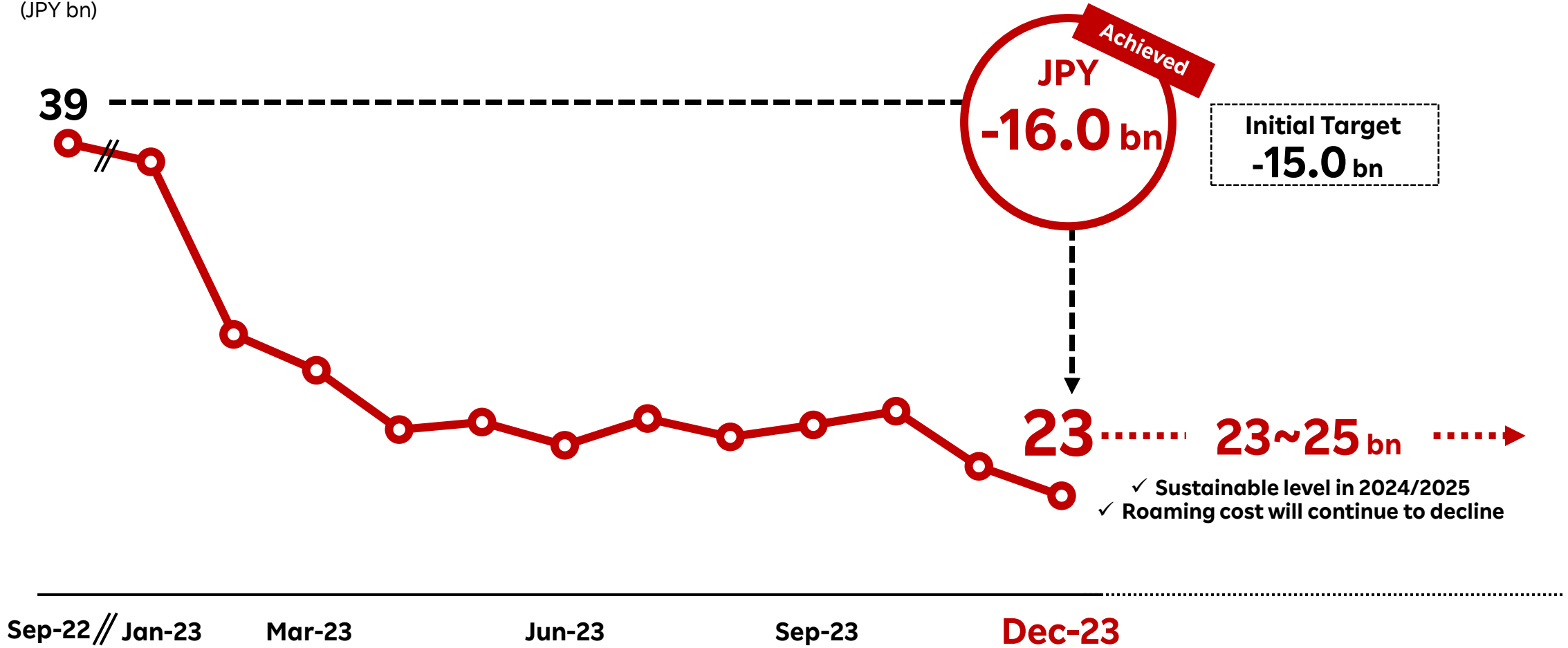
*2 May be affected by the delivery status of equipment related to base station construction.

*3 Platinum Band related capital expenditure is not fully included.

Achieved Cost Optimization Target in December 2023

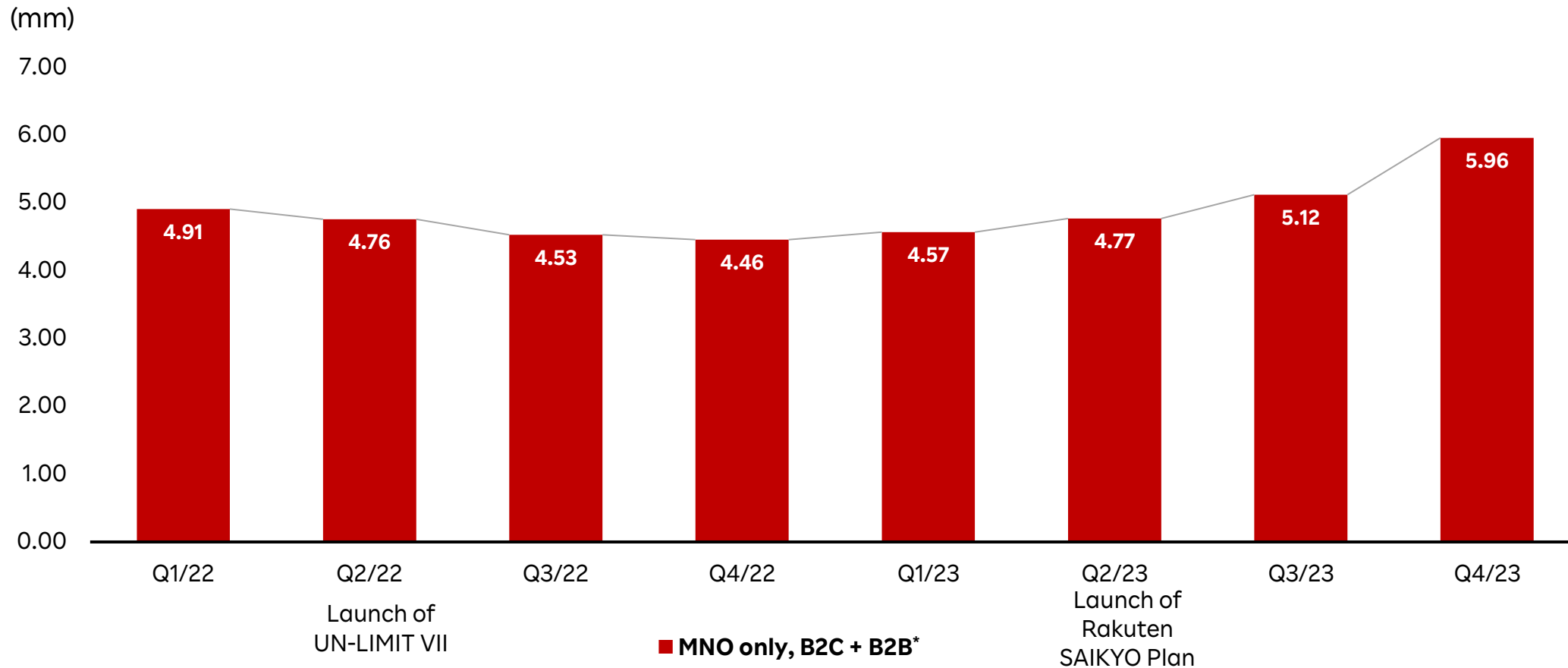
Monthly Total Cost Trend of Network Cost + SG&A (excluding depreciation)

(JPY bn)



Rakuten Mobile MNO Subscribers (B2C+B2B)*

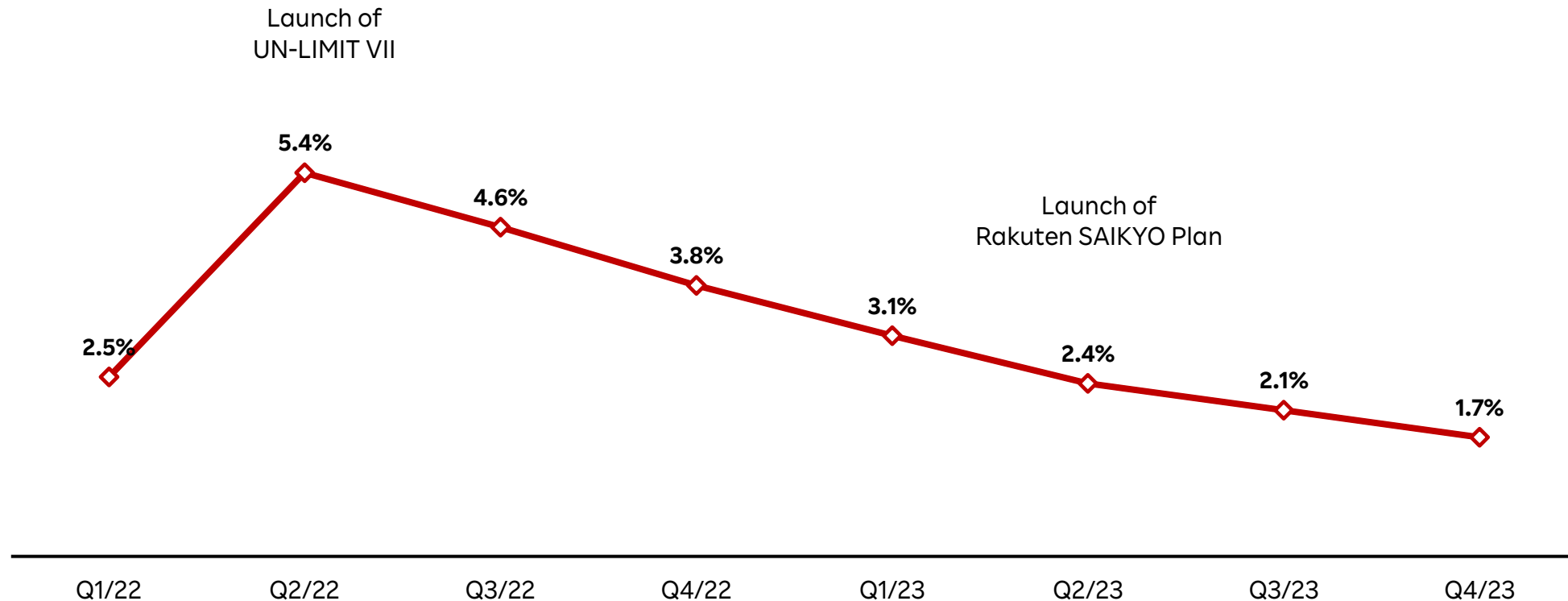
- In B2C, the number of subscribers is steadily increasing. Aiming to further accelerate the pace of acquisition by refining customer experience by improving network quality based on new roaming contracts, etc., and strengthening marketing measures
- In B2B, customer conversion from the pipeline reached its peak at the end of the year, and saw a surge in subscribers during Q4/23



*Excluding BCP. BCP is pricing plan for Business Continuity Plan purposes in B2B.

Rakuten Mobile MNO Churn^{*1} (B2C+B2B)^{*2}

- Churn is on the decline since June 2022 and should decline further as network quality improves

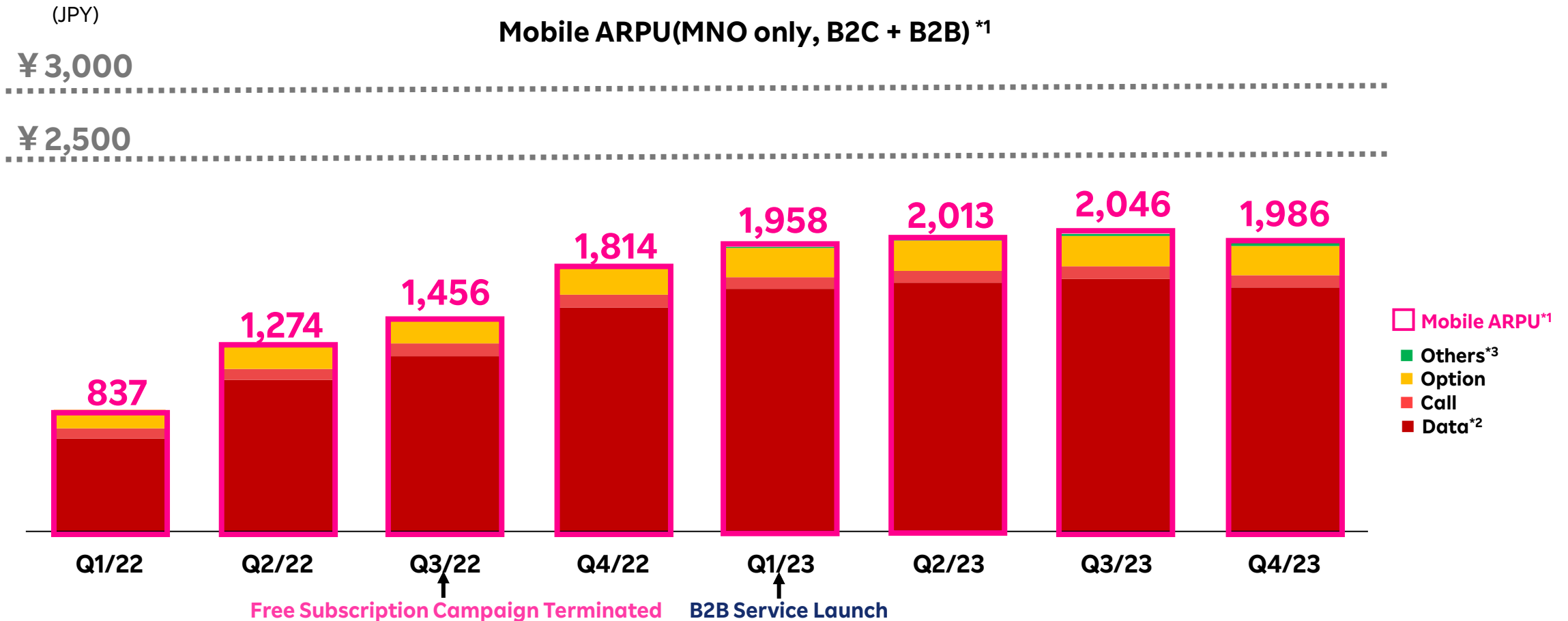


*1 Churn ratio = total number of churns in the most recent quarter ÷ average number of subscribers between the end of the most recent quarter and the previous quarter. Includes B2C and B2B. Excluding BCP*2

*2 Excluding BCP. BCP is pricing plan for Business Continuity Plan purposes in B2B.

ARPU (B2C + B2B)

- Dramatic increase in B2B subscribers at the end of Q4/23 diluted ARPU QoQ



*1 Excluding BCP, BCP is pricing plan for Business Continuity Plan purposes in B2B. Due to a definition change for subscribers and revenue breakdown, past amounts have been retroactively adjusted. The breakdown of revenue and KPIs is disclosed as an indicator used by management in decision-making (business management indicator). Therefore, the scope of calculation and breakdown may change in the future, and retroactive adjustments may occur.

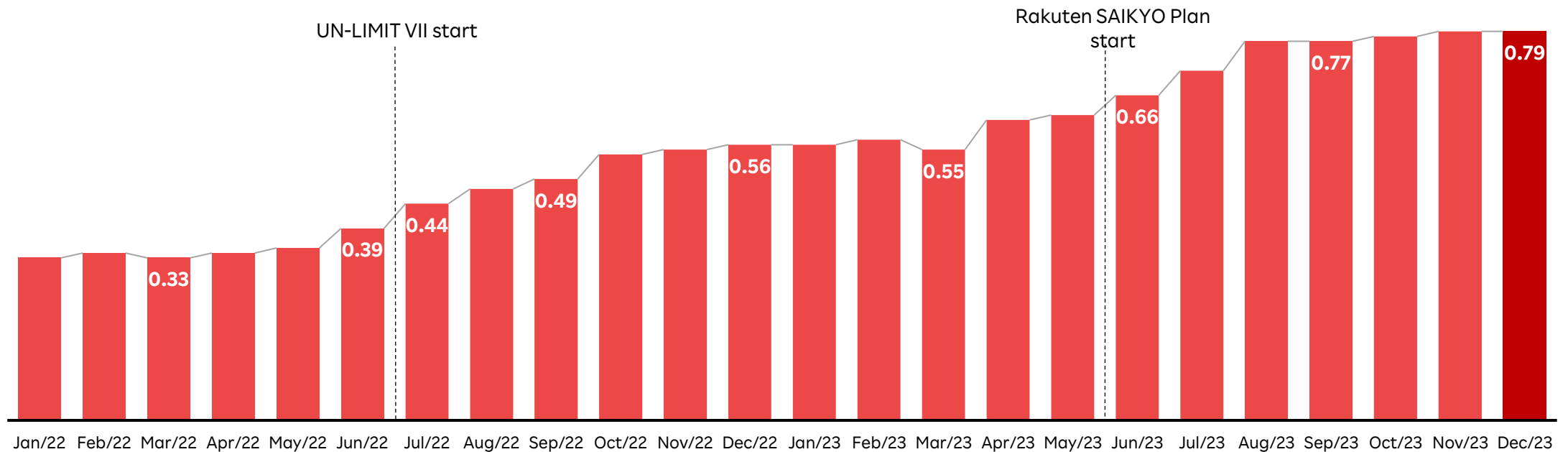
*2 Data ARPU: Point back campaign for users of less than 1GB during September-October 2022 are recorded as deduction from revenue. However, we include it in the calculation of ARPU here.

*3 Include advertising, B2B miscellaneous income

Rakuten Mobile MNO Average Data Volume (B2C)

- Data usage in B2C is steadily increasing QoQ

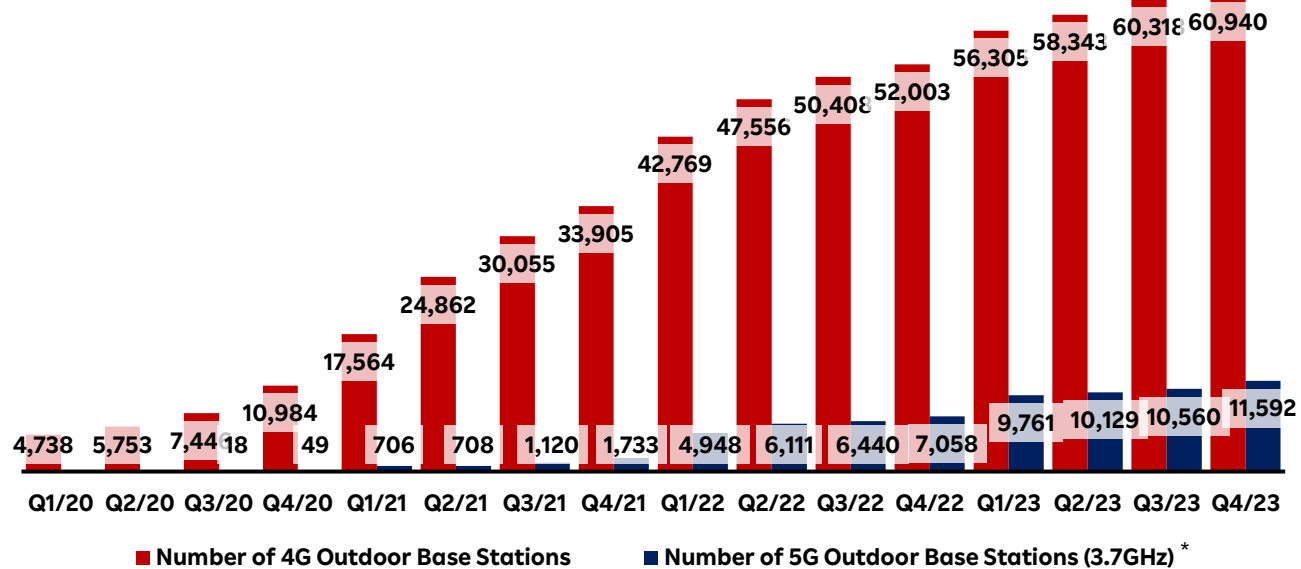
Averaged data consumption volume per day (GB)



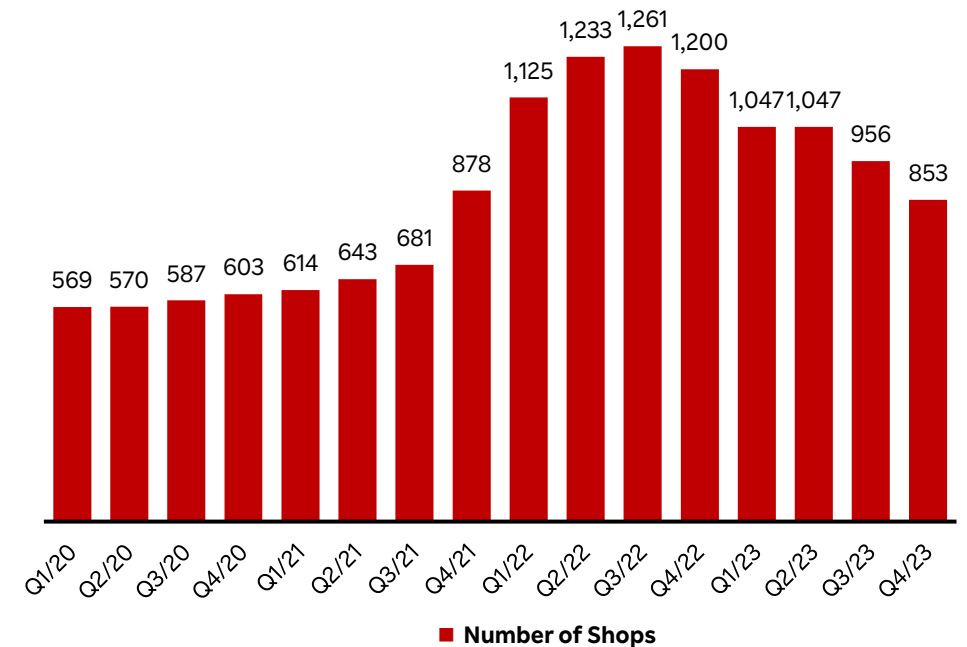
Rakuten Mobile Number of Base Stations and Shops

- Regarding base stations, investments according to the 5G deployment plan will continue but mainly with collocation alongside 4G base stations
- Regarding shops, we will appropriately manage profitability, etc. and maintain a lean management

Number of Base Stations



Number of Shops



*Outdoor Sub6 macro base stations



Rakuten Mobile Contributes to Group Services (B2C)

**Q4/23
Revenue Impact on
Rakuten Group***

JPY +10bn

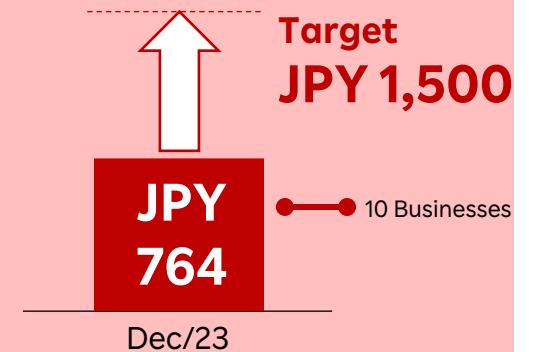
*The difference in average revenue between MNO users and non-MNO users over the past year at ten businesses (Ichiba, Books, Direct, Rakuten BIC, Kobo, Fashion, Travel, Rakuten Seiyu Netsuper, Beauty, R-Pay online payment).

**Q4/23
EBITDA Impact on
Rakuten Group***

JPY +6bn

*Calculated by using each business's gross profit margin

Ecosystem ARPU Uplift*



*The difference in average revenue between MNO users and non-MNO users over the past year at ten businesses

**Average Increase in
Service Usage of MNO
Users in One year**

+2.56

**Average Increase of
Non-MNO Users is +0.42**

*MNO users: Users who have an MNO contract from December 2019 to January 2023.

*Non-MNO users: Users who have used Rakuten services in the past year from the relevant month.

*Service usage is detected by points. The number includes MNO itself.

**Total Increase in Rakuten
Group's New Service
Usage by MNO Users**

13.3 mm +

*MNO users: Users who have an MNO contract from December 2019 to January 2023.

*Non-MNO users: Users who have used Rakuten services in the past year from the relevant month.

*Service usage is detected by points. The number includes MNO itself

**Annual Rakuten
Ichiba GMS Increase
Post MNO Contracts**

+60%

*Users who have a contract with Rakuten Mobile between April 2020 and January 2023, and for whom 12 months or more have passed since the contract start. GMS growth is the weighted average of figures comparing GMS in the 12 months before the user's contract and the latest 12 months (2023/1~2023/12) for each contract start month

Rakuten Mobile Owned and Related Frequency Bands

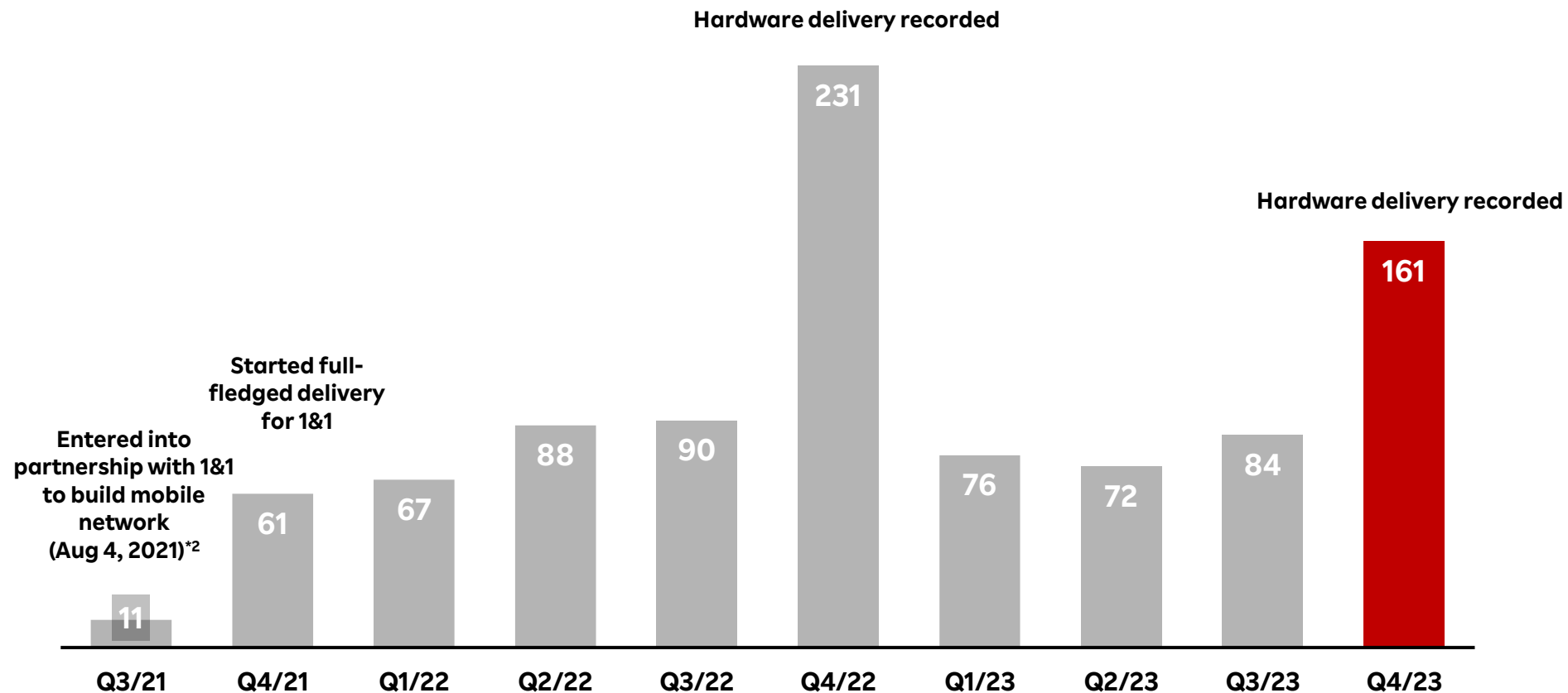
Spectrum		Status	Bandwidth	Note
4G	1.7GHz	Allocated	40MHz Up : 1,730 – 1,750MHz Down : 1,825 - 1,845MHz	
	700MHz	Allocated in October 2023	6MHz Up : 715 - 718MHz Down : 770 - 773MHz	Scheduled to be on-air sequentially
	Reference: 800MHz	Roaming provided by KDDI (until September 30, 2026*)		
	Reference: 800/900MHz	Rakuten Mobile can decide when to submit application for frequency allocation	Multiple bandwidths allocated to existing licensees among 800/900MHz	
5G	1.7GHz (Other than Tokyo, Nagoya, Osaka)	Allocated	40MHz Up : 1,765 – 1,785MHz Down : 1,860 - 1,880MHz	5G specified base station operation start: December 1, 2024 (service starts around March 2025) 4G specified base station operation start: December 1, 2022 (service starts around March 2023)
	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

- Delivery continued to progress for our existing global customers but with more focus on our anchor clients
- Revenue tends to be uneven on a quarterly basis due to seasonality and hardware/software deliveries
- On December 8, 1&1 and Rakuten launched Europe's first Open RAN mobile services*¹

(USD mm)



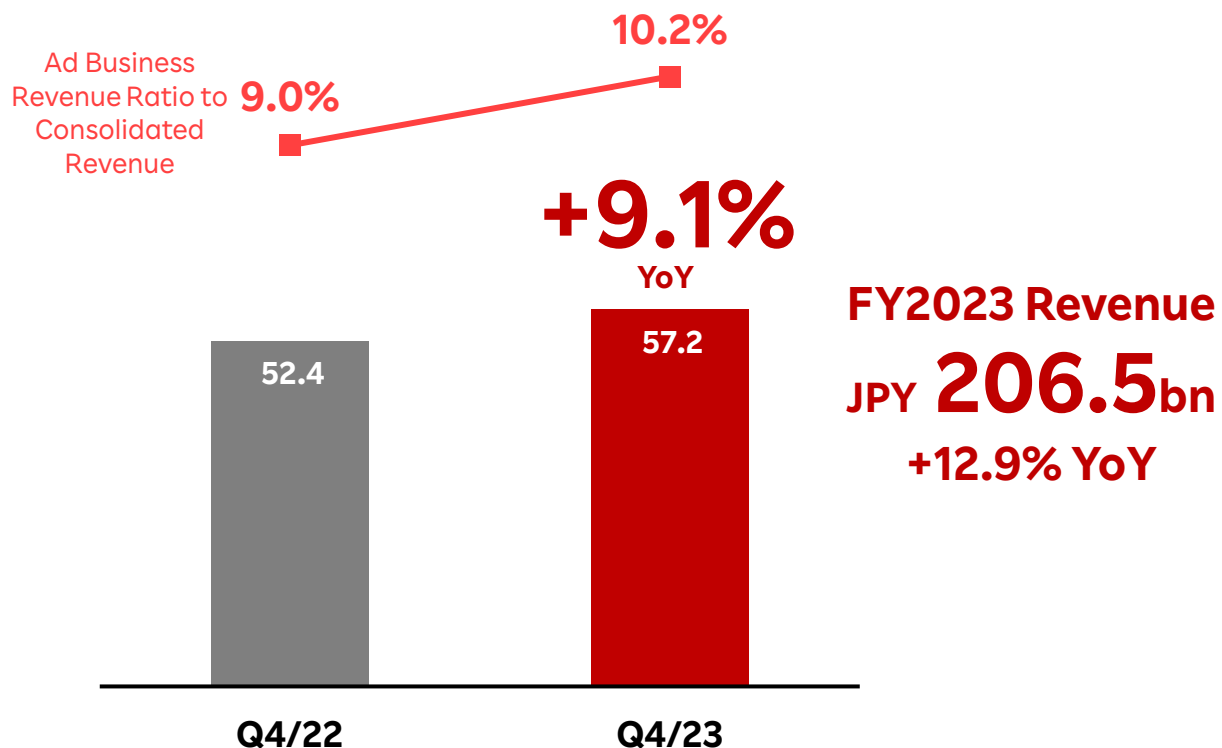
*¹ Europe's first Open RAN is fully functional - Rakuten and Mavenir are technology partners in 1&1's cloud-native mobile network

*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 Financial Results

Revenue* (JPY bn)



Ad Business Growth Analysis

Revenue Scale

Largest



Smallest

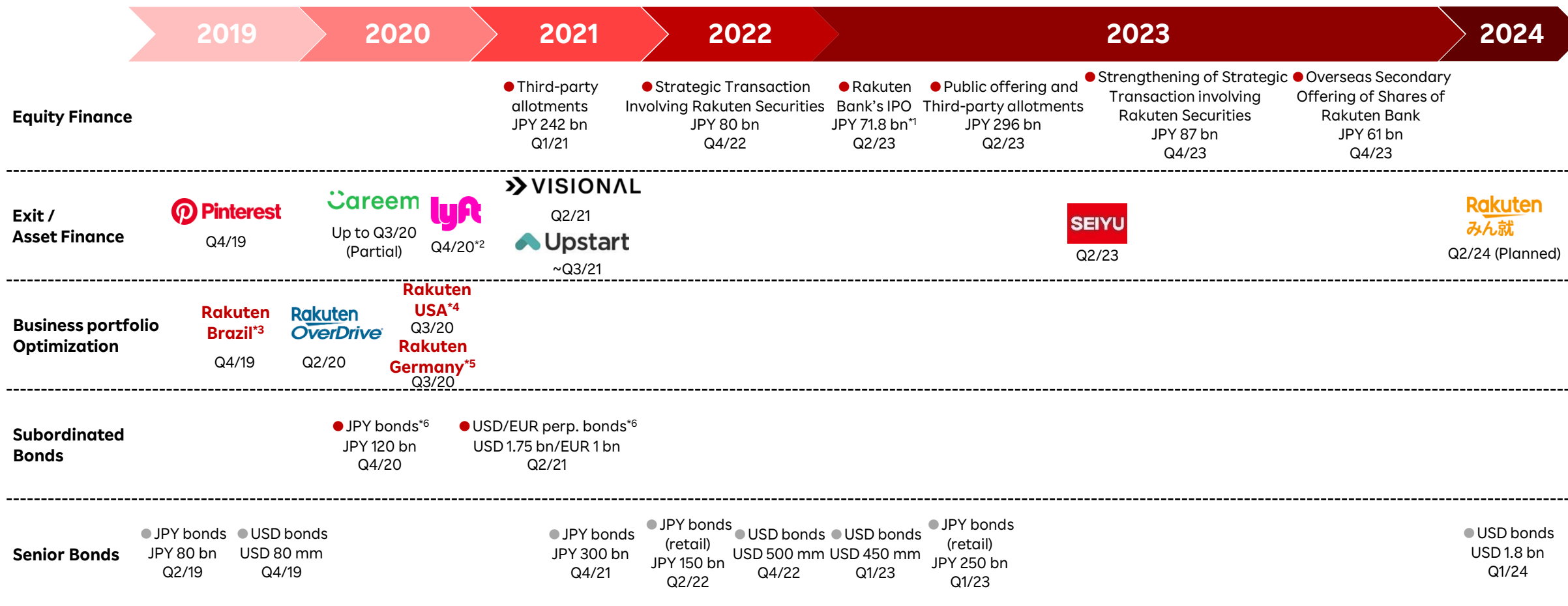
- Internal Advertisers × Internal Inventory ... +14.8% YoY**
 Growth driven by ad placements for Rakuten Ichiba stores and Rakuten Travel facilities
- External Advertisers × Internal Inventory ... -12.5% YoY**
 Decrease in ad placements by external advertisers for group services
- External Advertisers × External Inventory ... +43.8% YoY**
 Growth driven by strong sales of performance-based and managed ads
- Internal Advertisers × External Inventory ... +14.9% YoY**
 Growth driven by ad placements by Rakuten Ichiba stores for managed ads

Internal Advertisers: Merchants in Rakuten Ichiba, facilities in Rakuten Travel, etc.
 External Advertisers: Manufacturers and brands that do not own stores on Rakuten Ichiba etc.
 Internal Inventory: Rakuten Group service websites, apps, etc.
 External Inventory: Ad spots on websites and apps etc. that are outside of Rakuten Group

*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.

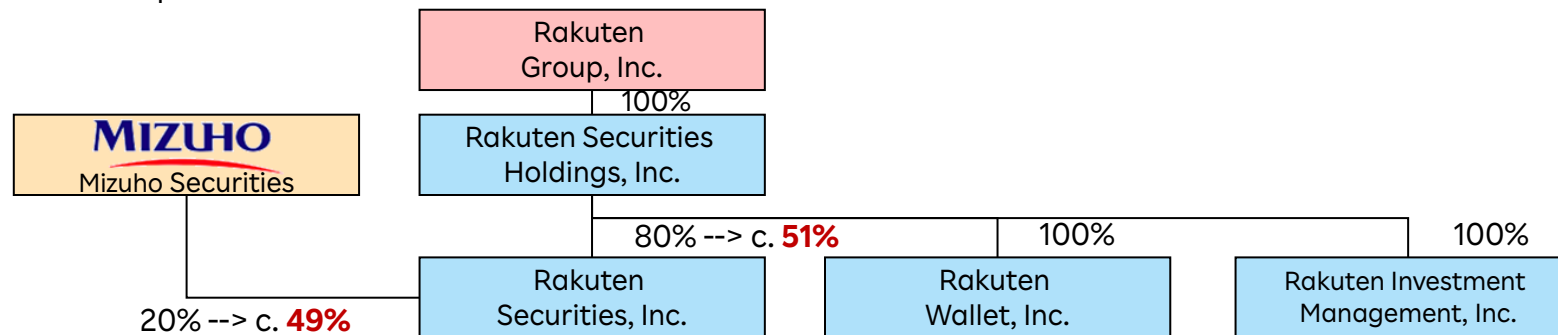
Track Record and Current Consideration of Asset Monetization in FinTech

Track Record

Current Consideration

Rakuten Securities

- **Nov 2022:** Investment from Mizuho Securities in the amount of 80bn yen for 19.99% of Rakuten Securities, Inc.
- **Dec 2023:** Sale of additional shares of Rakuten Securities, Inc. representing 29% to Mizuho Securities in the amount of 87bn yen, after which Rakuten Securities, Inc. continues to be a consolidated subsidiary of Rakuten Group



In preparation to execute IPO of Rakuten Securities Holdings at an appropriate timing

Rakuten Bank

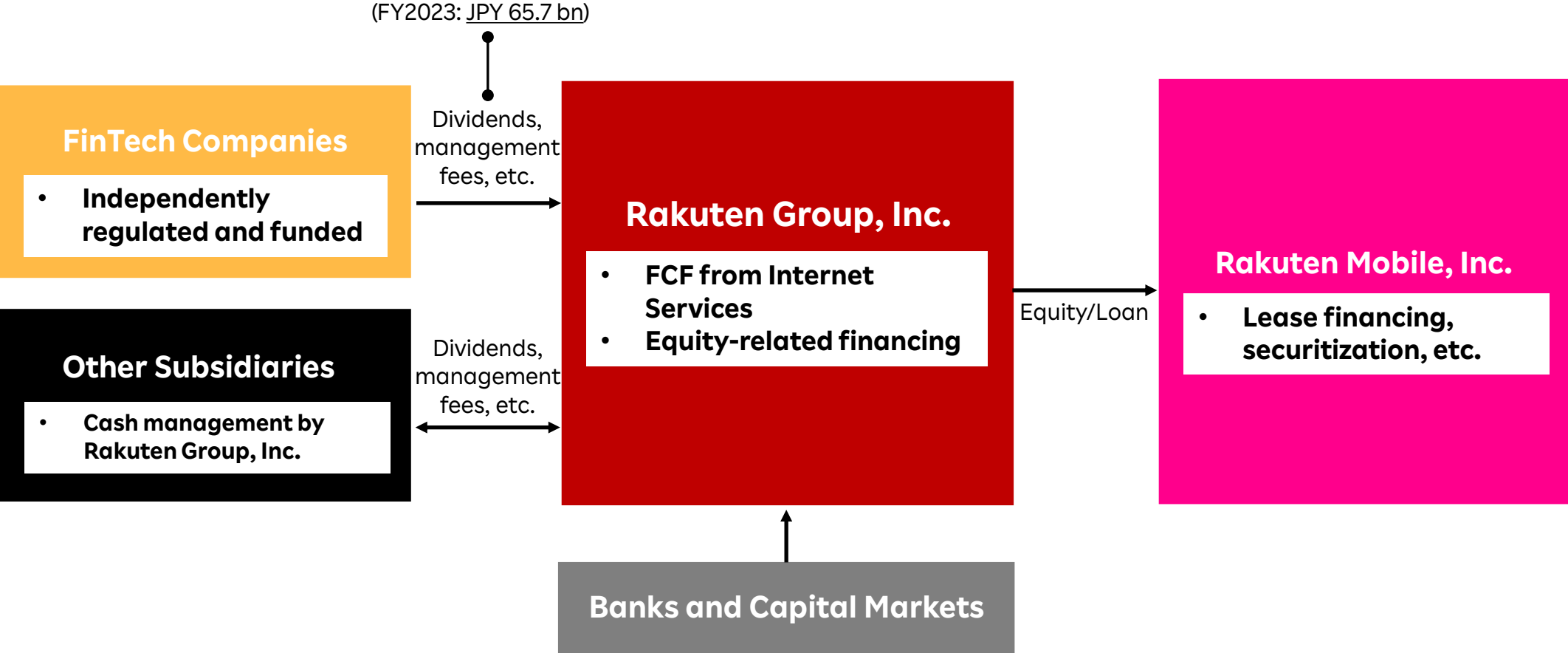
- **Apr 2023:** Rakuten Bank listed on TSE Prime Market
- **Dec 2023:** Overseas sale of common stock of Rakuten Bank, representing 14% of sell-down for 61bn yen

Rakuten Card

- **Nov 2023:** Completion of Rakuten Card and Rakuten Payment reorganization

Flexibly considering strategic partnerships with third parties if necessary

Rakuten Mobile Funding Flow



5. Others

ESG Update

- Rakuten continues to accelerate its efforts related to sustainability, aiming for a positive impact on society

Reaching Carbon Neutrality in 2023^{*1*2}

- Rakuten Group preliminarily reached carbon neutrality in 2023
- Going forward, we aim to reduce greenhouse gas emission in accordance with the Paris Agreement



*1 Reduced greenhouse gas emissions from our own business operations to net zero (Scope 1+2)

*2 The result was calculated by Rakuten and is preliminary.

*3 As of January 31, 2024.

Recognition, Awards, and Memberships^{*3}

Sustainability Indices



Awards



Memberships



In support of

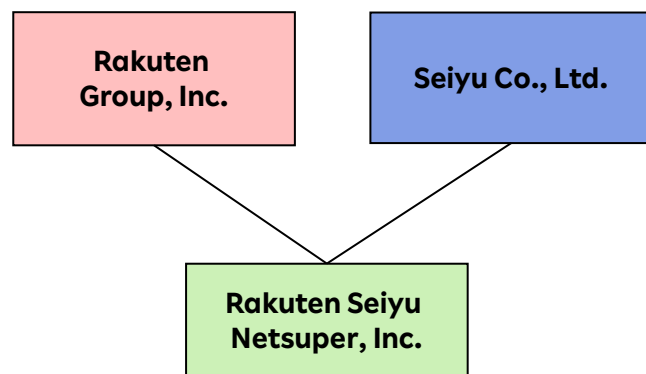
WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

Impairment Loss of Rakuten Seiyu Netsuper

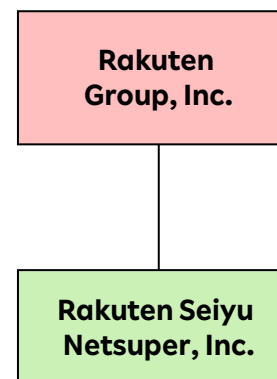
- Rakuten Group, Inc. recorded an impairment loss of JPY 15.9bn in its consolidated financial statements for FY2023 (IFRS) for Rakuten Seiyu Netsuper business
- Impairment losses are a non-cash item and thus do not impact the cash flow of Rakuten Group, Inc.

Past (Since April 2018)



**Rakuten Seiyu Netsuper, Inc.
became a consolidated subsidiary of
Rakuten Group, Inc. in Q3 2020**

As is (Since December 20, 2023)

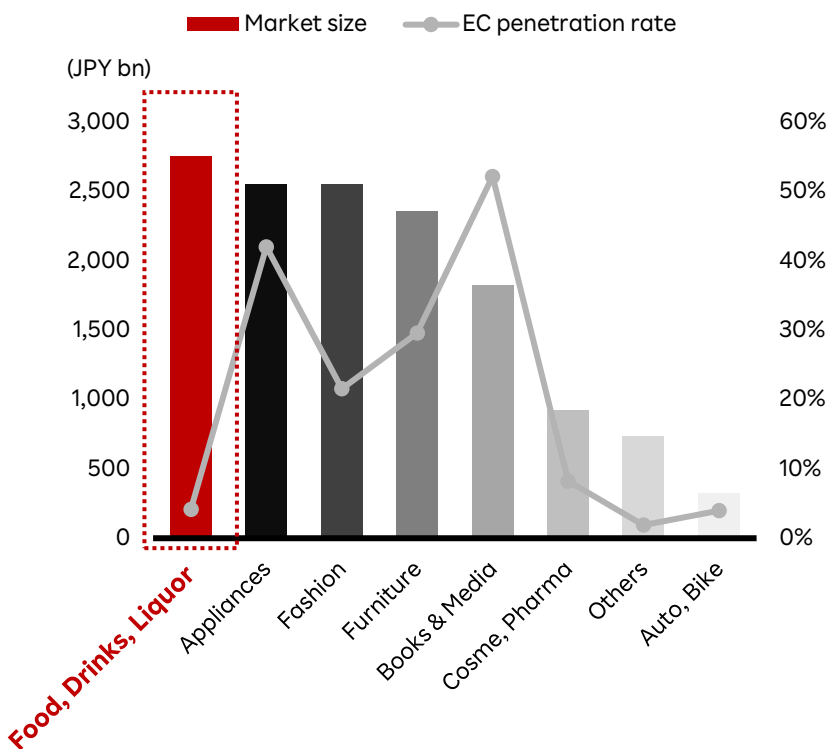


- Booked an impairment loss of JPY 15.9 bn (FY2023 Consolidated Financial Statements (IFRS))
- However, plan to accelerate initiatives to reach breakeven

Online Grocery Market has Huge Potential

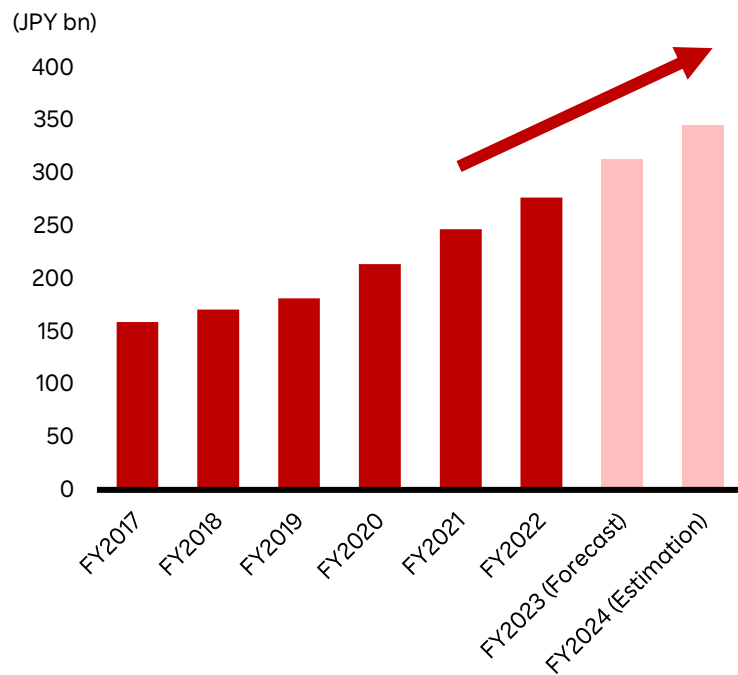
Grocery market has a huge potential since it has the biggest market with a low EC penetration rate

Market Size and EC Penetration Rate *1



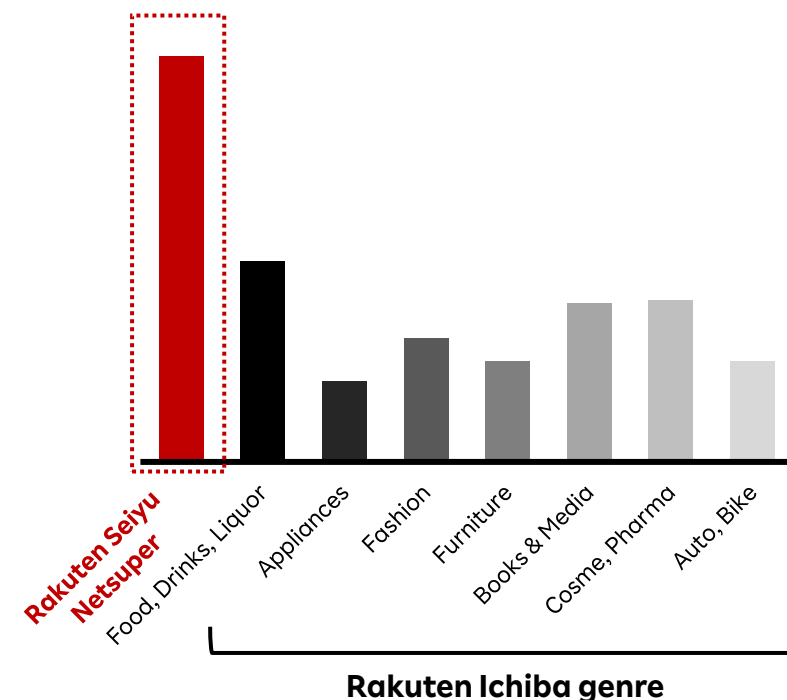
Online grocery market is expected to grow steadily and Rakuten is one of the leading players

Online Grocery Market Trend *2



Online grocery has the strongest touch point with consumers which can contribute to Rakuten Ecosystem

Frequency of Annual Purchase *3



*1 Source: METI, Results of market research on e-commerce in 2022

*2 Graph was created based on "Reality and future of mail order and e-commerce business 2023" published by FUJI KEIZAI CO., LTD.

*3 During November 2022 – October 2023. The average number of annual purchases by users.

Rakuten Seiyu Netsuper Aim for Breakeven as soon as possible

- Rakuten will further increase the speed and agility of decision-making processes and aim for breakeven as soon as possible by implementing a variety of measures especially strengthening the synergies with Rakuten Ecosystem

Key Initiatives for Breakeven



- **Acquire new customers** through further utilization of the **Rakuten Ecosystem** and expansion of the service's business area



Revenue Increase



- **Increase the number of purchases and value of purchases** via accelerated customer development drivers such as hit products and categories



Revenue Increase



- **Improve gross profit margins** by reviewing and enhancing product lineups
- **Improve procurement efficiency** through collaboration with **Rakuten's first-party businesses**



Margin Improvement



- **Improve delivery efficiencies** through restructuring of logistics networks based on profitability



Cost Reduction



- **Effective use of existing distribution centers** through warehouse usage contract



Cost Reduction

Announcement of Partial Reversal of Deferred Tax Assets

Summary

- Rakuten Group, Inc. recorded a corporate income tax expense related to a reversal of deferred tax assets in our consolidated financial results for FY2023 (IFRS)
- Reversal of deferred tax assets is a non-cash item and thus does not impact the cash flow of Rakuten Group, Inc.

Impact on Financial Results

- **FY2023 Consolidated Financial Statements (IFRS)**
 - ✓ Corporate income tax expense related to the reversal of approximately JPY 73.2 bn in deferred tax assets

No Impact on the Currently Disclosed Guidance

- **The calculated reversal reflects the anticipated timeline** for profitability as disclosed in Q3/23
<*Timeline for achieving profitability in Rakuten Mobile, Inc.*>
 - ✓ Monthly EBITDA breakeven by the end of 2024
 - ✓ Annual EBITDA breakeven in 2025
- **No changes are anticipated** in the timeline for achieving profitability as a result of the partial reversal

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