

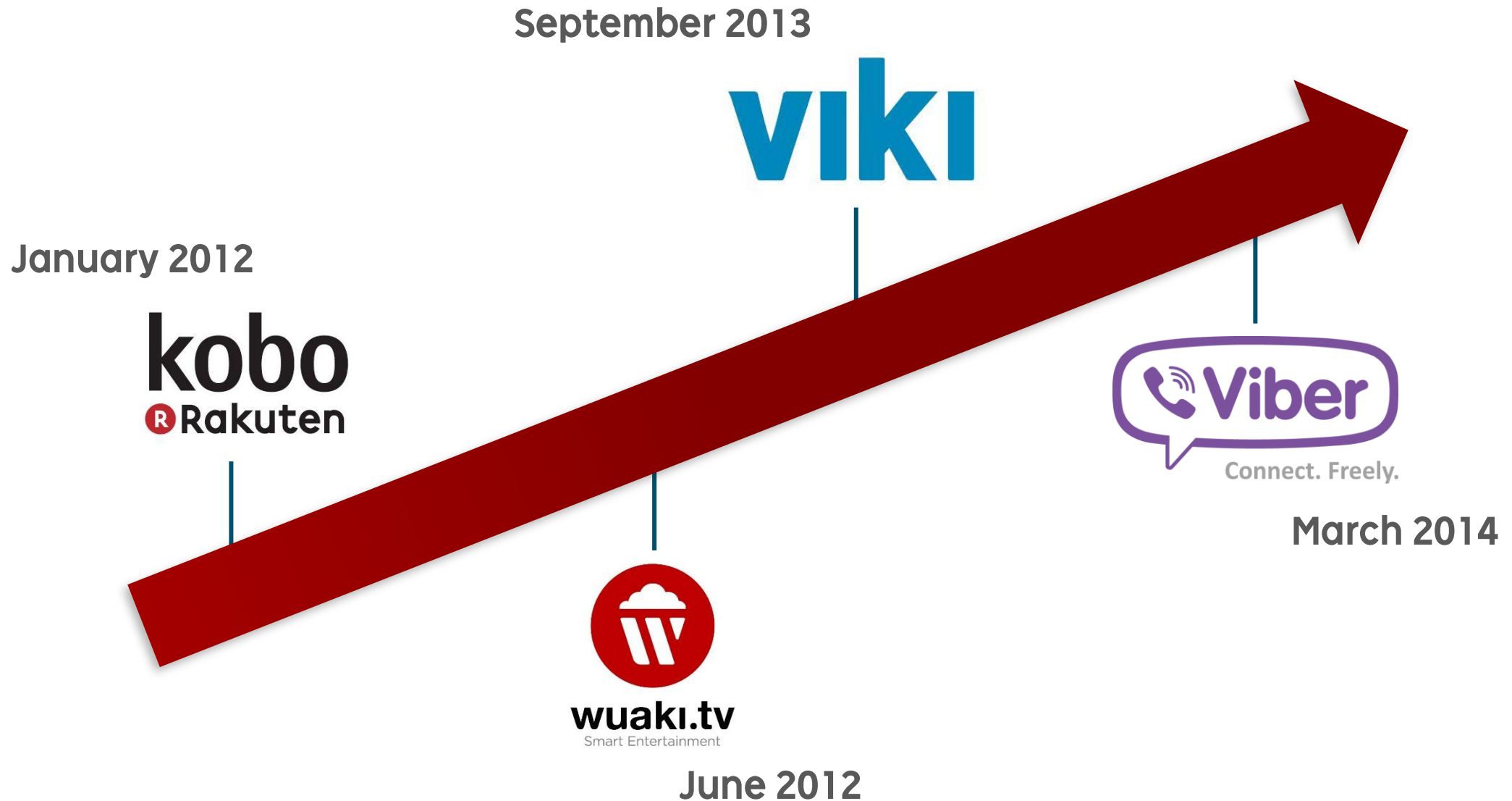


# **Press Conference**

**On Strategy for Digital Content Business**

**March 19, 2015**

# Rakuten's Major Milestones in Digital Content



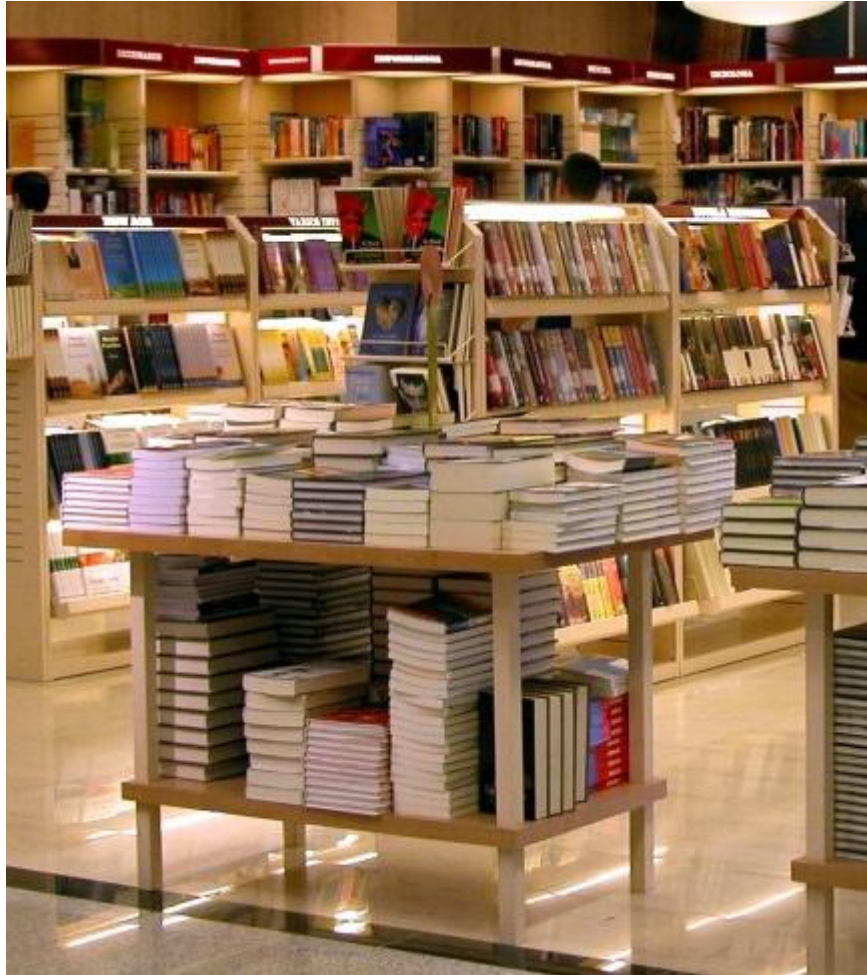
***Our corporate mission is to empower  
people and society through the  
Internet***

***By empowering human connections, the  
sharing economy is going to fundamentally  
transform the service industry***

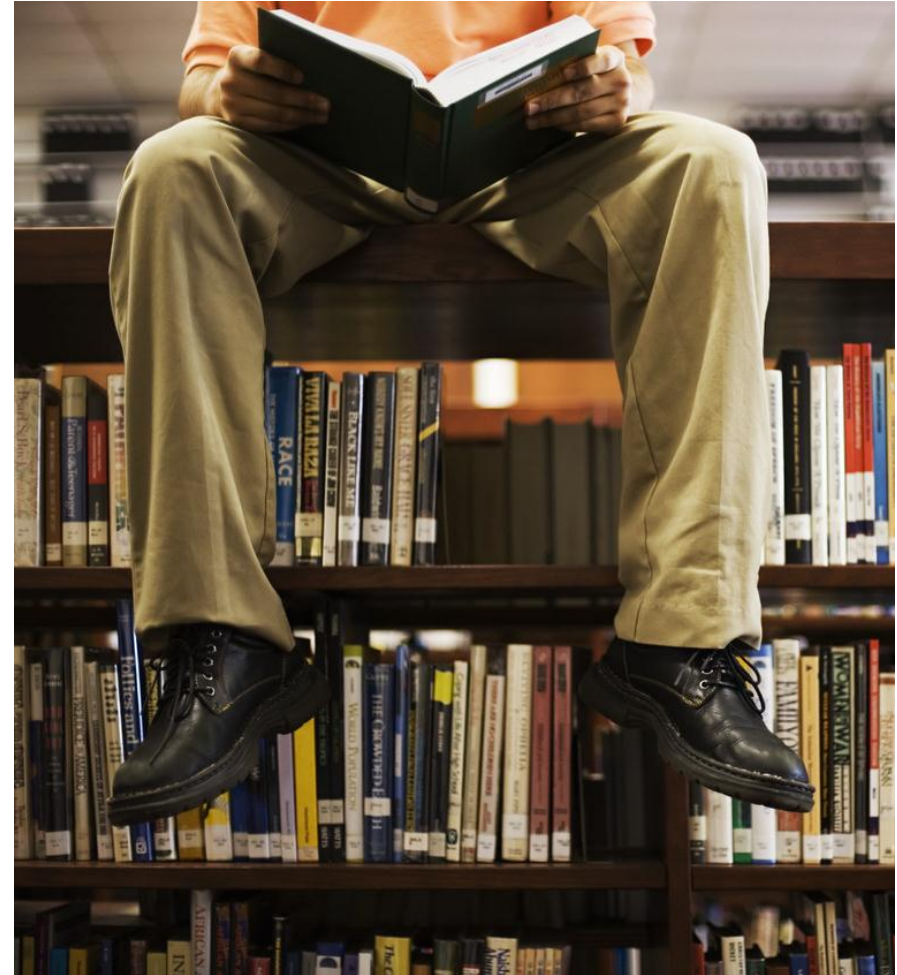
***Rakuten will empower people who want  
to read and learn.***

# How do people traditionally get books?

## Bookstores



## Libraries





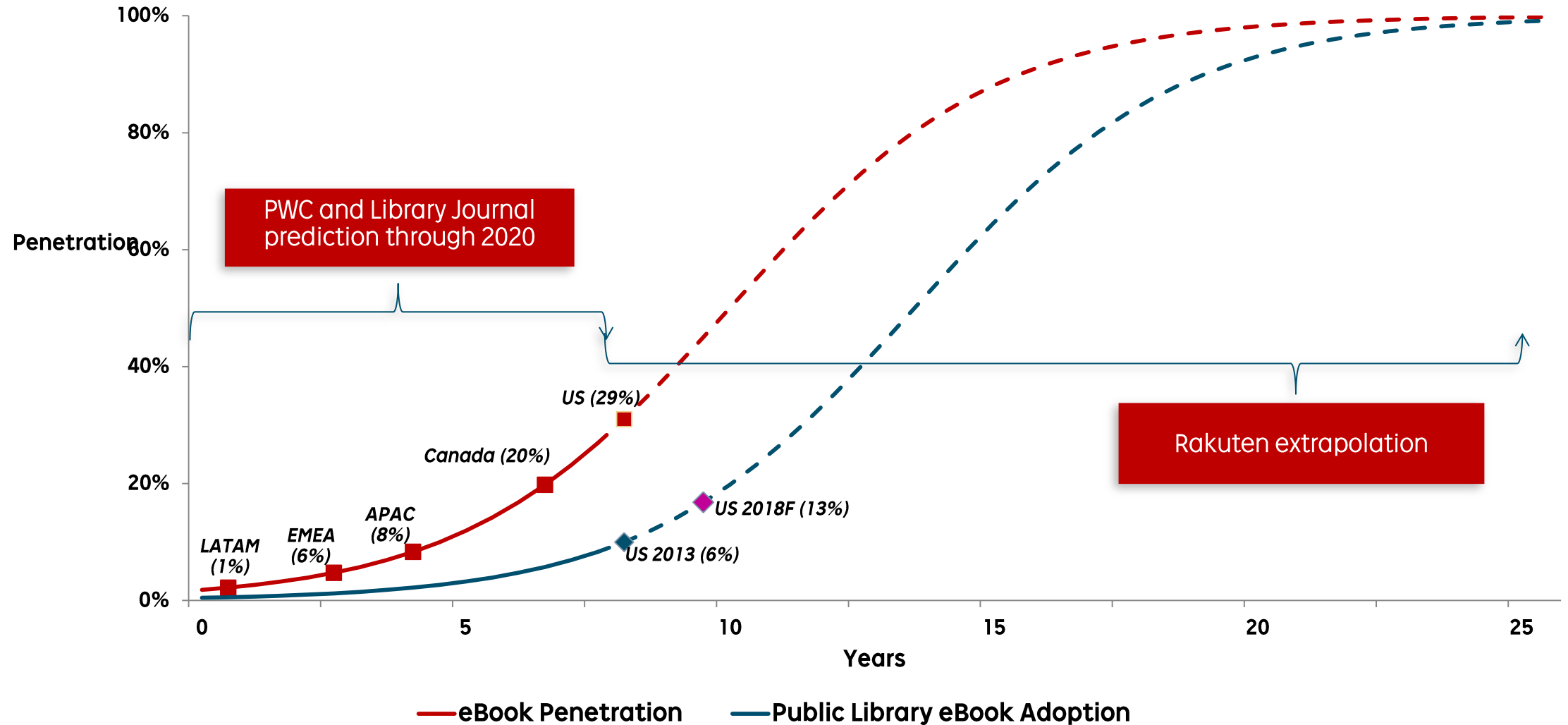
# That model is changing

Get **instant access** to Kobo's  
**24/7 eBookstore** with  
millions of bestselling titles

**Borrow** eBooks, audiobooks,  
and more from your local public  
library - **anywhere, anytime**



# We are still in the early years of the 25 year digital book transformation



***Our aim is to lead the **global**  
transformation in eReading and inspire  
people to read more - anytime, anywhere,  
on any device, either by buying or  
borrowing - with a great collection  
of digital content***

How do we do this?

 **Rakuten**



*OverDrive<sup>®</sup>*



# OverDrive delivers digital content to:

## Libraries



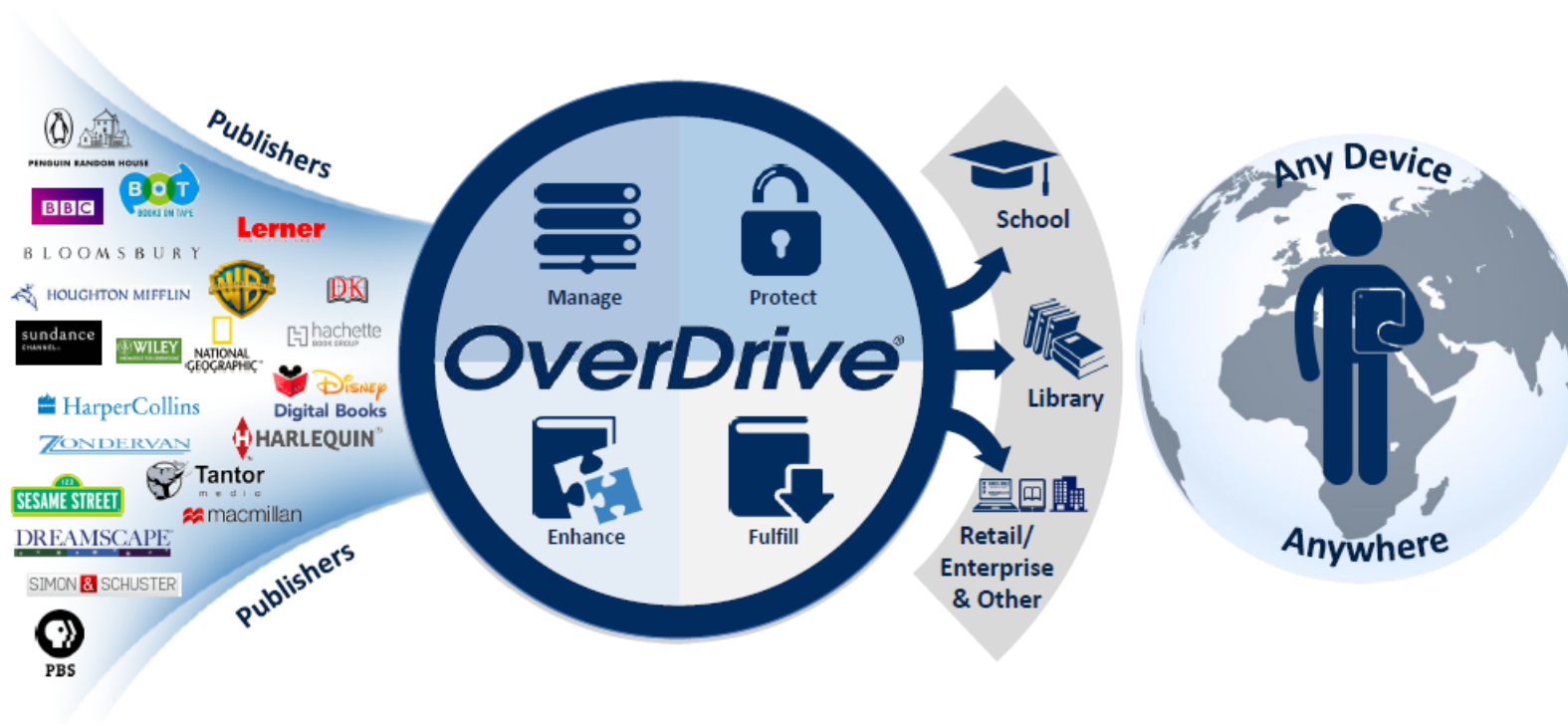
## Schools and Universities



## Retailers and Enterprises

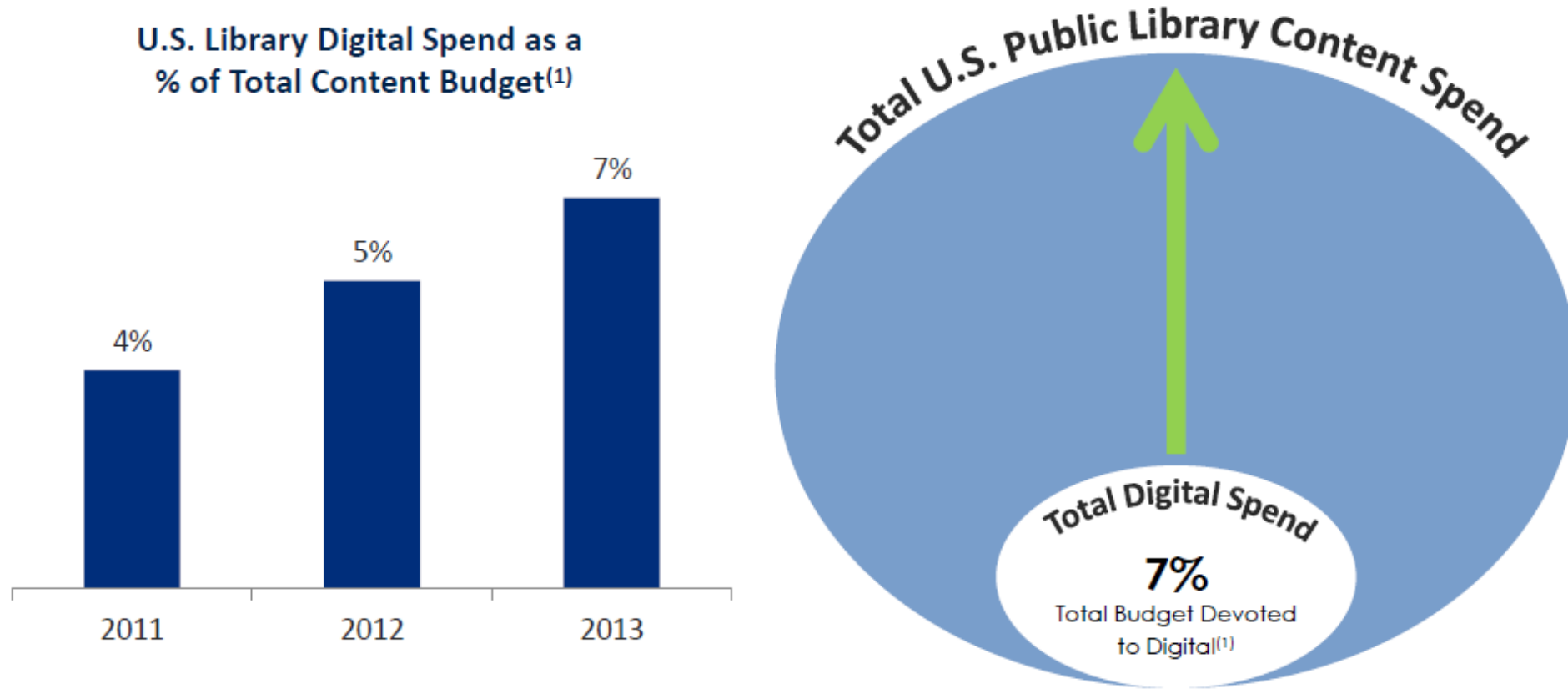


# OverDrive provides an end-to-end digital content platform



- Multi-year contracts whereby OverDrive hosts and manages their digital content
  - eBooks
  - Audiobooks
  - Music
  - Video
- Institutions acquire digital materials for their collections through OverDrive Marketplace
- Patrons can borrow materials easily on multiple devices

# Opportunity for growth



**Less than half of library card holders are currently aware that libraries offer eBooks and digital audiobooks. With a continued increase in awareness along with the shift from physical to digital content, the opportunity for further growth is expected to be huge**

**OverDrive®**

*~ and ~*

**kobo**  
**R Rakuten**

***Rakuten will **empower people** who want to **read and learn**, through the power of the internet***

***Kobo for those who want to **purchase books**, and  
OverDrive for those who want to **borrow from  
libraries and schools*****



**Why now?**

**OverDrive becomes an engine to drive Rakuten's eBook growth**

**Phase 1**

**Entry into eBook selling market with device and app**

**Phase 2**

**Entry into eBook borrowing (sharing) market with libraries and institutions**

# OverDrive will be Rakuten's second investment into the sharing economy



SOURCE: flickr, Alfredo Mendez, <http://goo.gl/KNuFbn>



**lyft**

(11.9% investment)

**Sharing cars**



SOURCE: flickr, martinak15, <http://goo.gl/nxlxqZ>



**OverDrive®**

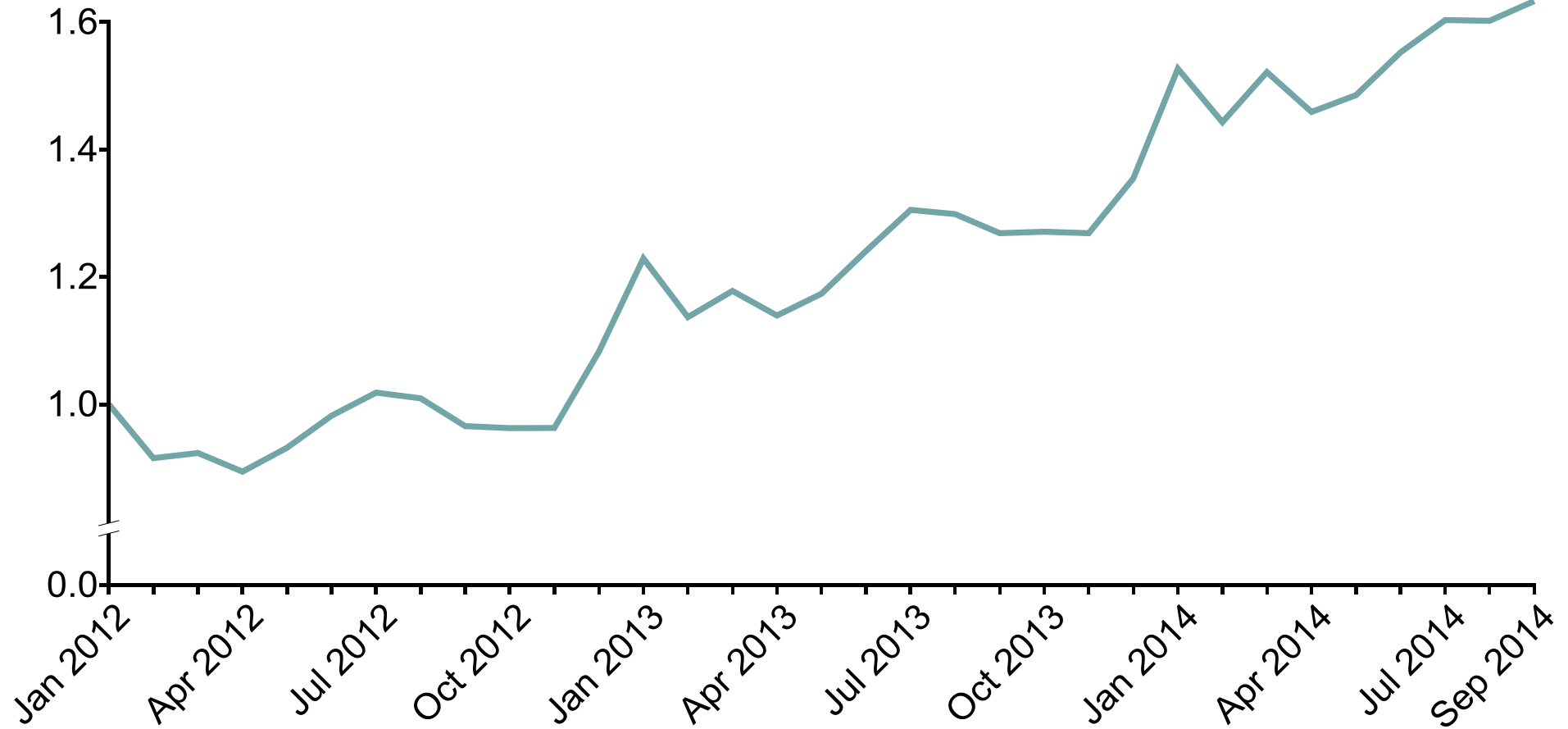
(100% acquisition)

**Sharing books**

**OverDrive is the *largest provider of digital content to libraries***

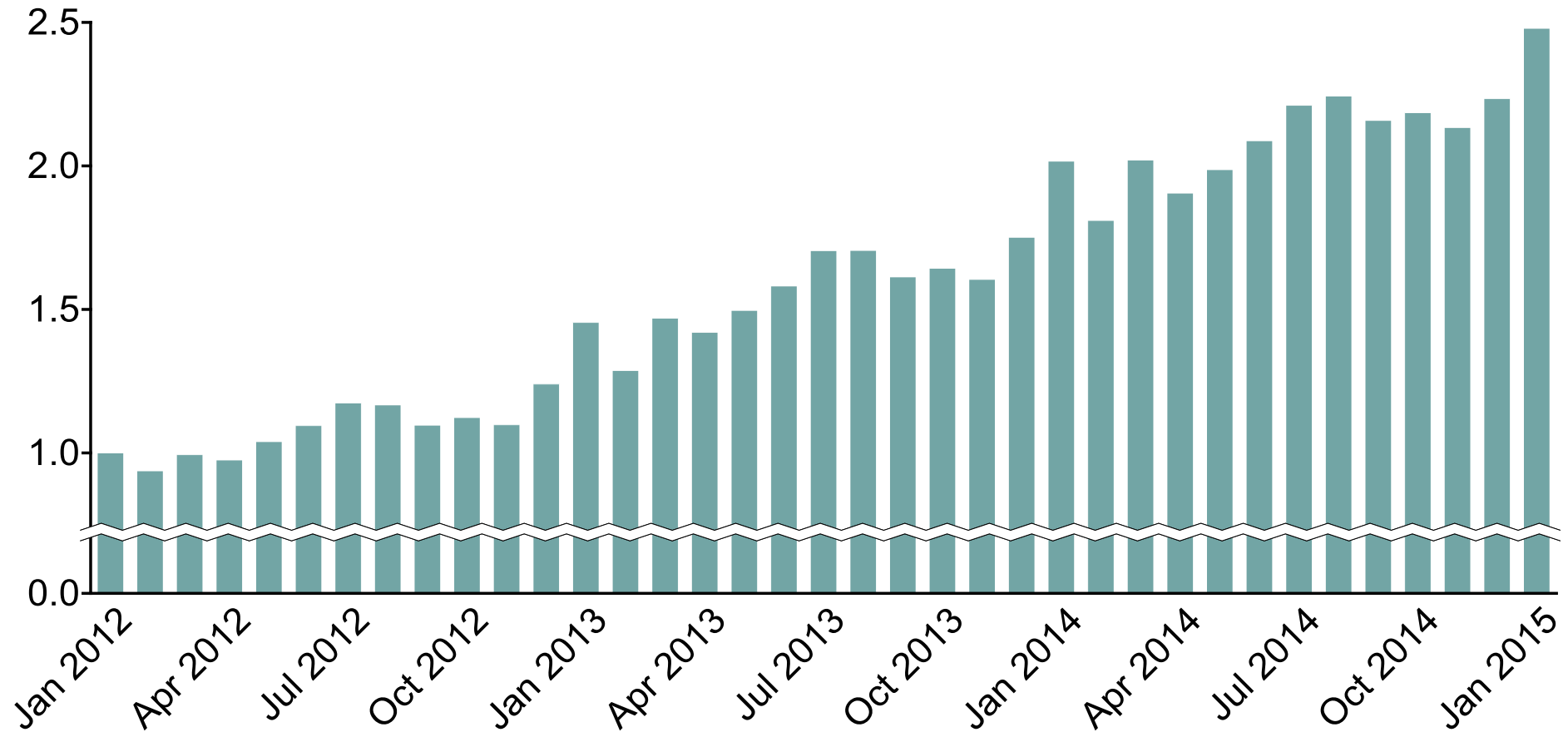
# Healthy growth in monthly unique users

OverDrive monthly unique users (indexed)



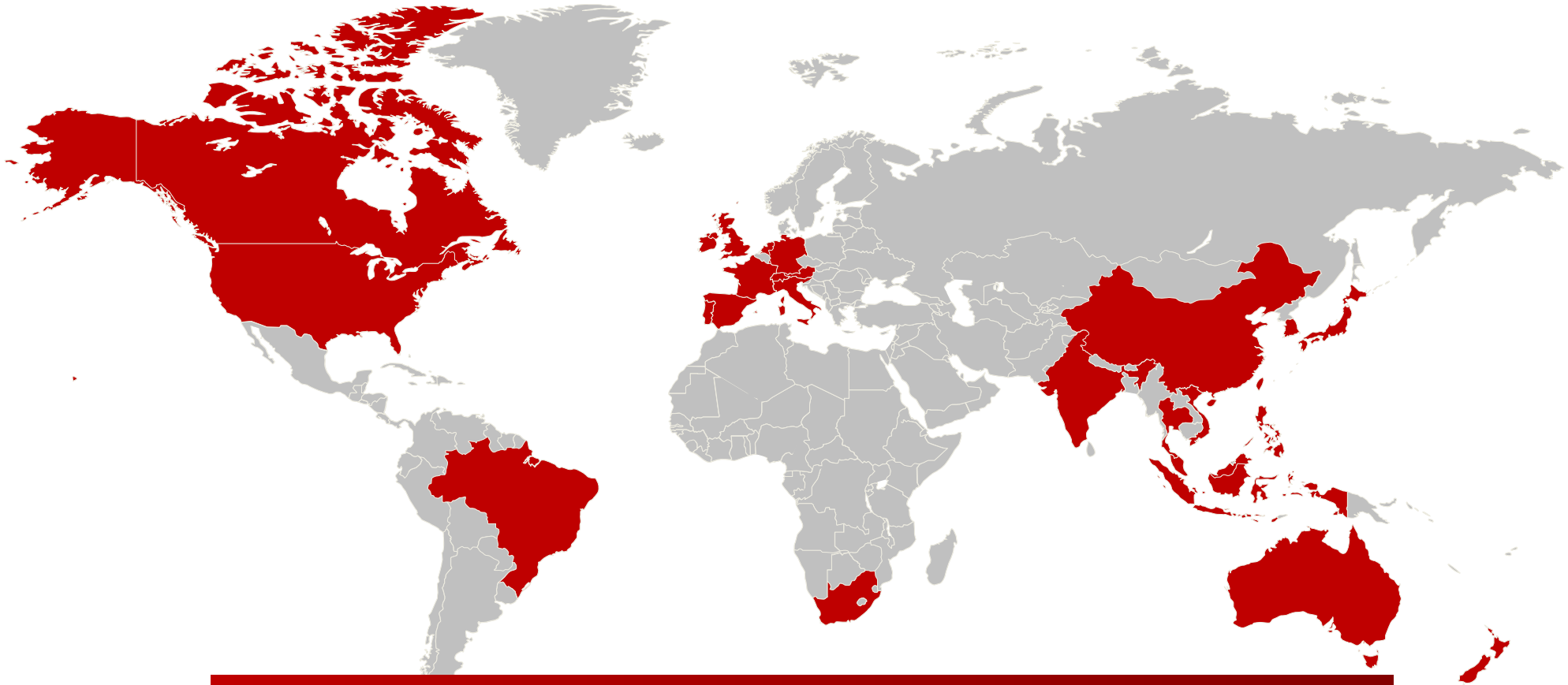
# Strong growth in library checkouts

OverDrive monthly total library checkouts (indexed)





# Rakuten and Kobo's global footprint will accelerate OverDrive's international expansion



Rakuten's U.S. market presence will be  
strengthened by OverDrive

樂天

Rakuten