

キャッシュレス社会にむけた Rakutenの取り組み

2018年11月30日

楽天株式会社

FinTech事業戦略室

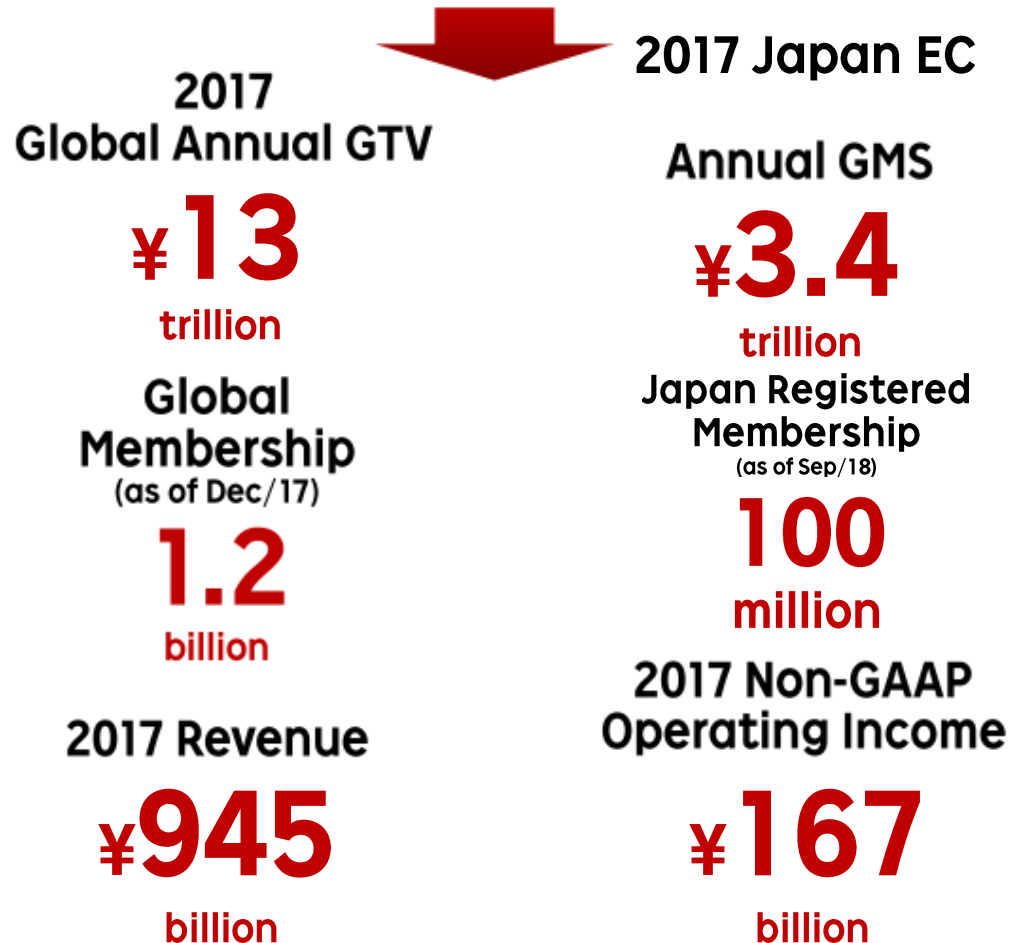
オフィスマネージャー

前川 龍一

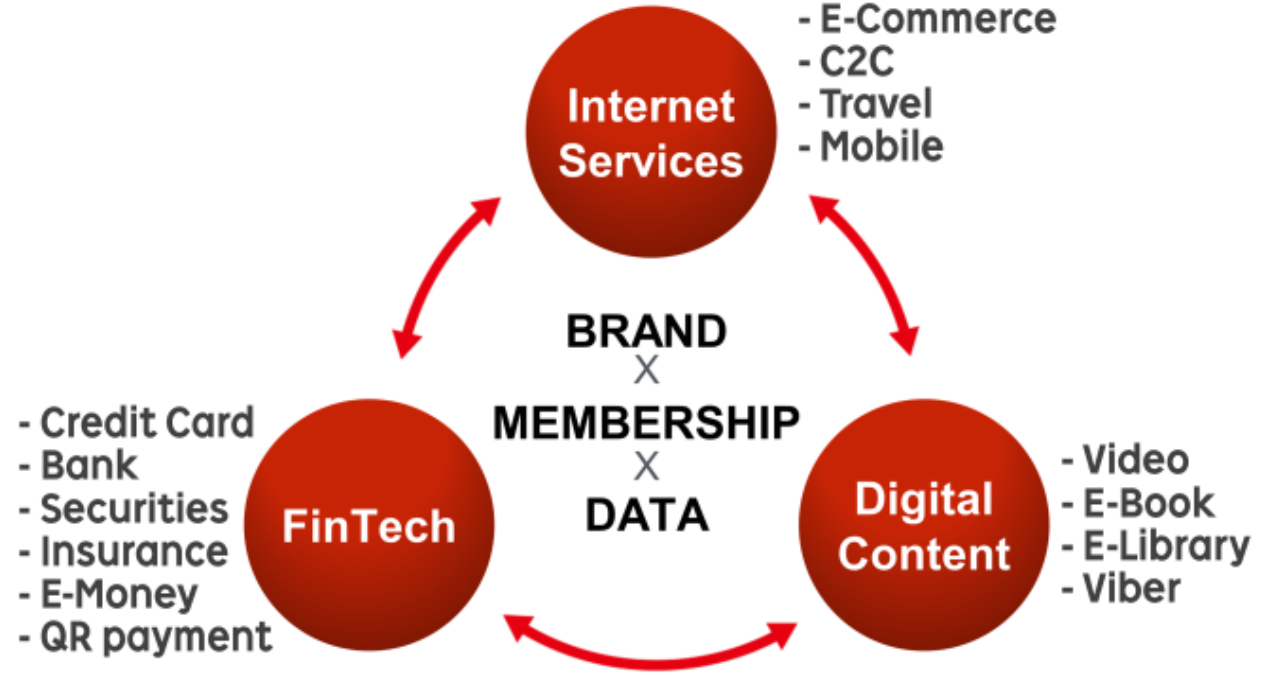
Rakuten Group

Profile

- Founded in **1997** by **2** people
- Rakuten Ichiba Launched with **13** Merchants



Ecosystem

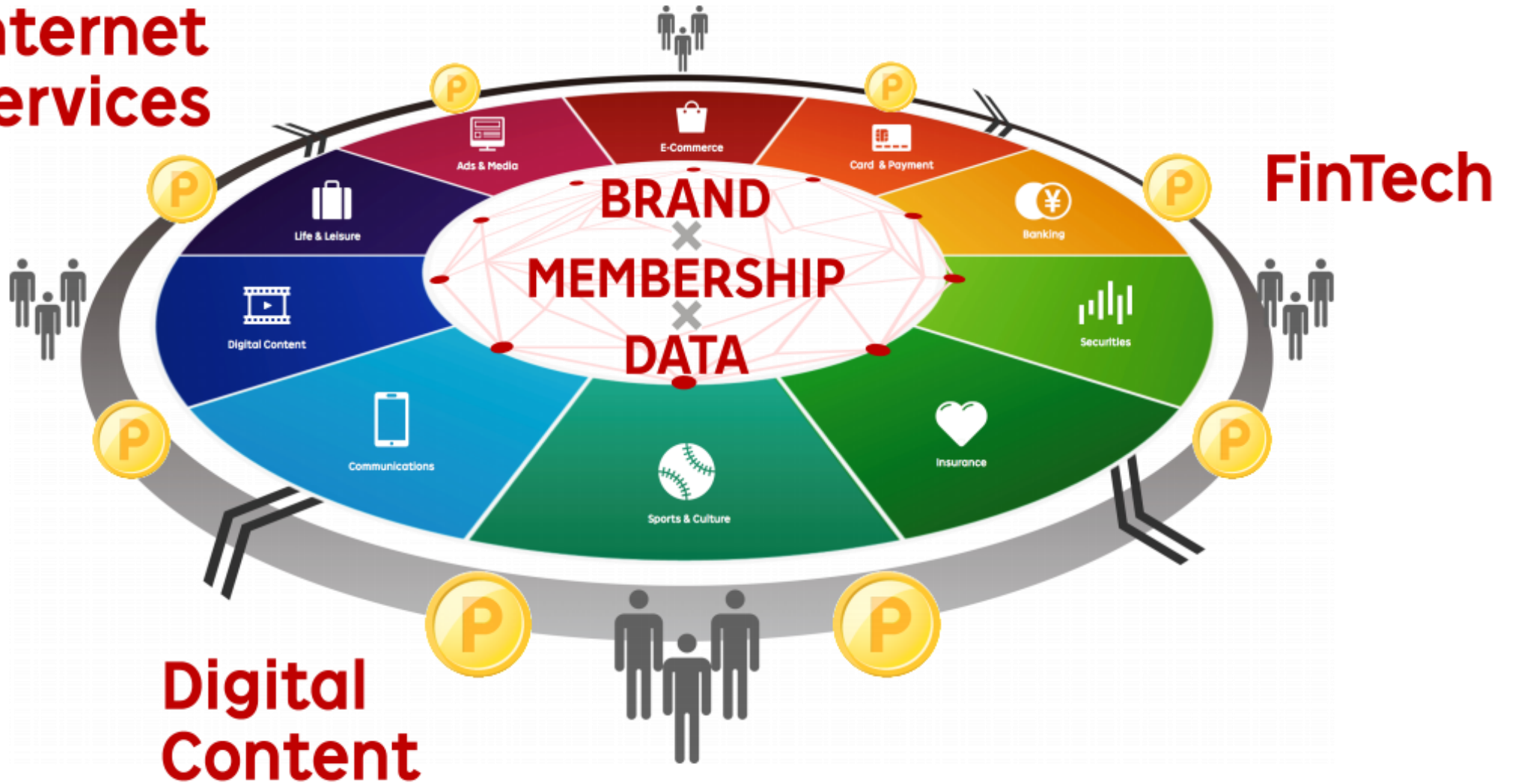


Branding



Rakuten Ecosystem

Internet Services



Service lineup in Fintech


Rakuten User


Corporate

Pay

Card & Payment



Rakuten Card

#1 Credit Card



R

Edy

#1 E-money



R Pay

New
QR Payment APP



mPOS Network

Save/
Borrow

Banking & Lending



Rakuten 楽天銀行

#1 Online Banking



New

P2P Payments

Invest

Investment



Rakuten 楽天証券

#2 Online Broker



New

Point Investment

Prepare

Insurance



Rakuten 楽天生命

Life insurance

Rakuten 楽天損保

(朝日火災)

New

General Insurance








Rakuten

楽天の保険比較
Online Broker

Rakuten

楽天アンセル
Face-to-Face Broker

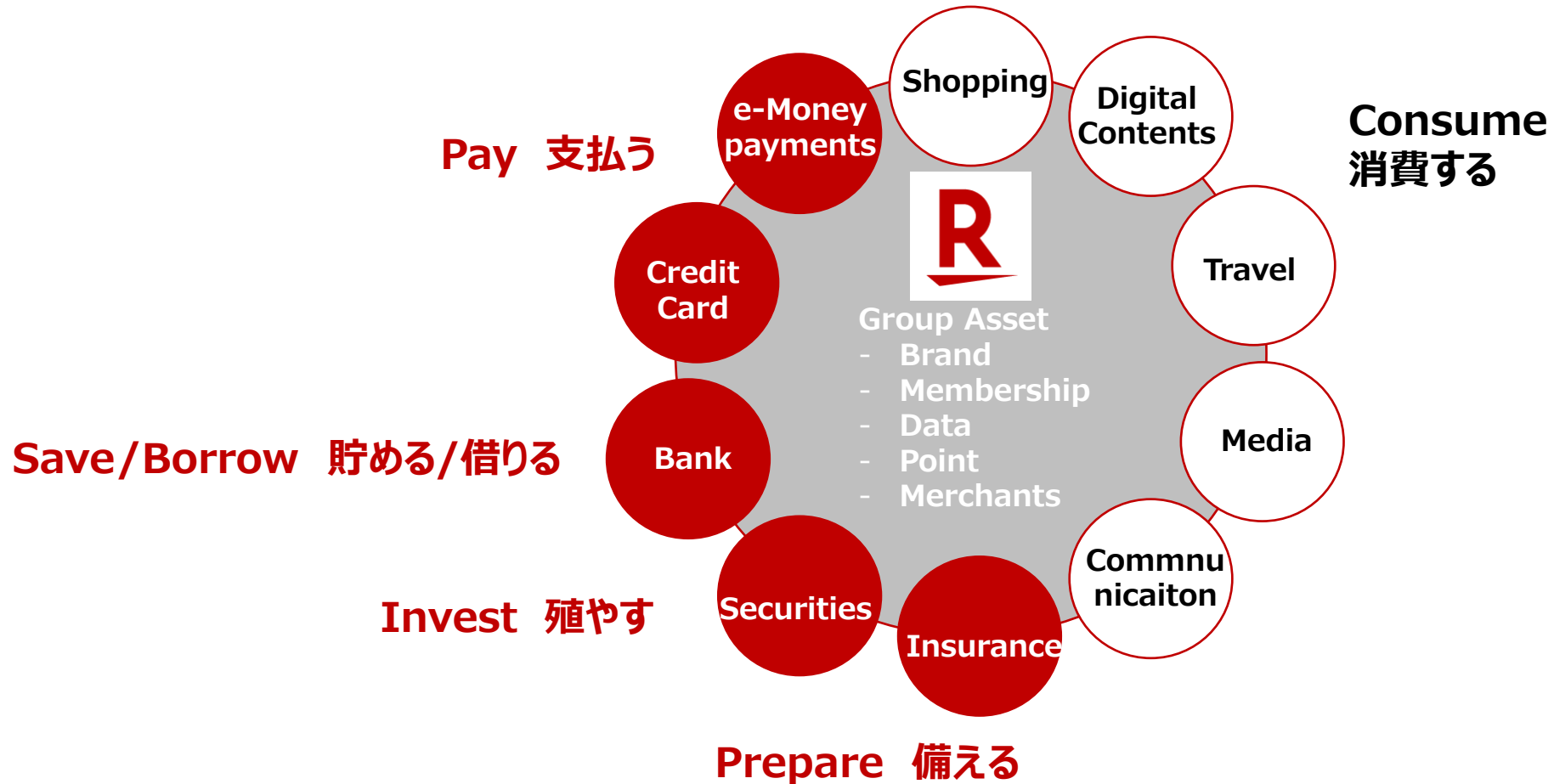
Position in each industry

E-Commerce (GMS in Japan)	Travel Reservation (GMS in Japan)	Internet Securities (Stock Trading Volume)	Credit Card (Shopping GMS ¹)
1 R Ichiba 	1 JTB	1 SBI Securities	1 R Card 
2 Amazon Japan	2 R Travel 	2 R Securities 	2 MUFJ Nicos
3 Yahoo Shopping	3 Kinki Nippon Tourist	3 Matsui Securities	3 SMBC
4 -	4 NTA	4 GMO Click	4 Aeon Financial
5 -	5 ANA	5 Kabu.com	5 Credit Saison
Internet Bank (# of account)	E-Money (# of issues)	Online Golf Reservation (GMS in Japan)	
1 R Bank 	1 R Edy 	1 R GORA 	
2 Aeon Bank	2 Suica (JR East)	2 Golf Digest Online	
3 Japan Net Bank	3 Waon (Aeon)	3 -	
4 SBI sumishin Net Bank	4 Pasma (Rail/Buss Pass)	4 -	

Reference: Fuji Keizai(B2C GMS, 2014), Environment Agency (Domestic GMS, 2014 Jan-Dec), Rakuten disclosed info(online securities stock trading volume, 2014 Apr-2015 Mar; number of internet bank account, 2015 Mar; online golf reservation, 2013 Dec), The Nikkei (E-money # of issues:2014 Apr), SPRING (JCSI (Customer Satisfaction Index) research, 2014), mThink(user survey on affiliate network, 2015)

Role of FinTech services in the Rakuten Ecosystem

Covering variety of user behaviors with broad services



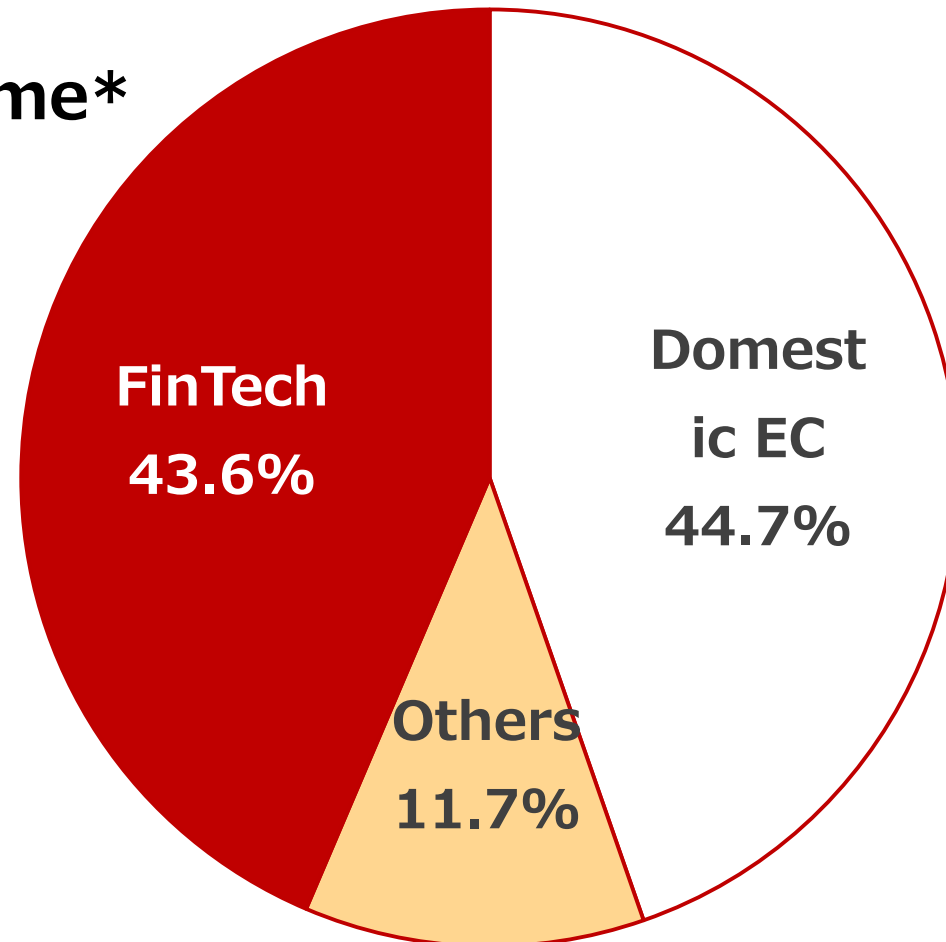
Profit Composition

Domestic EC and FinTech are leading the group

FY 2017 Operating Income*

JPY 167 Billion

YoY +39.6%



Payment

Payment Businesses in Japan

Service

Products

Credit Card



Rakuten Card

#1 Credit Card



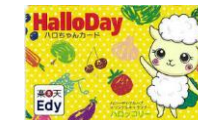
E-money



R
Edy

#1 E-money

Plastic Card



Smartphone App



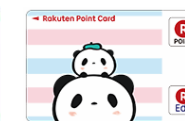
Point Card



R 楽天ポイントカード
POINT

#1 Point Program

Plastic Card



Smartphone App



QR/
Barcode



R Pay

#1 Mobile Payment



New P2P Payments



mPOS Terminal



Rakuten Card

Over 16M Card Users

No.1 Transactions **¥6.1 trillion** GTV

No.1 Customer Satisfaction **9 years** in a row

(Japan Customer Satisfaction Index 2017)



Rakuten Card



Rakuten Gold Card



Rakuten Pink Card



Rakuten Card
YOSHIKIデザイン

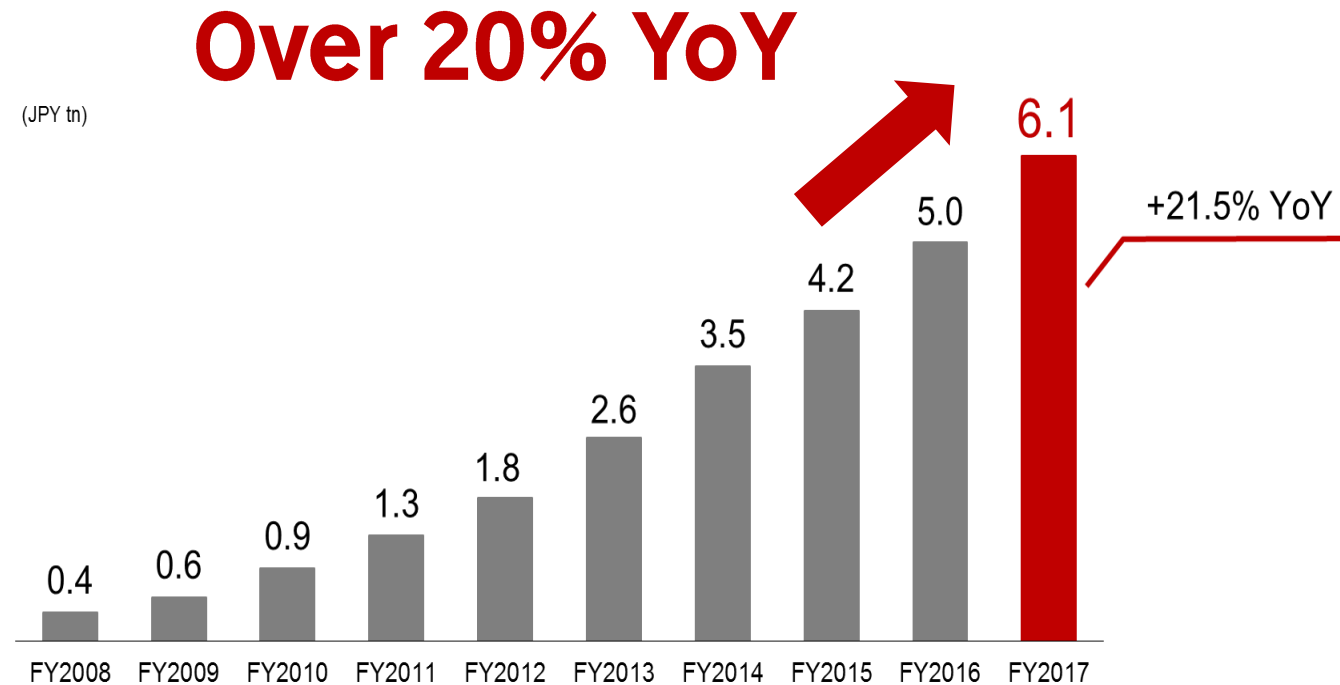
Rakuten Card

Credit Card

Shopping Transaction Volume

1	Rakuten Card	
2	MUFJ Nicos	Largest Bank's Subsidiary
3	SMBC	2 nd Largest Bank's Subsidiary
4	Aeon Financial	2 nd Largest Retailer's Subsidiary
5	Credit Saison	Consumer Finance Company

Rakuten Card Shopping GTV*



* Calculated on a managerial accounting basis

Rakuten Edy

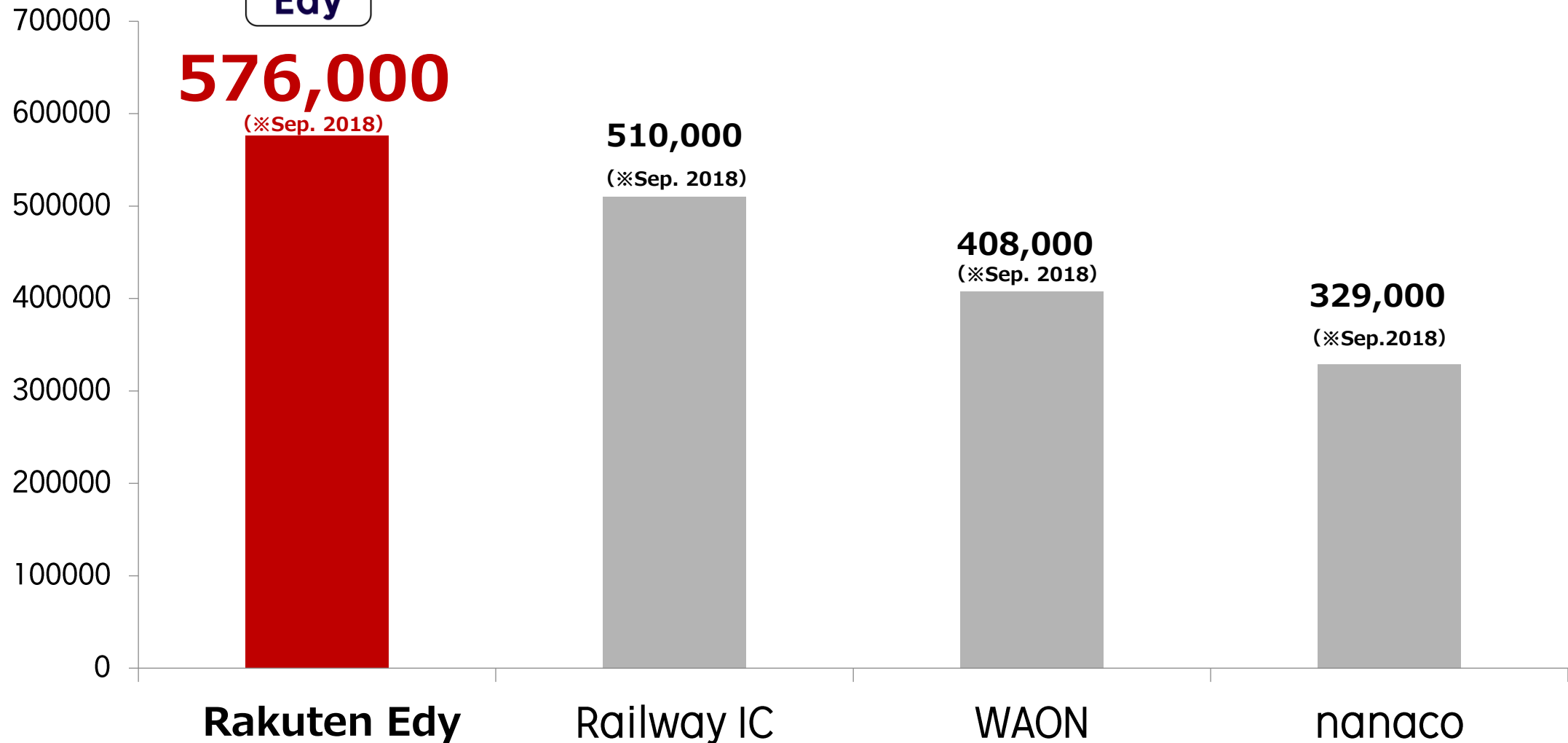
No.1 E-Money Service

No.1 Available locations

No.1 Cards Issued



Rakuten Edy (Number of locations)



Rakuten Point

No.1 Point Service



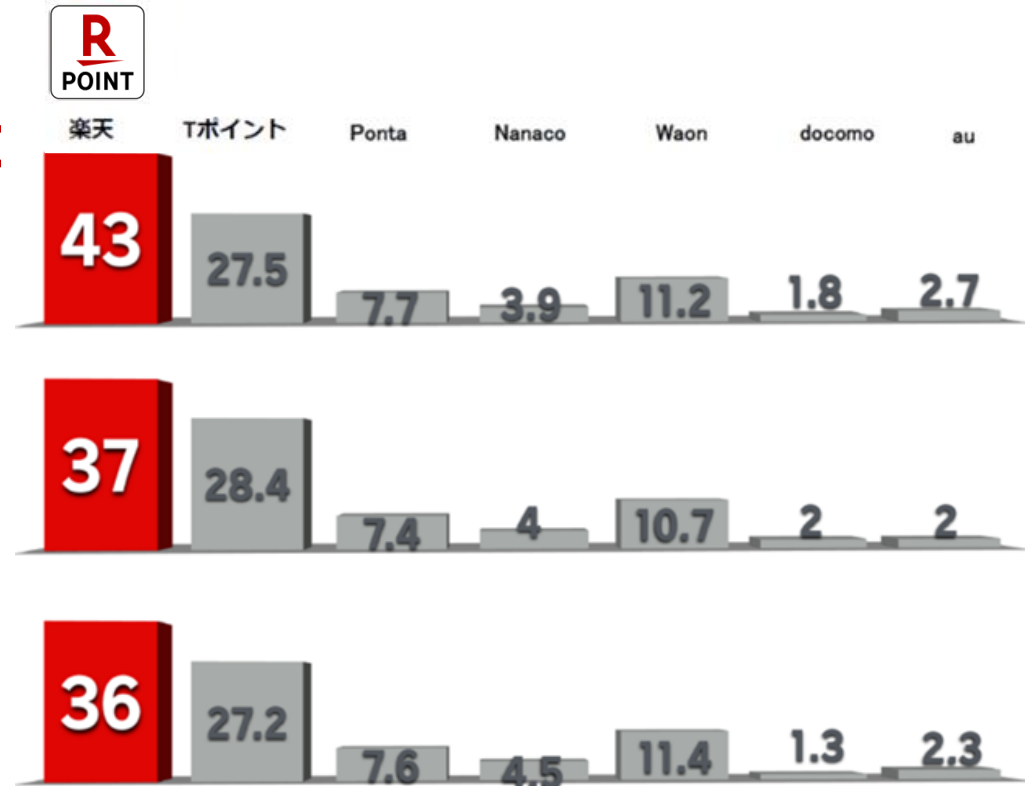
Points I received the most



Points I want to earn the most



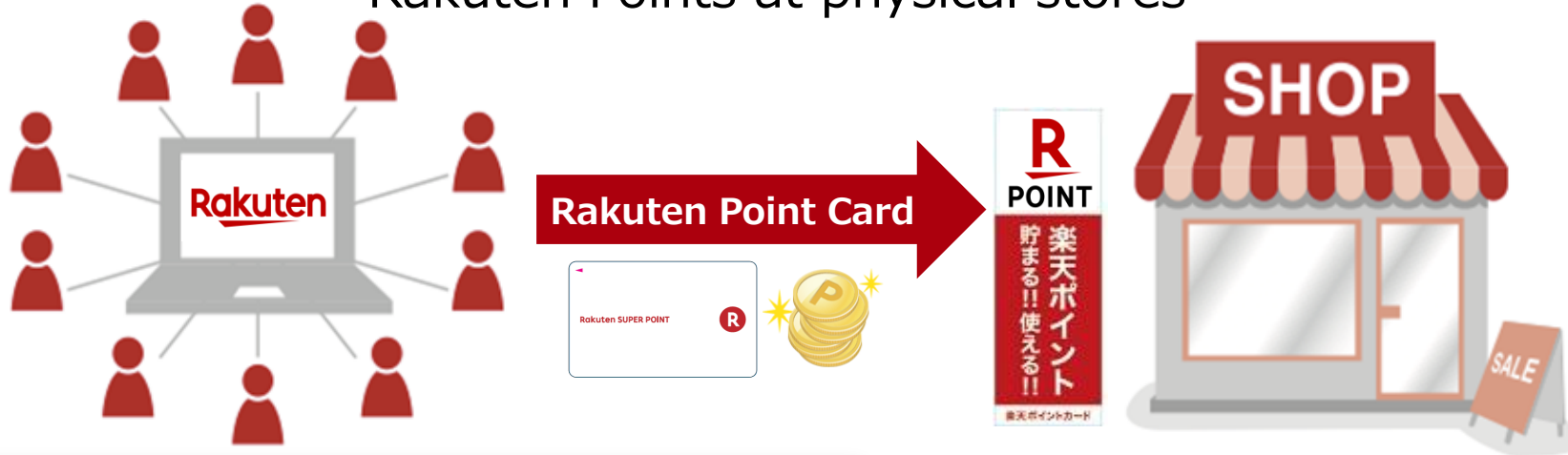
Points I am most happy to receive



Source: MyVoice Communication, Inc. Internet survey on points, N=600, January 27-29, 2016

Rakuten Point Card

Attracts potential members by allowing users to “earn & use” Rakuten Points at physical stores



Rakuten Point Card

Rakuten Point Card app

20 million App downloads

Rakuten Card with Point function

16 million Rakuten Card members

■ Earn Rakuten Super Points

earn 1p / ¥100

■ Pay by Rakuten Super Points

1p = ¥1

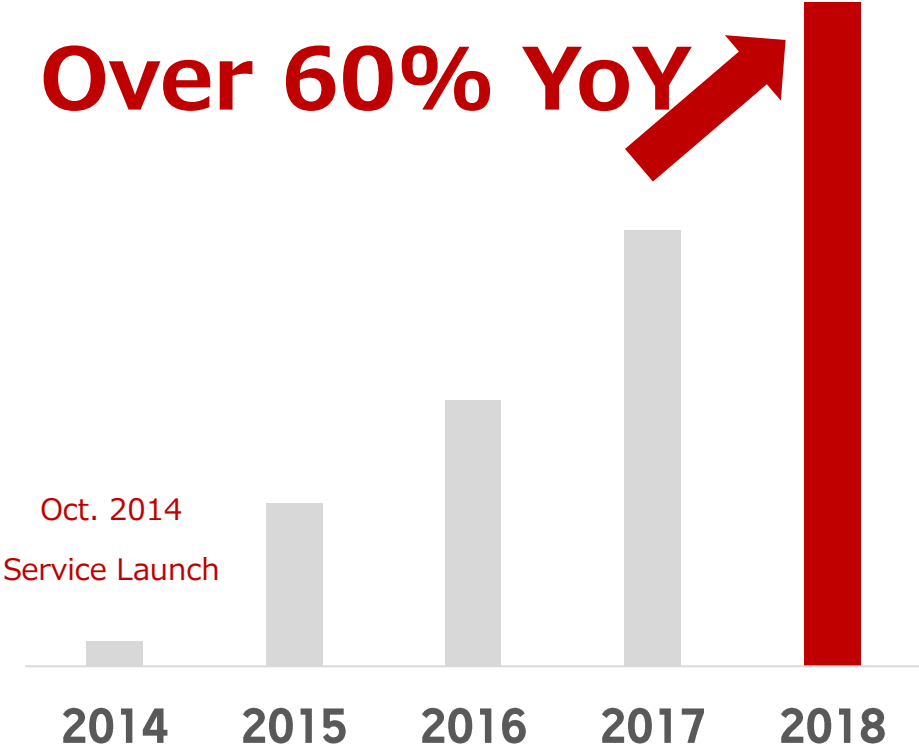
ポイントで支払います!

Rakuten Point Card

Merchant network and its transaction are growing rapidly.

Rakuten Point Card YoY Growth

<ul style="list-style-type: none"> ●カフェ、飲食店 	<ul style="list-style-type: none"> ●スーパーマーケット 	<ul style="list-style-type: none"> ●コンビニエンスストア
<ul style="list-style-type: none"> ●ドラッグストア 	<ul style="list-style-type: none"> ●ガソリンスタンド・エネルギー 	
<ul style="list-style-type: none"> ●百貨店 		
<ul style="list-style-type: none"> ●その他ショッピング 	<ul style="list-style-type: none"> ●サービス 	



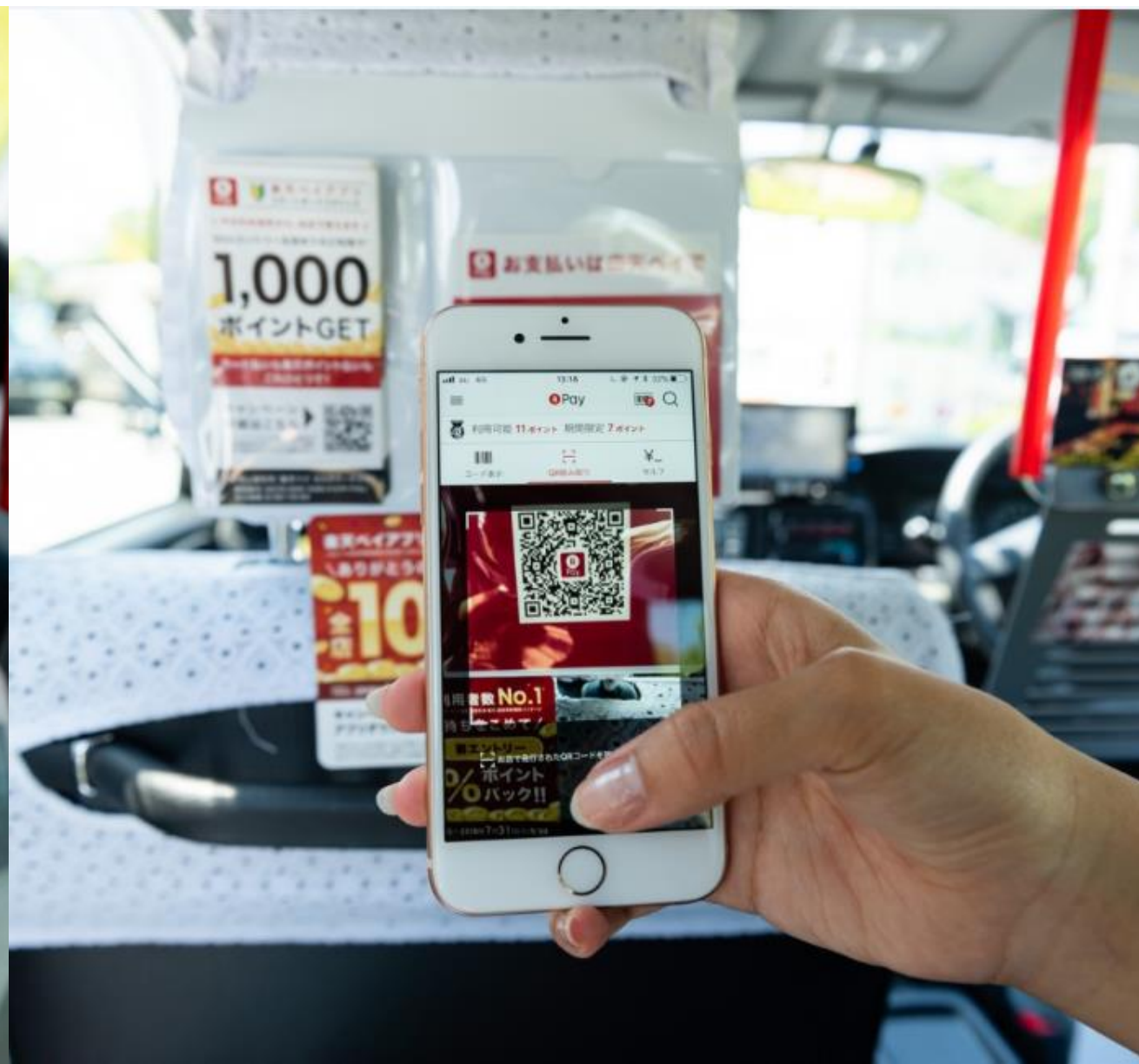
Rakuten Pay

R Pay



Available on the
App Store

Payment with QR code printout

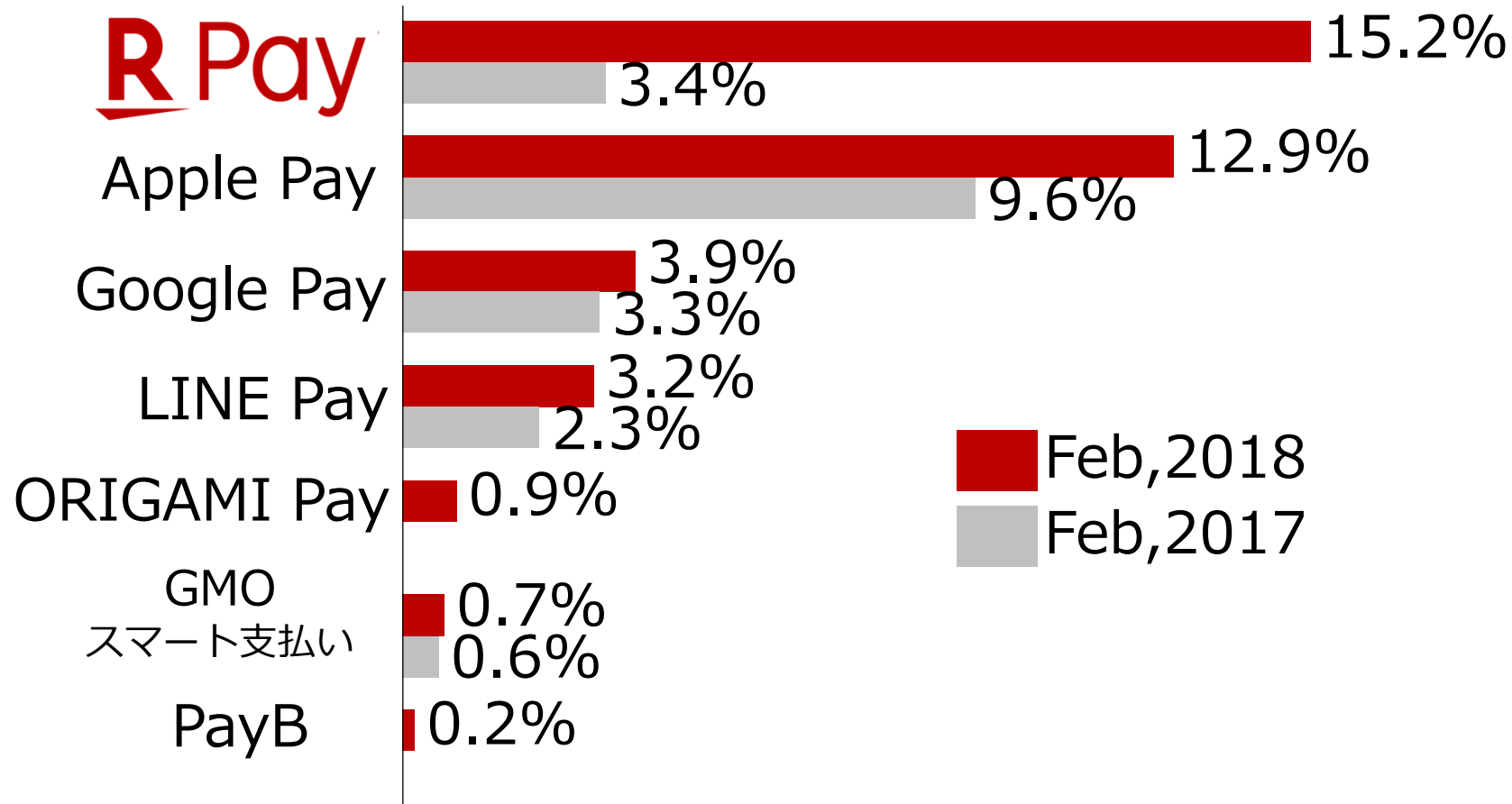


Rakuten Pay (Payment service at physical stores)

- Most popular mPOS service in Japan
- Also supports e-money payments (Type A/B)



Survey: “Mobile payment apps used within the past year?”



Source: MyVoice Communications, Inc. (n=10,674)

Q: “Which mobile payment service you used within past year?(Multiple Choice)”

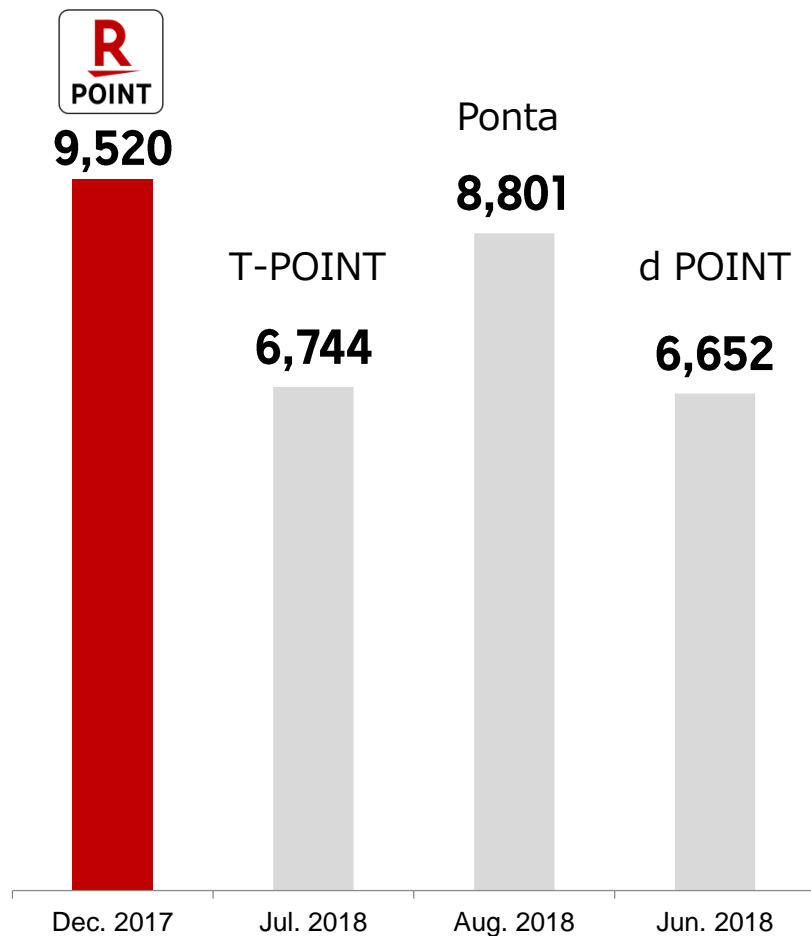
Key elements for Payment

Key Success Factors for Payment Industry



① Rakuten ID

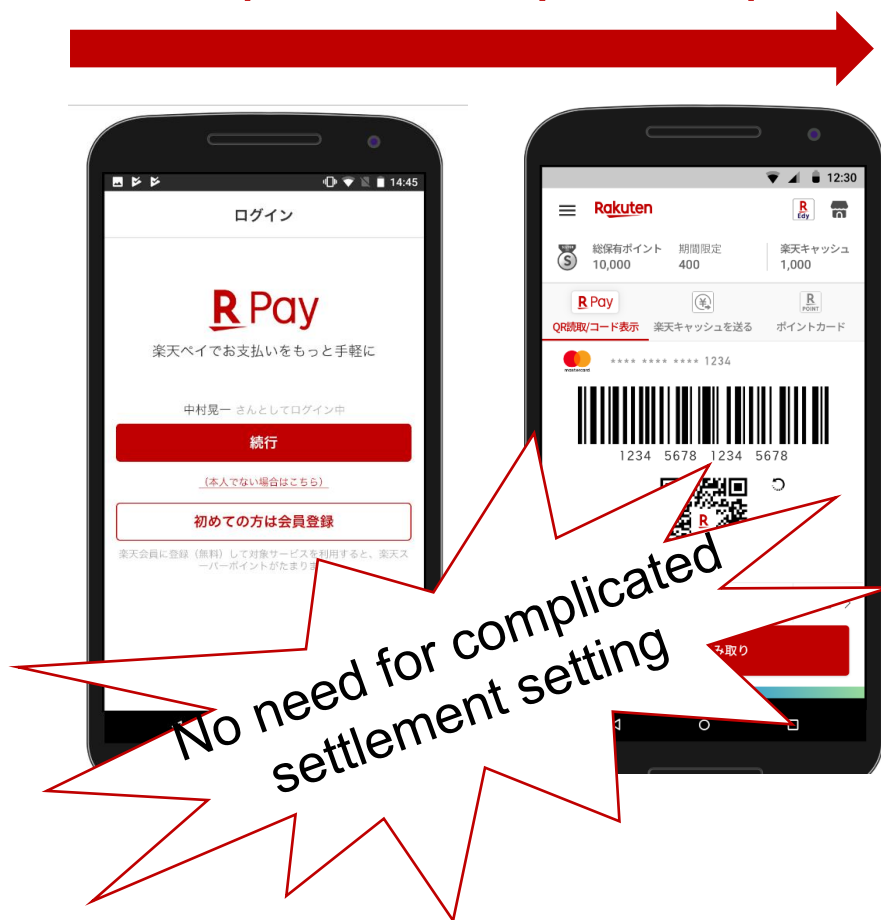
■ Unique ID (unit: 10K)



- ※T-Point = Unique
- ※Ponta = Not unique
- ※d-point = Figure in 2018 Q1 IR
- ※Rakuten = Figure in 2017 Q4 IR

- Customers can easily link to credit card info. set for Rakuten ID for usual shopping by login.

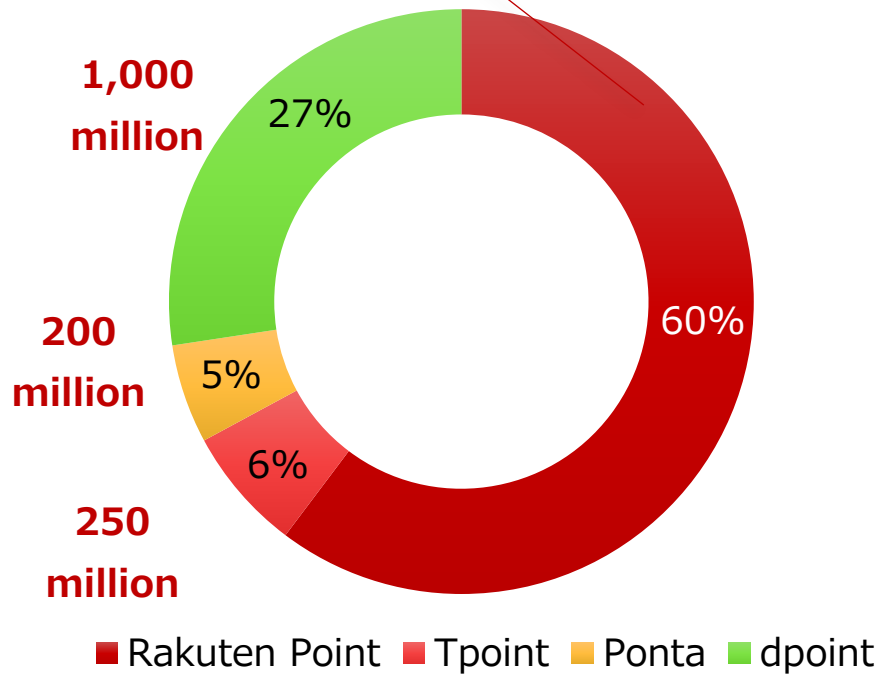
Simple & Easy 2 steps



② Rakuten Point

■ Amount of point issued

\$ 2,200 million



※T point Estimate of 3rd party
 ※Ponta Estimate of 3rd party
 ※d point March. 2018 Nikkei release
 ※Rakuten actual figure of 2017

No.1 Point Service



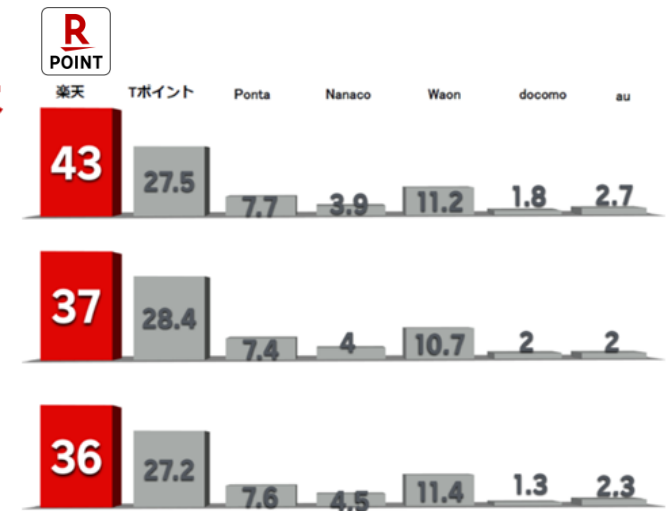
Points I received the most



Points I want to earn the most



Points I am most happy to receive



③ Rakuten Payment Network Members

Direct contracts with **over 1.2m locations**



Definition of locations:

- Locations with merchant contracts for Rakuten Card, Rakuten Edy, Rakuten Point Card, and/or Rakuten Pay
- Stores using multiple service contracts are counted as one
- Rakuten Pay, Rakuten Point Card, Rakuten Edy as of Jun/e 2018, Rakuten Card as of July 2018

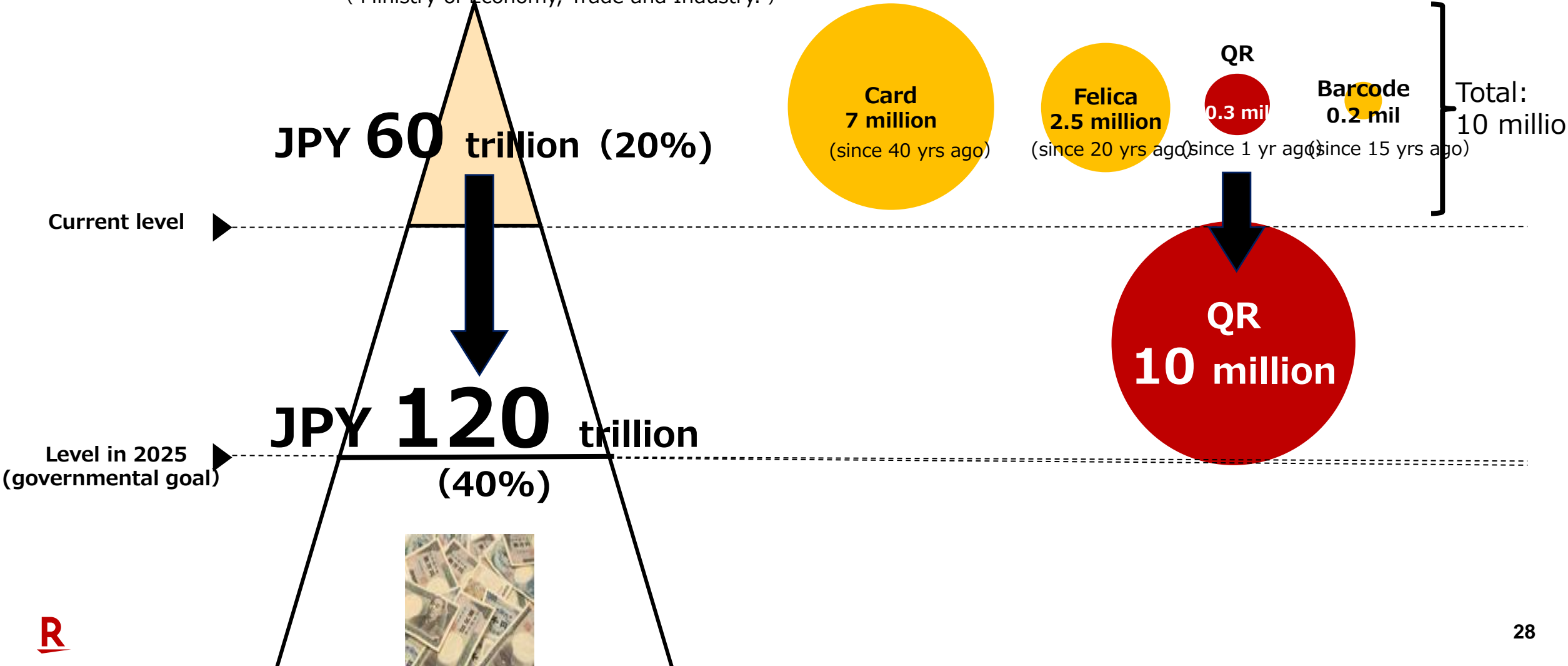
Future strategy

Government policy to double cashless payment penetration by 2025 supports growth in QR payment

total amount of cashless payment

number of stores that accept cashless payment

(Ministry of Economy, Trade and Industry.)



Controversial discussion “Which is better?”



VS



Rakuten decided to choose “POINT” in 2002 because POINT has 7 advanced features than cash discount.

7 advanced features of POINT program

1. Marketing impact

2. Flexibility

3. Visualization

4. Differentiation

5. Lead marketing

6. Retention

7. Deep understanding of customers

By understanding our customers, we can provide well-thought-out OMOTENASHI marketing

(きめ細やかなおもてなしマーケティング)

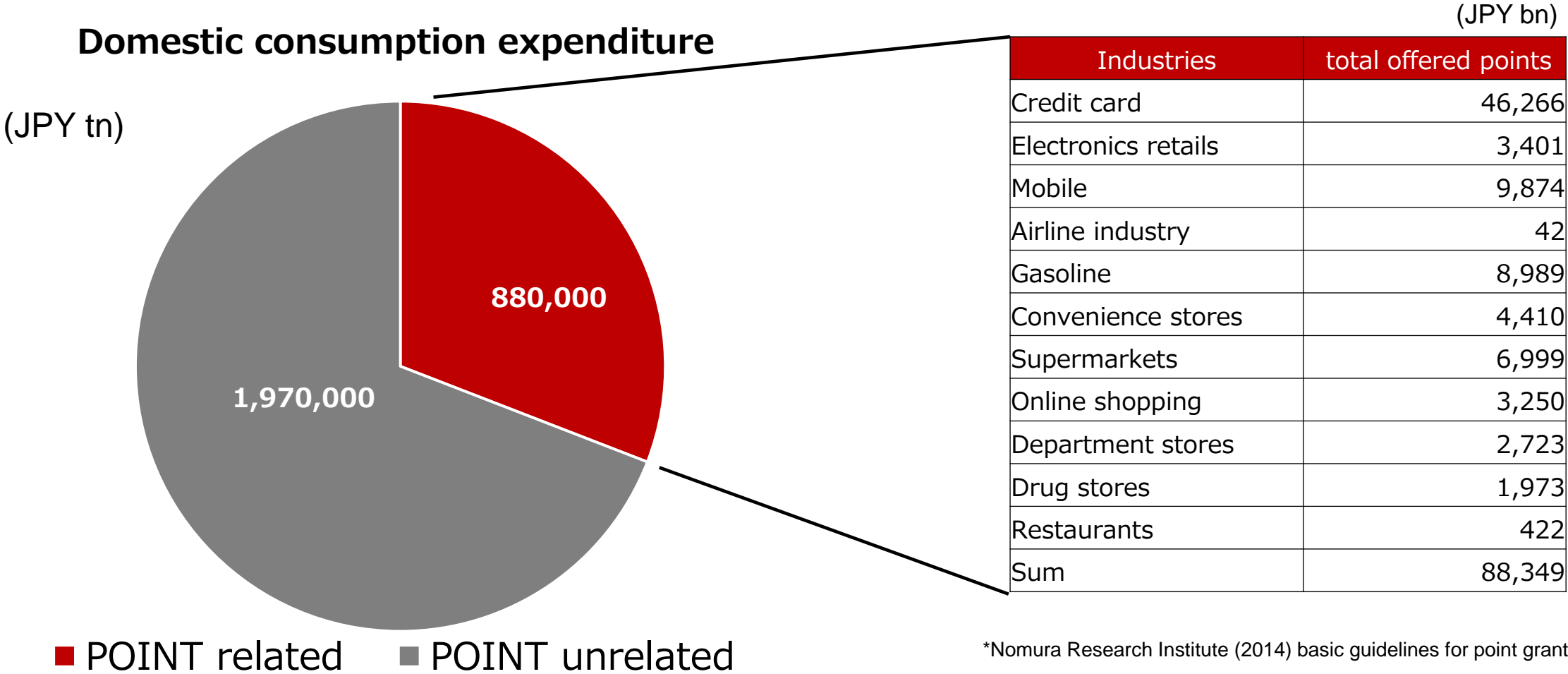


- "Ladies in 50s Only Sale" "Rainy Day, Ladies Day Sale" "Point 2x" Campaign
- "Birthday Month Special" "First Time Visit" "Point 2x" Coupon
- "Males live in Kansai area" "Hair Removal Special" "Point 2x" Roulette

⇔ Just discount sale
Ex. "10% discount sale"

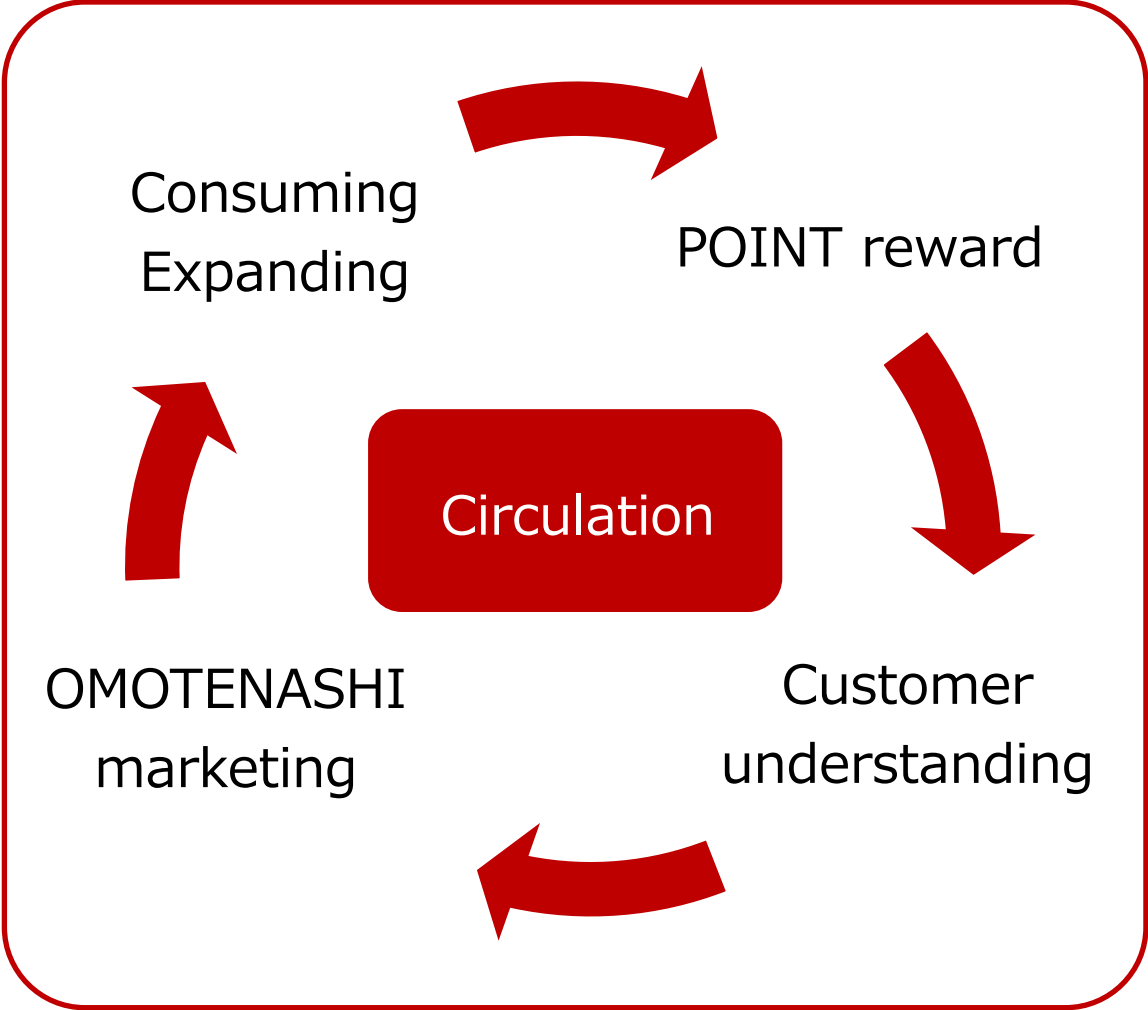
1/3 of Japanese consuming market transaction is covered by POINT related payment.

Japan is the most POINT penetrated country.



*Nomura Research Institute (2014) basic guidelines for point granting

We can realize well-thought-out OMOTENASHI marketing in cashless society by utilizing POINT program



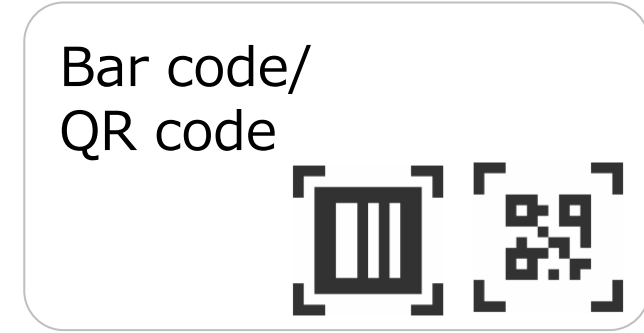
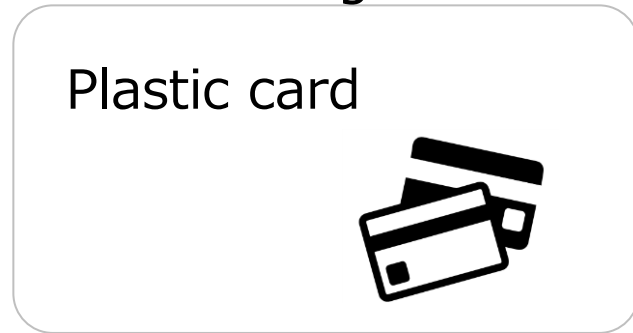
**Need to secure
a certain level of fee**

**Need to create
healthy circulation**

Competitive landscape of Payment Market

Current : Limited competition/ Competition of each payment method

Payment Technologies



Products

Card

**Rakuten
Card**

MUFJ
Nicos

GMS No.1!

E-Money



Suica WAON

Issues No.1!

QR Pay

R Pay ORIGAMI
Pay

GMS No.1!

Point



T-POINT
d POINT

Issues No.1!

Rakuten Payment Platform Concept

R Pay



Easy Step Using Rakuten ID



Various Payment Solutions



P2P Money Transfer to be implemented



Next generation solutions

Independent payment service



Comprehensive payment solution

Service lineup in Fintech


Rakuten User


Corporate

Pay

Card & Payment

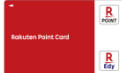


Rakuten Card

#1 Credit Card



#1 E-money



R Pay

New
QR Payment APP



mPOS Network

Save/
Borrow

Banking & Lending



Rakuten 楽天銀行

#1 Online Banking



New
P2P Payments

Invest

Investment



Rakuten 楽天証券

#2 Online Broker



New
Point Investment

Prepare Insurance



Rakuten 楽天生命

Life insurance

Rakuten 楽天損保

New
(朝日火災)
General Insurance

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楽天アンセル
Face-to-Face Broker



*Applicable to Japan only 37

Q3/2018 FinTech Results Summary

(JPY Bn)

	Revenue	YoY	Operating Income	YoY
Card	47.5	+16.4%	8.7	+12.3%
Bank	20.9	+9.7%	6.6	+22.8%
Securities	14.6	+18.0%	5.2	+16.5%
Life Insurance	7.5	-6.7%	1.0	+98.9%
Others	4.6	+35.3%	-0.1	-0.02
FinTech Total excl. General Insurance	95.2	+13.7%	21.3	+18.8%
General Insurance	12.3	-	-5.1	-

Accelerate growth of Asset Biz. with Point Program & ID

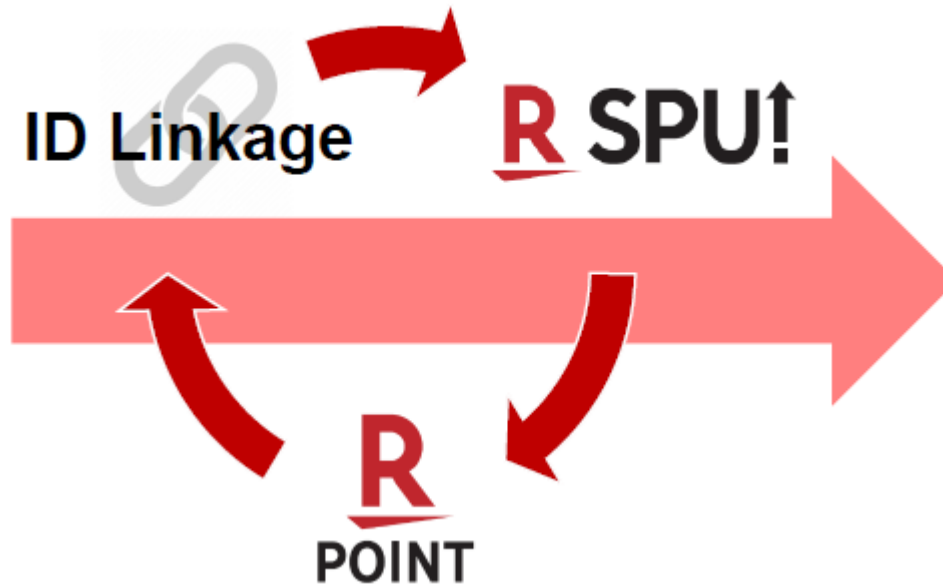
Attract customers via the Rakuten Ecosystem and accelerate cross-use by the point program. Furthermore, creates a seamless UX by ID linkage, contributing to asset growth.

Using Rakuten service

Online usage



Offline usage



Accelerate Cross-use Expand Asset business

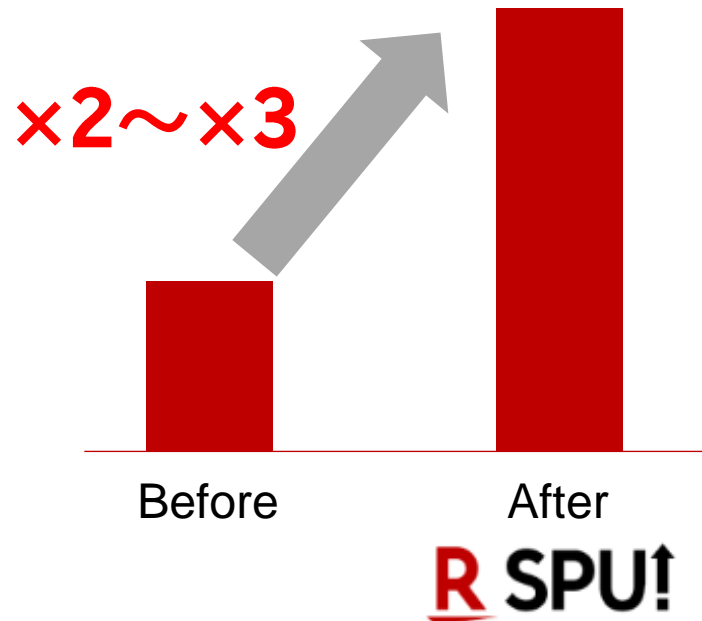


Membership Growth with SPU program

of new accounts opened through other Rakuten services grew dramatically after joining SPU Program

Rakuten 楽天銀行 *Bank

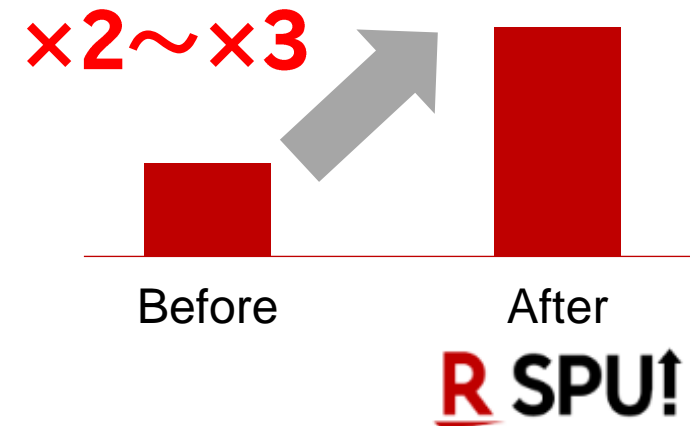
New accounts opened via Rakuten Group



1x point* if Rakuten Card is linked to Rakuten Bank

Rakuten 楽天証券 *Securities

New accounts opened via Rakuten Group



1x point* for investments in Rakuten Securities using points

Providing total solution for merchants

Our various business support services empower merchants in the ecosystem

Rakuten Card

Financial support through business loan

楽天スーパービジネスローンのご案内

楽天市場出店店舗様向けローン

**楽天スーパー
ビジネスローン**

ご利用可能枠 50万円~3,000万円 実質年率 3.0%~15.0%

特長1
最短数日でのご回答

特長2
来店不要、保証人・担保不要
※ただし、法人の場合は代表者様の
ご印鑑およびご署名が必要となります。

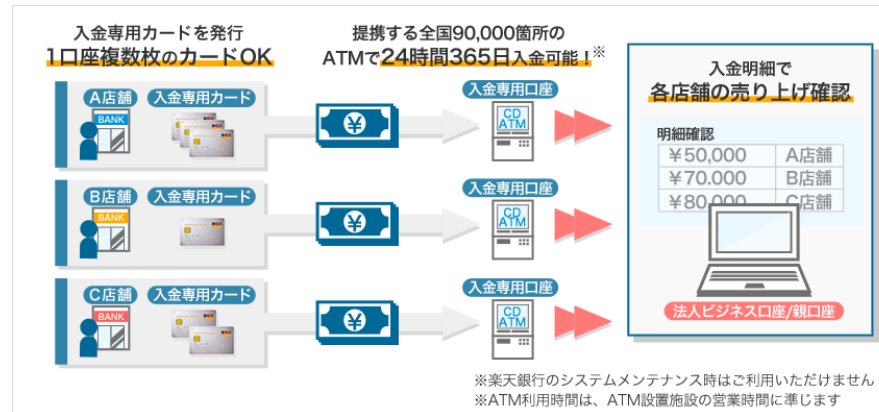
特長3
法人または個人事業主の方が
お申し込みいただけます。



<https://www.rakuten-card.co.jp/p/bizloan/>

Rakuten 楽天銀行

Various business account services for reducing operation cost



Rakuten 楽天生命

Affordable group insurance

楽天みんなの 超割引保険

楽天グループ関係者限定の特別価格

死亡・高度障害に備える保険

通常保険料

↓

楽天グループ向け保険料

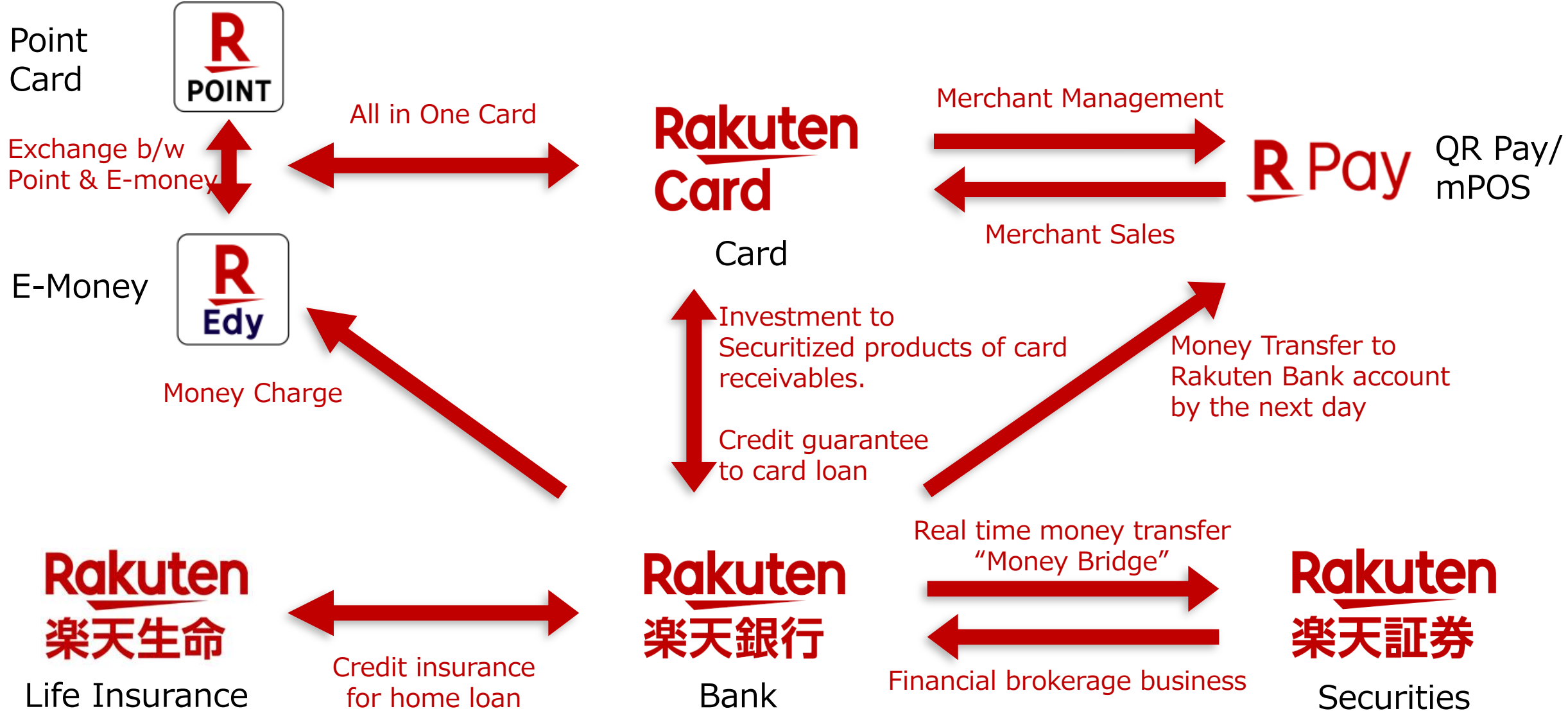
健康診断書不要

不要

保険期間1年 80歳まで保障

申込: 69歳まで
保障: 80歳まで

Strong Relationship b/w each Fin Tech services



Rakuten

The Rakuten logo consists of the word "Rakuten" in a bold, red, sans-serif font. A red horizontal line is positioned below the text, starting under the 'a' and ending under the 'n', with a slight upward curve at the right end.