Rakuten - Financing Fintech Startups
Agenda

1. Rakuten Ecosystem & Financial Services
2. What is FinTech
3. Rakuten FinTech Fund
Rakuten Ecosystem

Over 70 Group Services for 106M Members
Agenda

1. Rakuten Ecosystem & Financial Services
2. What is FinTech
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What is FinTech?

- FinTech = Software to provide financial services OR process transactions within non-financial products and services
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Rakuten Launched 100 million USD global FinTech Fund

Corporate venture capital fund to focus on emerging financial technologies

LONDON AND TOKYO, November 12, 2015 – Rakuten, Inc. (TOKYO:4755) today announced the official launch of the Rakuten FinTech Fund, a new US$100 million global investment fund focused on investments in disruptive early to mid-stage fintech startups that offer attractive return potential with strategic relevance. The fund will target investments in startups and growth companies primarily in the U.S. and Europe and build on the success of previous fintech investments made by Rakuten, including Currency Cloud, WePay and Bitnet.
Investment Strategy

- Portfolio: Currently 6 Companies
- Target geography: Global
- Target stage: Series B to D (not limited to)
- Ticket size: $1-5 MM (not limited to)
- Large addressable market
- Disrupting services, pricing
- Solid management team
- Potential Rakuten synergy

Target Sectors:
- Payments
- FX
- Lending
- Remittances
- Asset Management
- Digital Currencies
- Insurance
- Cybersecurity
FinTech Fund Recap

- Positioning of Rakuten as Japan’s FinTech Champion
Fintech Startups - Key Points for Investors to consider

- What problem does the tech solve?

- Knowledge of Regulation
  - Does the Startup understand it?
  - Are they compliant?

- Customer Onboarding process
  - What data is required?
  - How long will it take?

- Uniqueness of the Opportunity
Taking Investment - Questions for Startups to consider

- What are the terms of the funding?

- What control are we giving away?

- How can the investor/s help our company develop?

- Will investor interests conflict with ours in future?

- Could we get the money another (better) way?

- How much do we need?
FinTech Are Disrupting Traditional Lending Models

- Disruption across financial services landscape gaining momentum in traditional lending
- Similar disruptive trends in other financial services subsectors

### Traditional Banking
- Online Loans
  - OnDeck
  - Biz2Credit
  - Kabbage

### Consumer Lending
- Crowdfunding
  - Crowdfunder
  - Fundable

- Key Customer Loans
  - PayPal
  - Amazon Lending
  - eBay

- Merchant Cash Advances
  - Capital Access Network, Inc.

- P2B Lending
  - Lending Club
  - Prosper
  - Funding Circle

- Dynamic Discounting
  - taulia
  - TradeShift

- Factoring Arrangements
  - FastPay
  - Receivables Exchange

- Revenue Based Financing
  - Lighter Capital

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Thank You