

Fiscal Year 2012 Full Year and Fourth Quarter Financial Results

February 14, 2013

Rakuten, Inc.

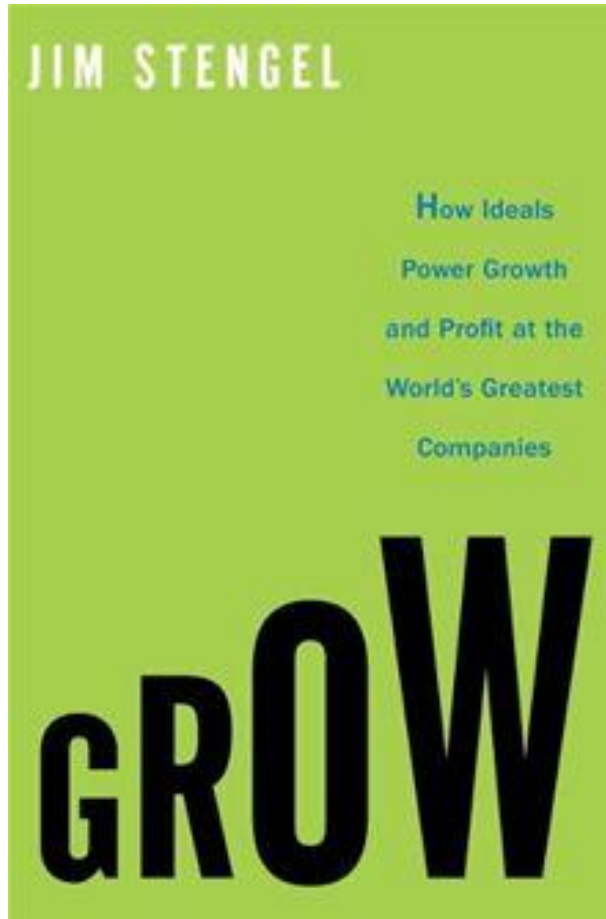
This presentation includes forward-looking statements relating to our future plans, targets, objectives, expectations and intentions. The forward-looking statements reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The management targets included in this presentation are not projections, and do not represent management's current estimates of future performance. Rather, they represent targets that management strive to achieve through the successful implementation of the Company's business strategies. The Company may be unsuccessful in implementing its business strategies, and management may fail to achieve its targets. The Company is under no obligation – and expressly disclaims any such obligation – to update or alter its forward-looking statements. Names of companies, products, and services and such that appear in this material are trademarks or registered marks of their respective companies.

1 Our Corporate Strategy

Our Mission

Empowerment

Our Brand Value



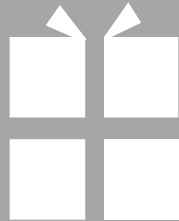
“Grow” by Jim Stengel (Dec 2011)

- Empowerment – Our value proposition
- Jim Stengel says “Rakuten Ichiba exists to help the business - consumer partnership flourish”
- Rakuten is the only Japanese brand out of 50 global brands such as Accenture, Apple, Coca-Cola, Google, Mercedes-Benz, Starbucks, Visa.

Unique E-commerce Model

Rakuten 'Empowerment' model is very unique and difficult to replicate

Major Global
E-commerce
Competitors



Product
Centric

VS

Rakuten



Shop
Centric

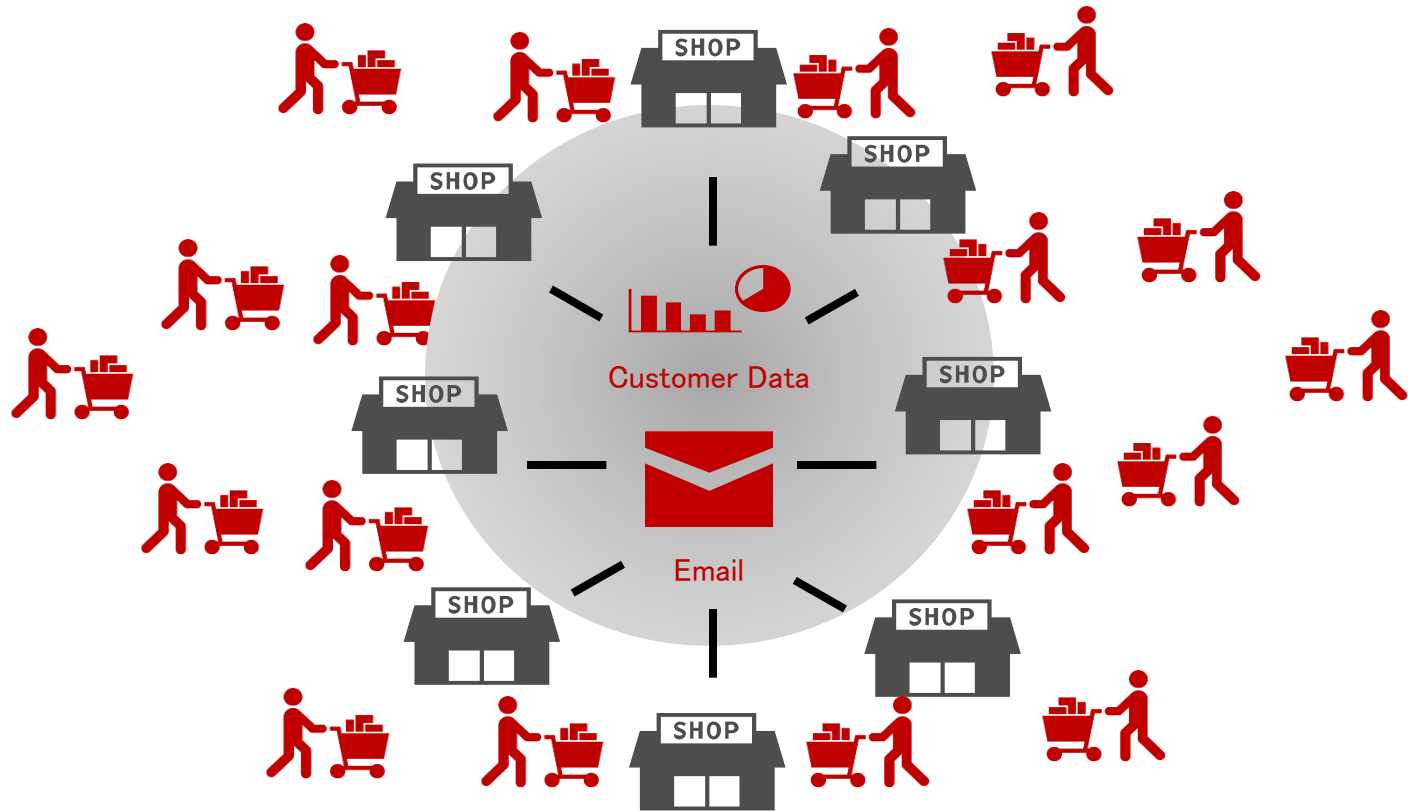
Competitors' Model



Rakuten's Model



Rakuten Marketplace Model



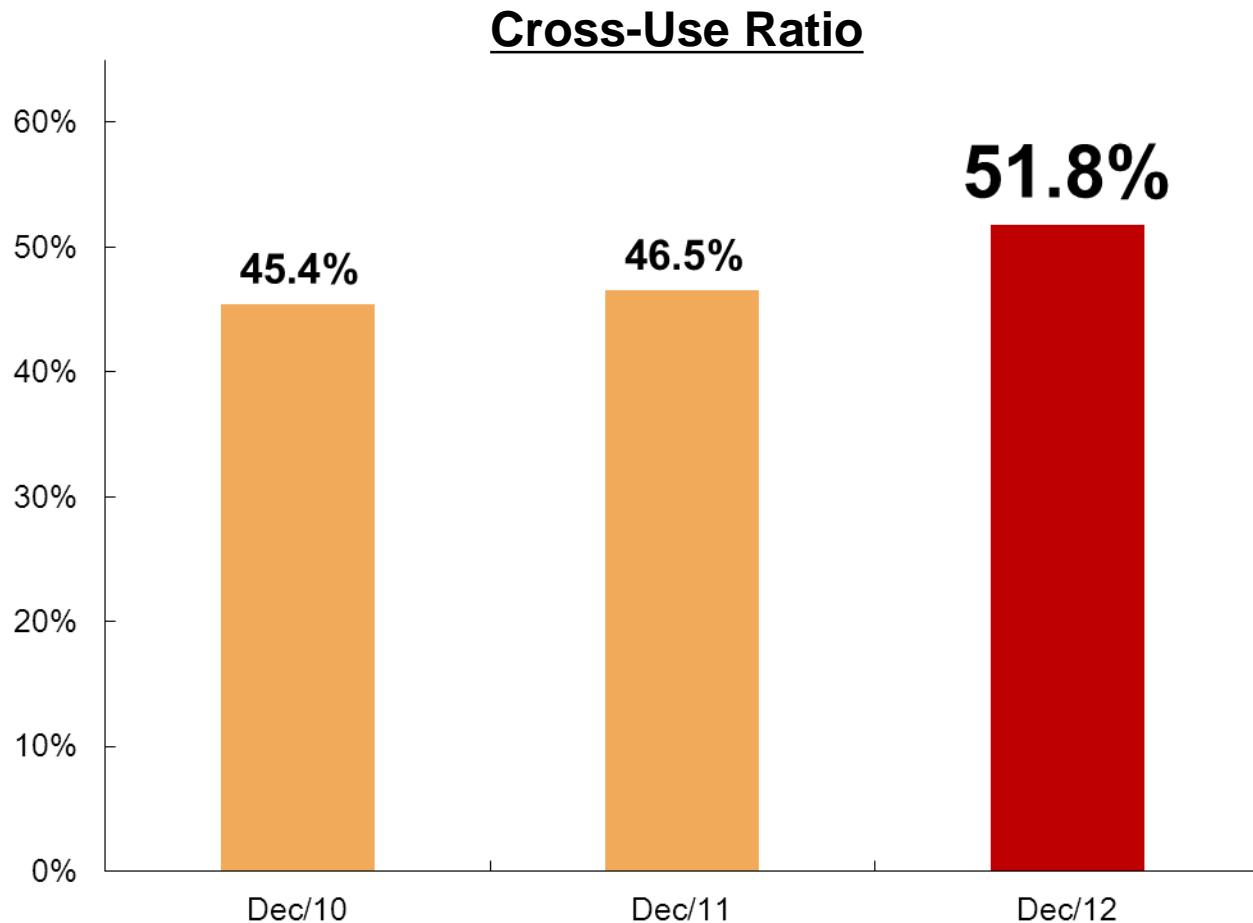
Happy Merchants + Happy Shopper = Happy Commerce

- The 3 L's (Long Page, Lively, Long Tail)
- Driving customer satisfaction, for both consumers and merchants

Shopping is Entertainment

Rakuten Ecosystem

Enhanced Cross-use Ratio*

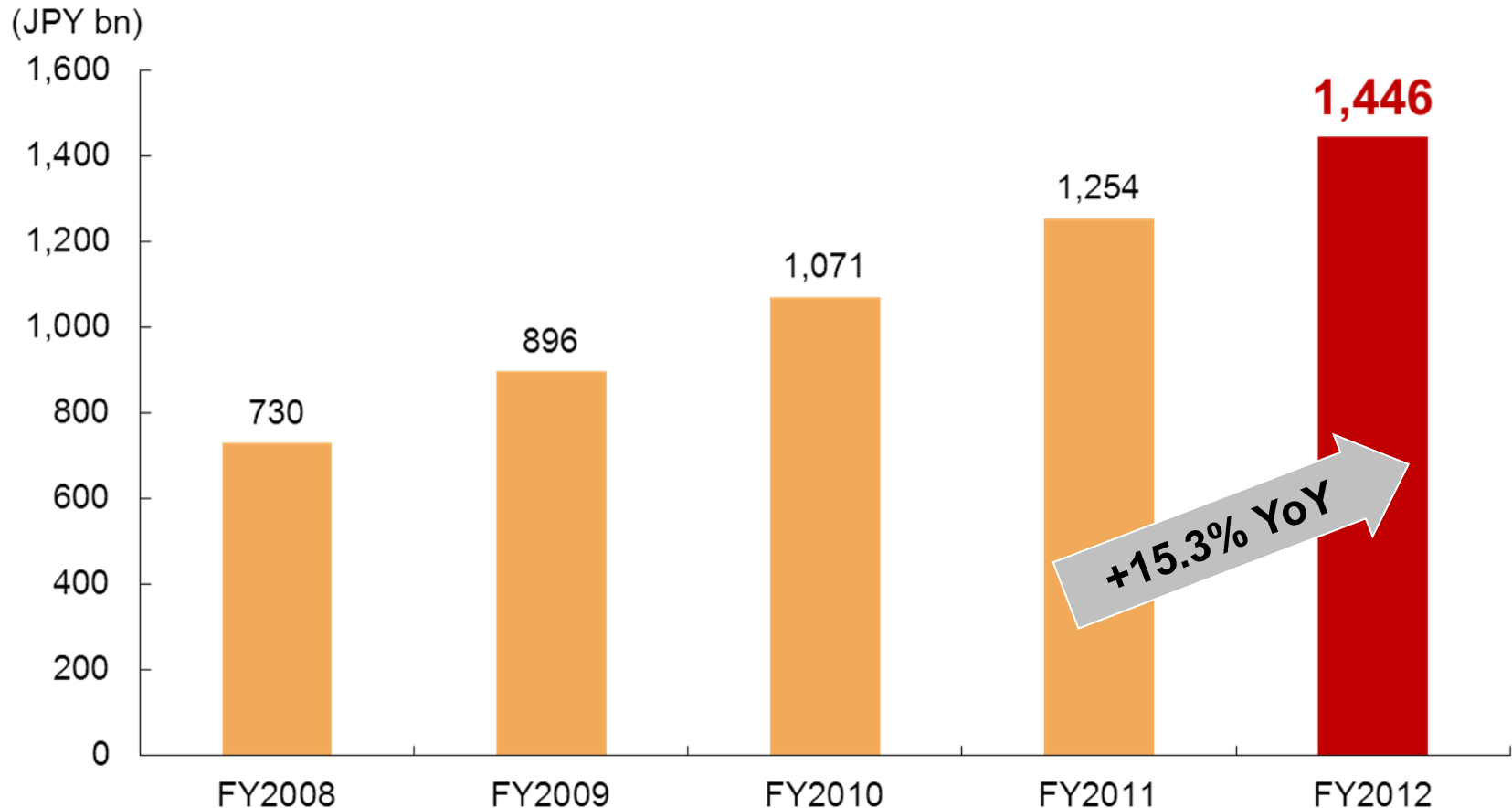


*: Purchasing ratio of Rakuten members who have utilized other Rakuten services during the past 12 months of the listed month.
Applicable services are limited to those which can earn Rakuten Super Points (excl. Securities)

2 Rakuten Ichiba Highlights

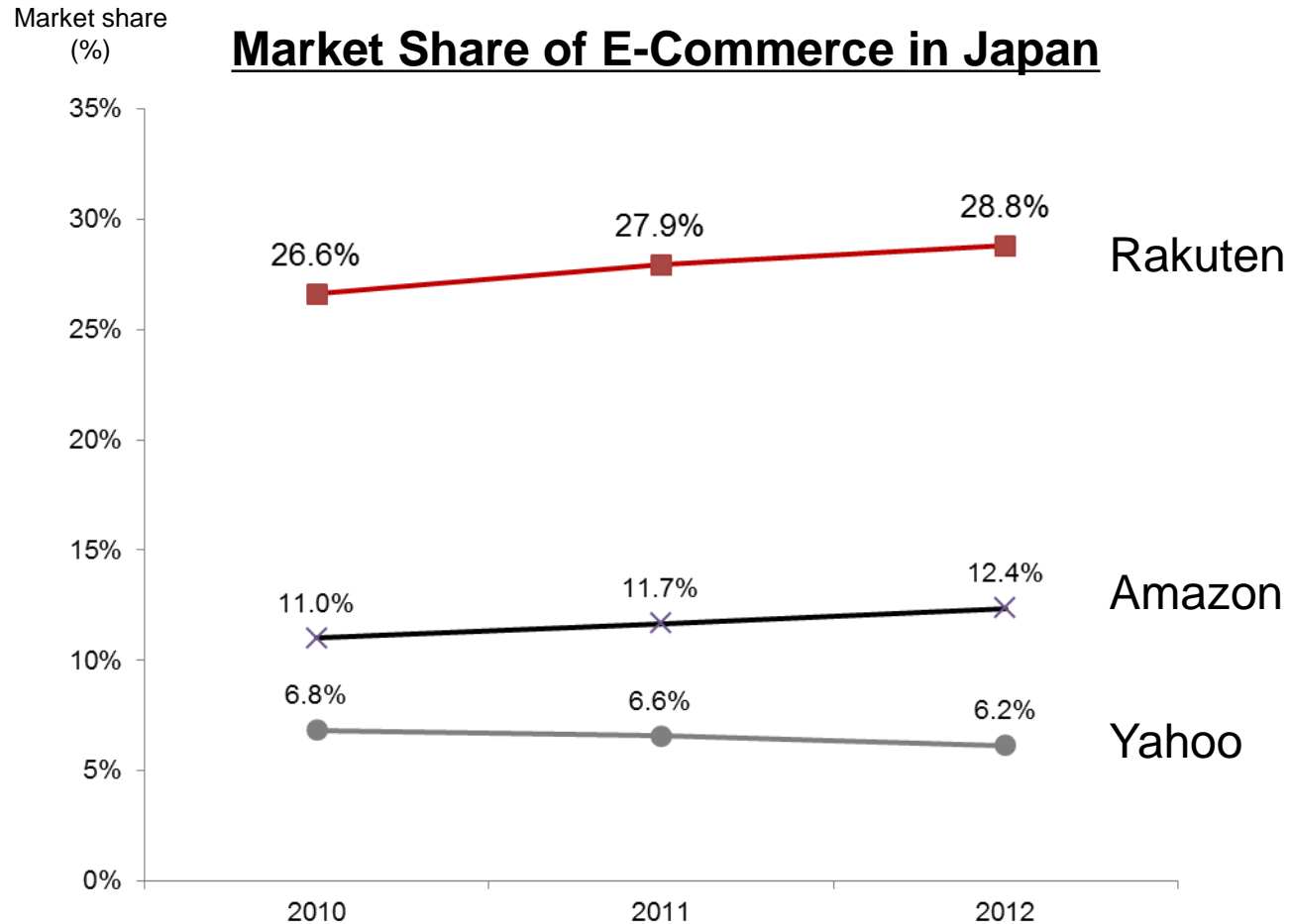
Continued Rapid Growth in GMS

GMS of Rakuten's Domestic E-Commerce



*: Domestic E-Commerce = Mall (Fixed-price, Group purchase), Mobile, Business, Golf, Books, Auction (Flea market), download, tickets, Internet Supermarket, Check Out, Off-track betting, toto, ShowTime, Media rental, Dining, Salon (added from Q2/12), and Mart and Kenko.com (added from Q3/12)

Strengthening Market Position in Japan

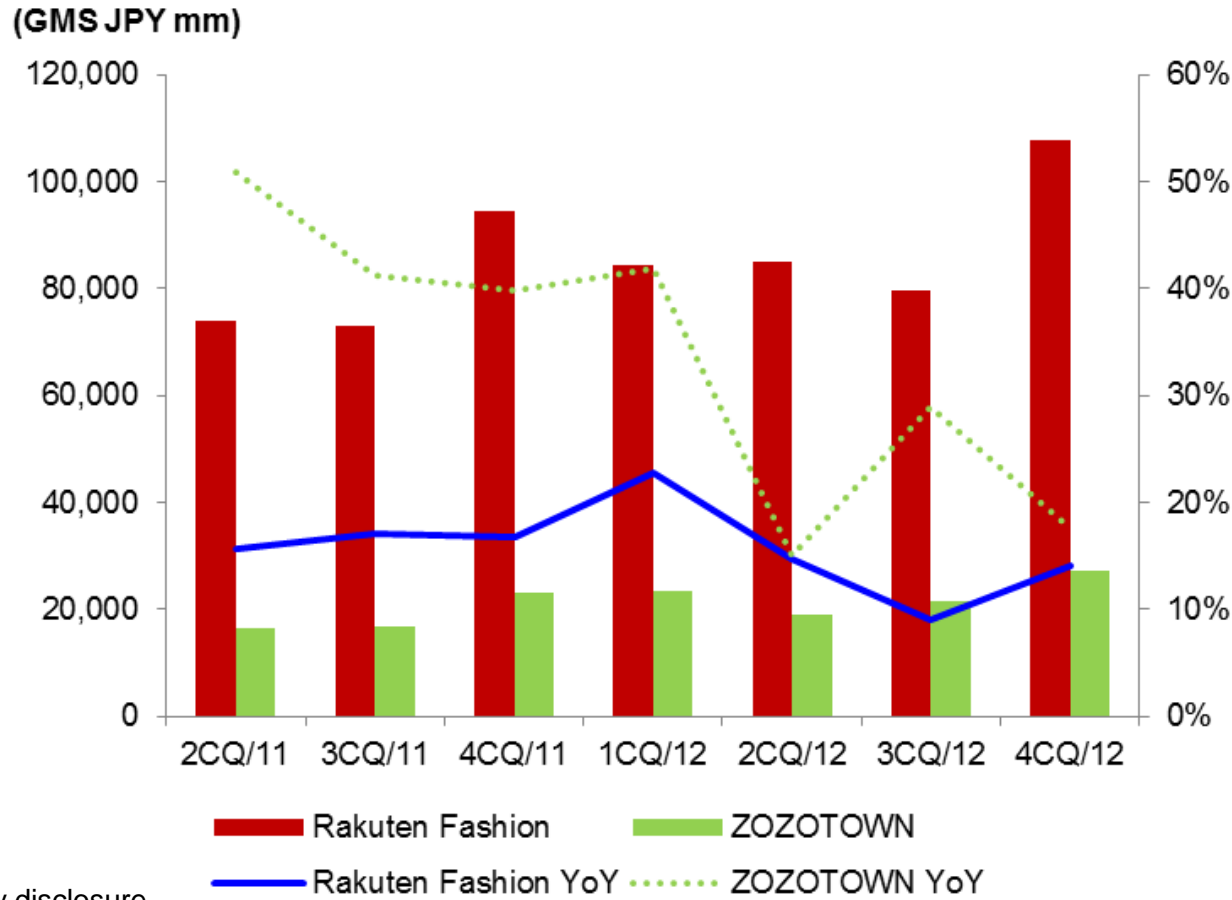


Source: Company disclosures, METI

Rakuten Domestic E-commerce GMS. Amazon Japan Revenue (10-k), Yahoo Japan Shopping related GMS
METI Online Retail (2010, 2011) , Assumption of 2012 market growth is same as 2011, +11.5% YoY

Market Position in Fashion E-commerce

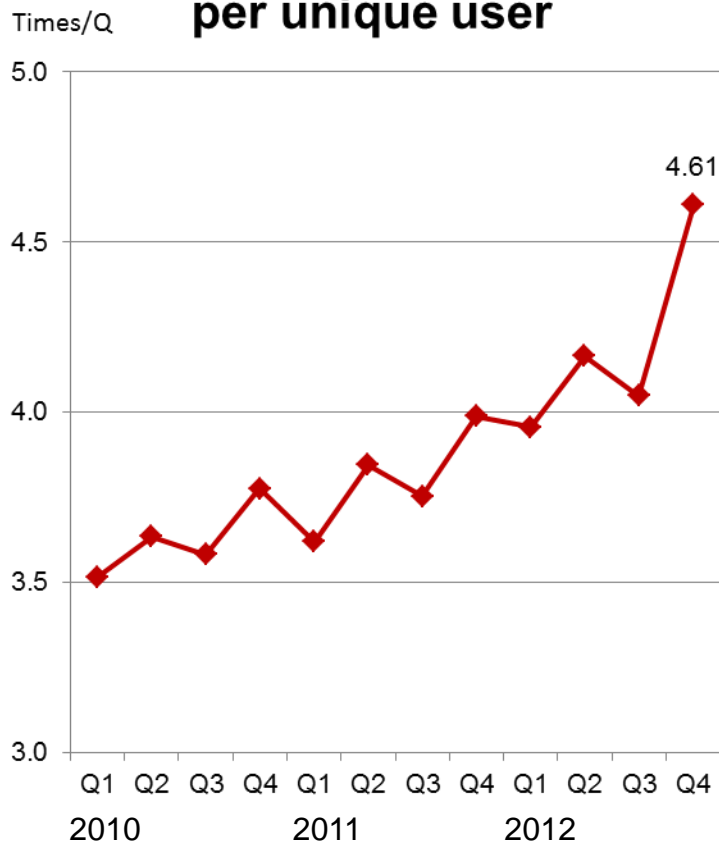
- Despite difference in scale with competitor, Rakuten maintains comparable growth rates



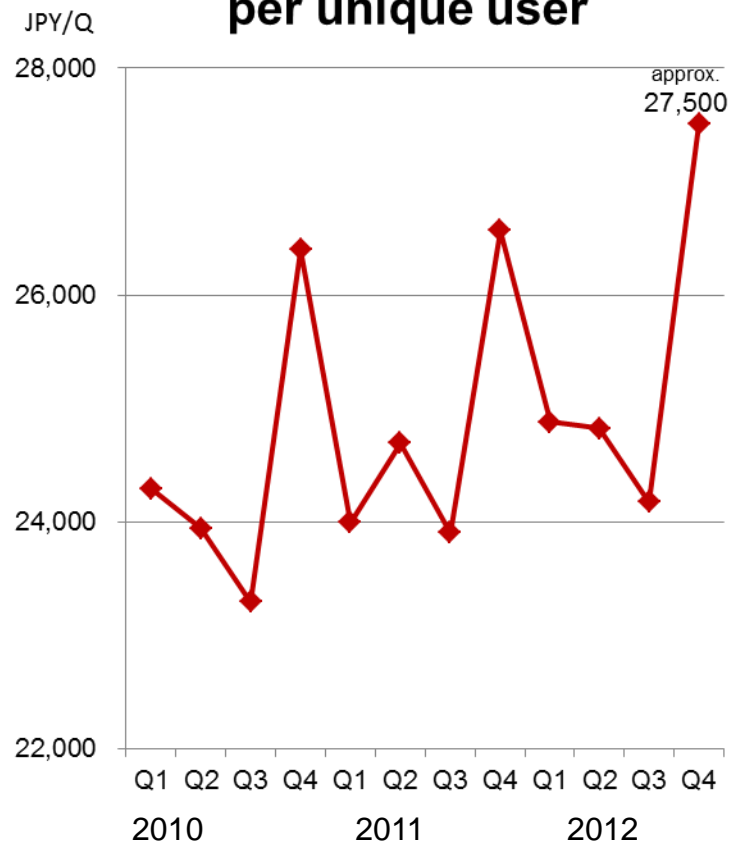
Source; Company disclosure

Rakuten Ichiba GMS per User Increasing

Shopping Frequency per unique user

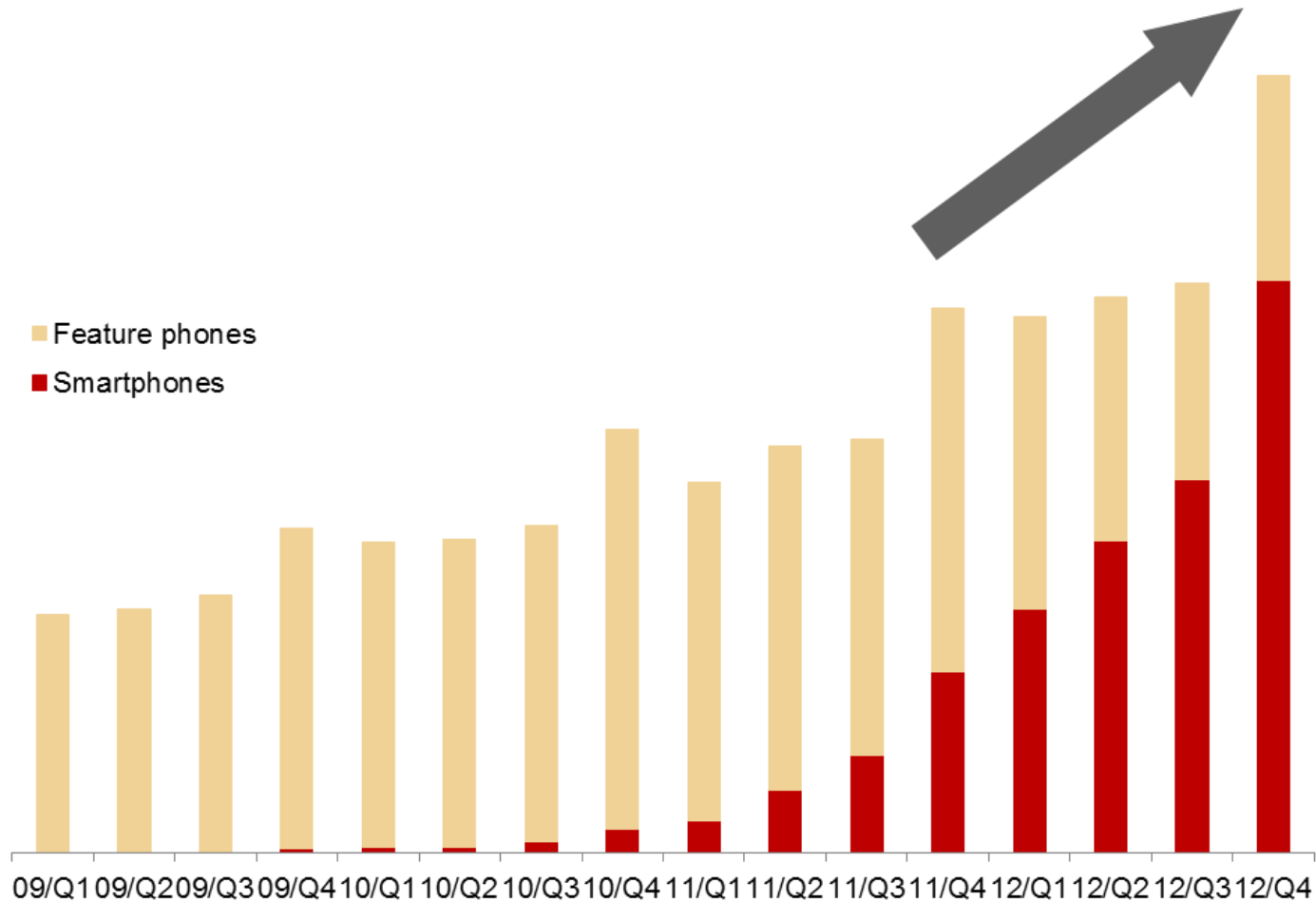


Shopping Amount per unique user



Ichiba Mobile GMS Expanding

- Ichiba GMS through mobile phones rapidly increasing; +42.6% YoY



3 Overseas E-Commerce Highlights

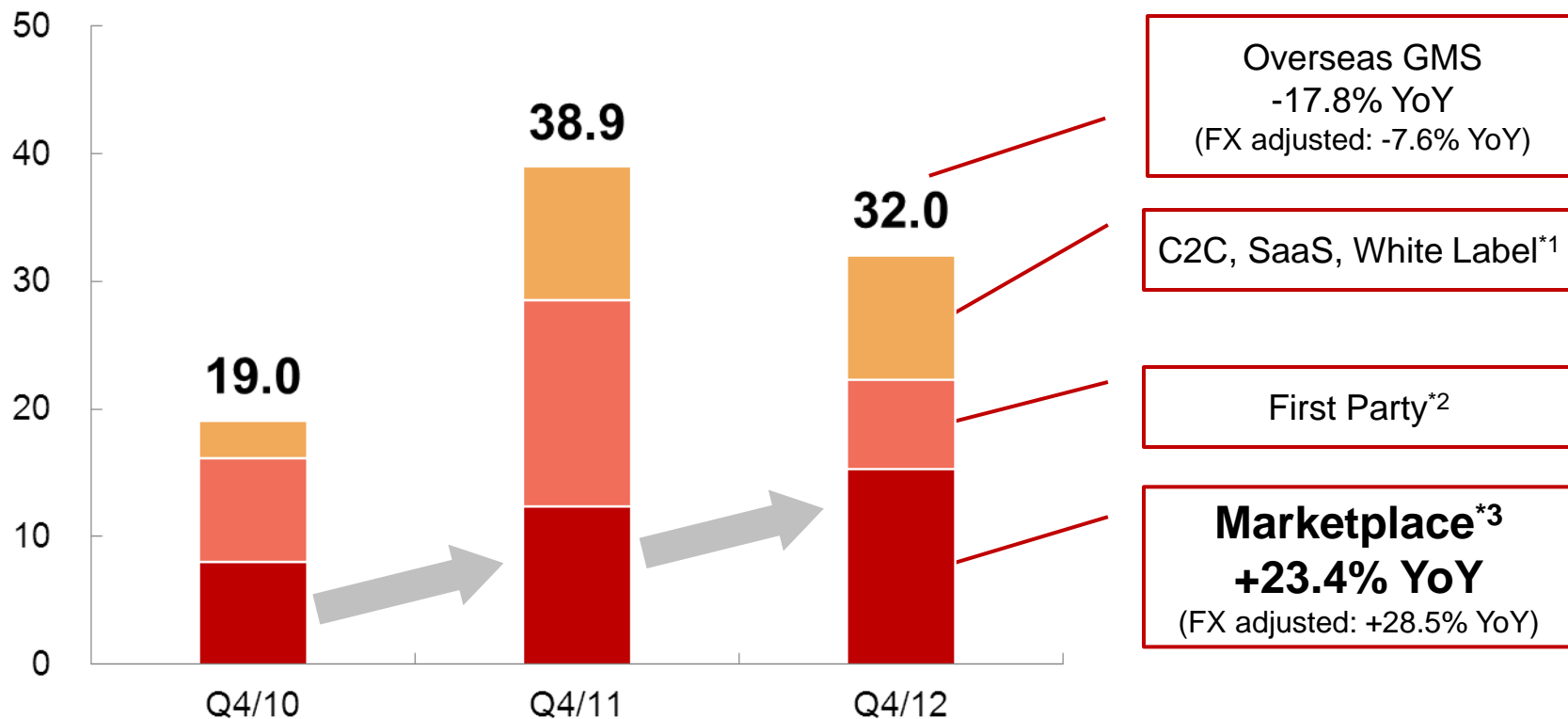
Our Global E-commerce Strategy

- Rakuten Ichiba model is unique and highly profitable
- Focusing on Ichiba marketplace E-commerce to build competitive positions in overseas countries
- We are in a transition phase for mid-term profit growth and on the right track

Quarterly Gross Merchandise Sales (GMS) Overseas Companies

- Marketplace GMS growth: +23.4% YoY (+28.5% YoY forex adjusted)
- First party sales being suppressed on business model changes to marketplace

(JPY bn)



*1: C2C, SaaS, White Label = PriceMinister C2C + Rakuten Brasil SaaS + Buy.com White Label .

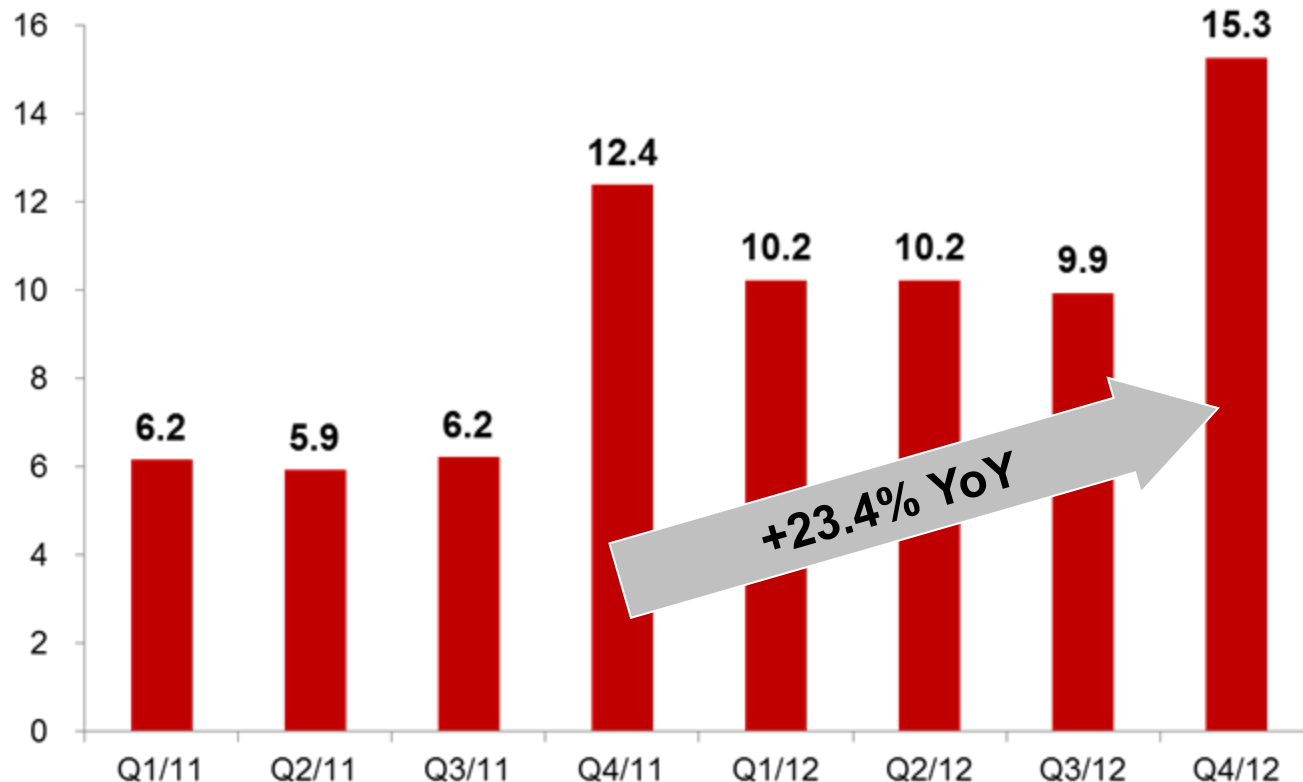
*2: First Party = Buy.com First Party + Play.com First Party

*3: Marketplace = Taiwan Rakuten Ichiba + Tarad Premium Mall + Lekutian + Buy.com marketplace + PriceMinister marketplace + Rakuten Belanja Online + Rakuten Deutschland + Play.com marketplace + Rakuten Brasil marketplace (from Q2/12).

Quarterly Marketplace GMS Overseas Companies

- Marketplace GMS growth: +23.4% YoY (+28.5% YoY forex adjusted)
- All growth in Q4/12 was organic (not through acquisition)

(JPY bn)



*: Marketplace = Taiwan Rakuten Ichiba + Tarad Premium Mall + Lekutian + Buy.com marketplace + PriceMinister marketplace
+ Rakuten Belanja Online + Rakuten Deutschland + Play.com marketplace + Rakuten Brasil marketplace (from Q2/12).

Transitions and Restructuring in 2012

■ Buy.com

- Shifting from first party model to B2B2C marketplace
- Impaired goodwill and intangible assets due to lower performance in 2012 compared with original plan
- KPI management working well and loss shrinking

■ Play.com

- Restructuring due to UK regulatory changes for VAT on goods shipped from Jersey
- First party model to be discontinued
- Marketplace GMS doubled YoY in Q4/12

- Impairment loss: JPY 18.3bn, Restructuring loss: JPY 4.2bn
(Recorded in Q4/12, including extraordinary losses from other businesses)

Rebranding

 Rakuten group
Buy.com



 **Rakuten.com**
Shopping

 **Rakuten**
play.com



Planning to change to
“Rakuten.co.uk”

Initiatives for Growth of Global E-commerce

- Attractive shopping destination via Happy Commerce
 - Entertaining consumers
 - Improving product line-up, price competitiveness and delivery quality
- Rakuten Model Integration through Regional HQs
 - Branding, Storefront, R-mail (EDM), Rakuten Super Points
- Offering fulfillment services with ADS
- Higher take rate
 - Adoption of fixed fees at Buy.com
- Lean and strong operation
 - Cost control under KPI management
 - Promoting Agile IT development and mobile commerce



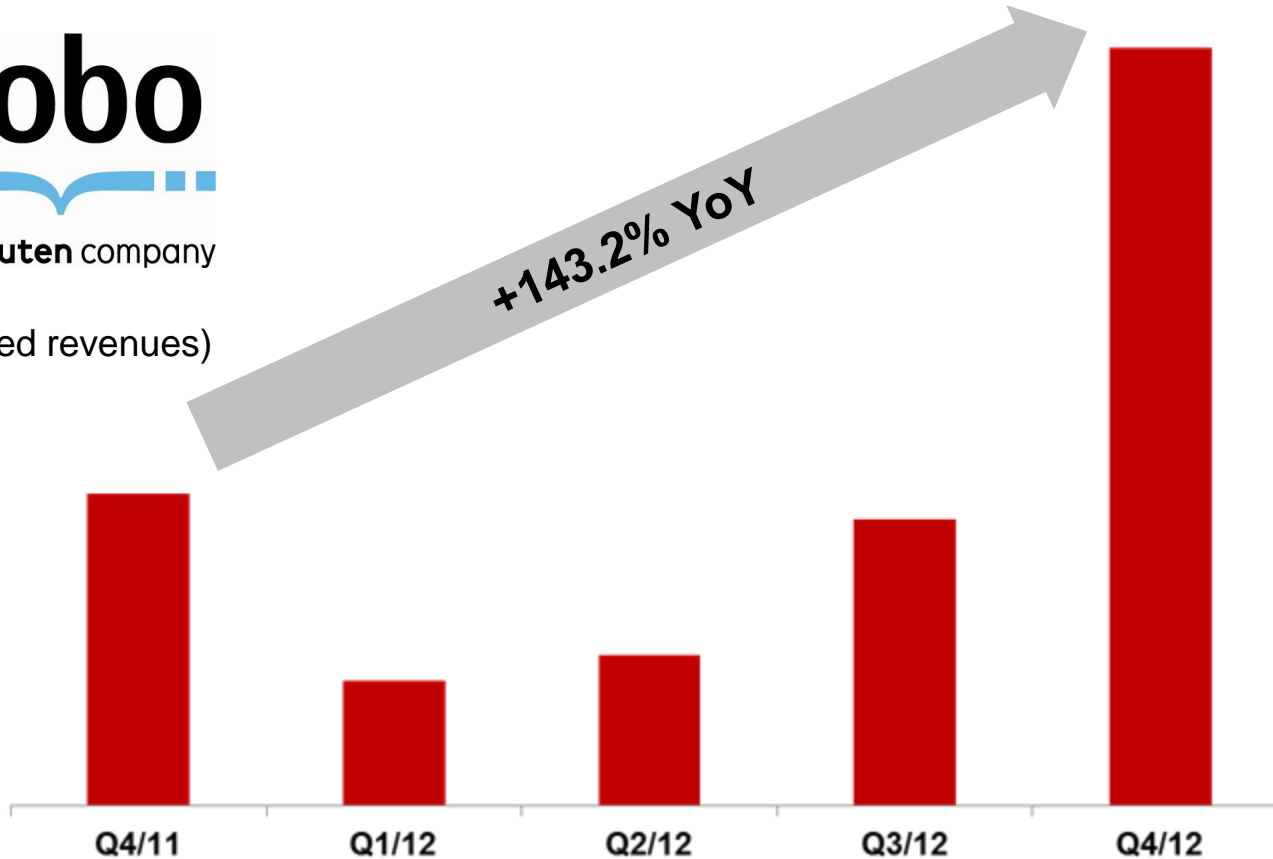
4 eBook Business Highlights

Kobo Quarterly Revenues

- Kobo revenues showing rapid growth on 7 new country entries, 3 new model launches, and rising content revenues



(Can\$ based revenues)

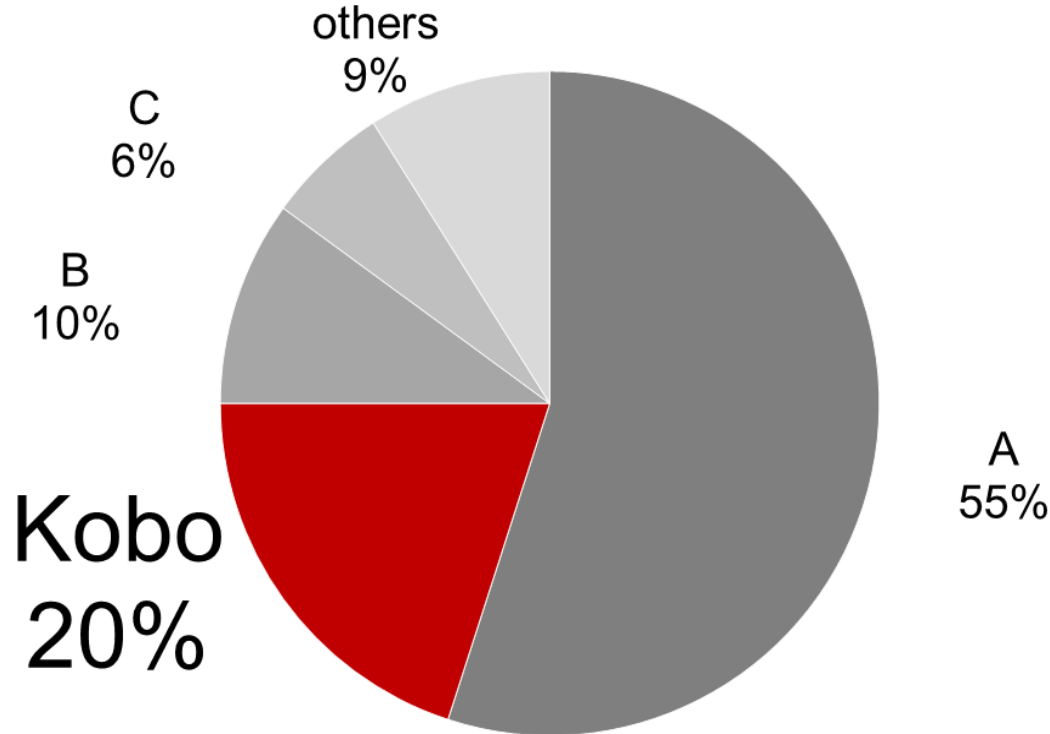


Note: Kobo Inc. was consolidated from Q1/12

Kobo Highlights - Devices

- Achieved a 20% global market share of eReader shipments in 2012 (excluding tablets, source: DigiTimes)
- From 0% to 20% in just 3 years since Kobo's establishment in 2009

Global eReader Market Share



Kobo Highlights – Content and Customers

- **Content revenues +2x YoY in 2012**
- **Content revenues per existing customer +20% YoY**
- **12 million readers as of end December 2012, 4 million acquired between Jul – Dec 2012**
- **Now 3.2 million titles across 68 languages**

5 Global Business Awards

Kobo

■ Kobo Inc

- Kobo Touch named Wired Magazine's 2012 Editor's Pick for #1 eReader
- PC World ranked 5 out of 6 stars, said "A real eye-opener. It's a lovely piece of hardware."
- Kobo Glo recognized as Test Winner by Computer Bild, an influential tech magazine in Europe



Rakuten LinkShare

■ Rakuten LinkShare

- Ranked no. 1 Affiliate Network in 2013 'Blue Book' survey by media group mThink. Second consecutive year at no. 1
- Over 20% YoY growth in both sales and OP for 3 consecutive years



Rakuten Loyalty

- Rakuten Loyalty (formerly Freecause)
 - Won 2012 'Best in Biz' Award and Silver Award for Most Innovative Company in the Small Company category
 - Named by NABR as one of the 'National Best and Brightest Companies to Work For' in 2012



Best in Biz
A W A R D S

R Rakuten
Loyalty

Wuaki.TV

■ Wuaki.TV

- Voted 'Best Web App' in the 2013 Spanish Startup Awards by The Next Web
- Named as one of 3 'Best Spanish Startups' in 2012 by First Hand News



 **Rakuten** group

 **wuaki.tv**
Tu videoclub en casa

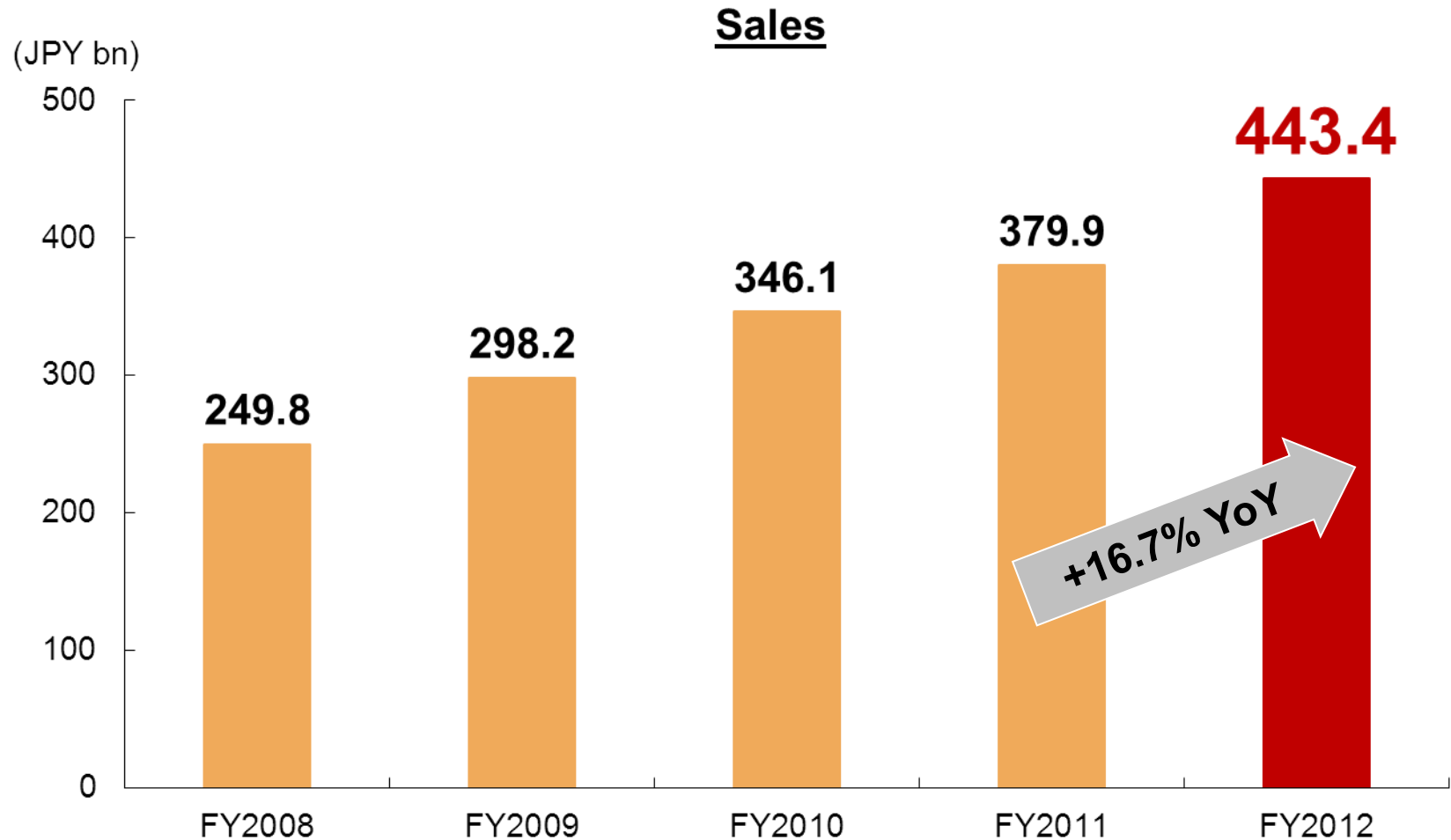
6 Consolidated Financial Results

Q4/12 Business Highlights

- Record high operating profits for the last five consecutive years
- Rakuten Ichiba regained growth momentum and strengthened dominance in Japan
- Financial businesses profits expanded significantly
- Extraordinary loss recorded due to reorganization and transitions
- Balance sheets stronger than in 2010 and 2011

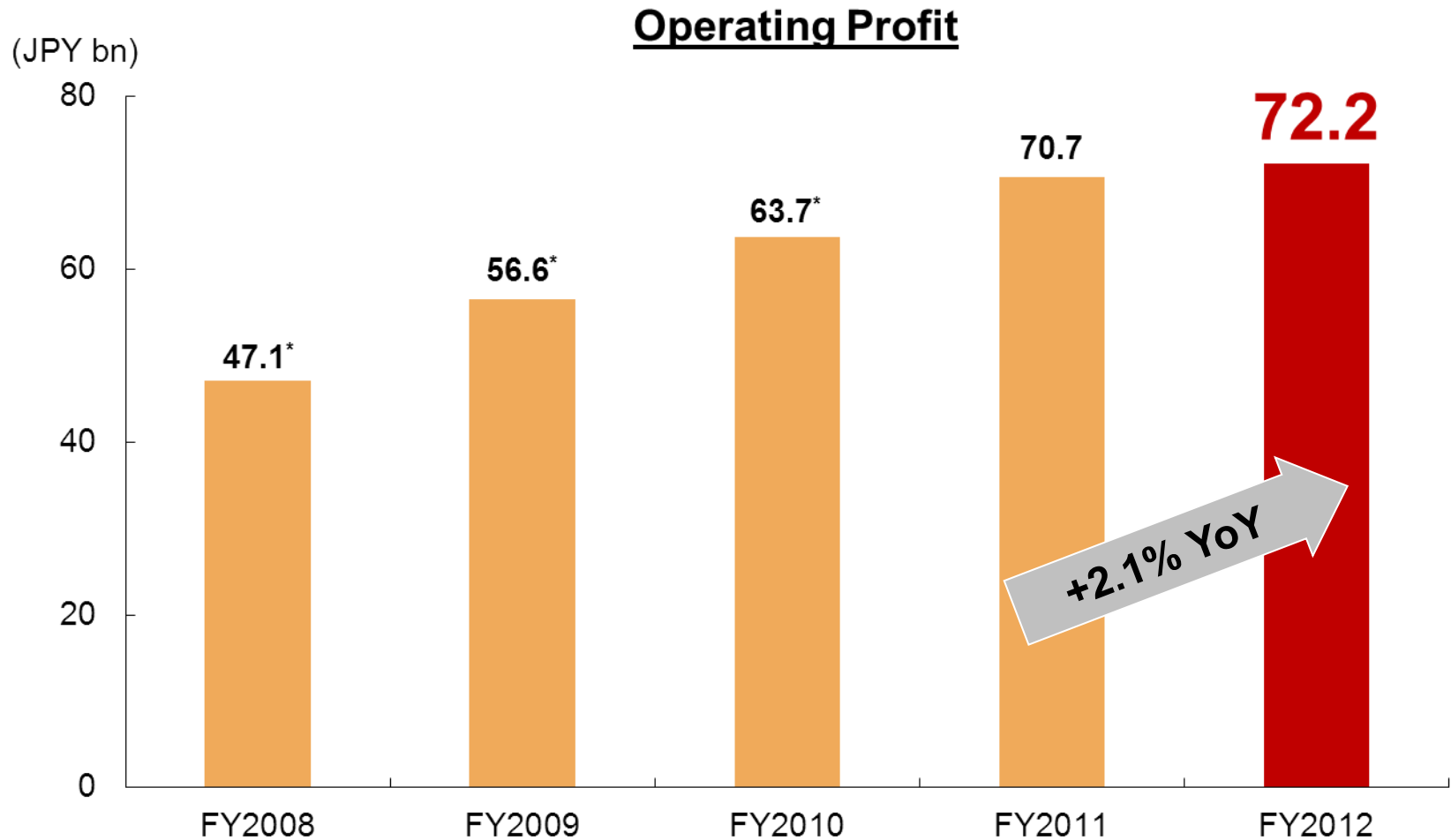
Consolidated Sales

- Sales growth: 16.7% YoY, record high sales for 15 consecutive years



Consolidated Operating Profit

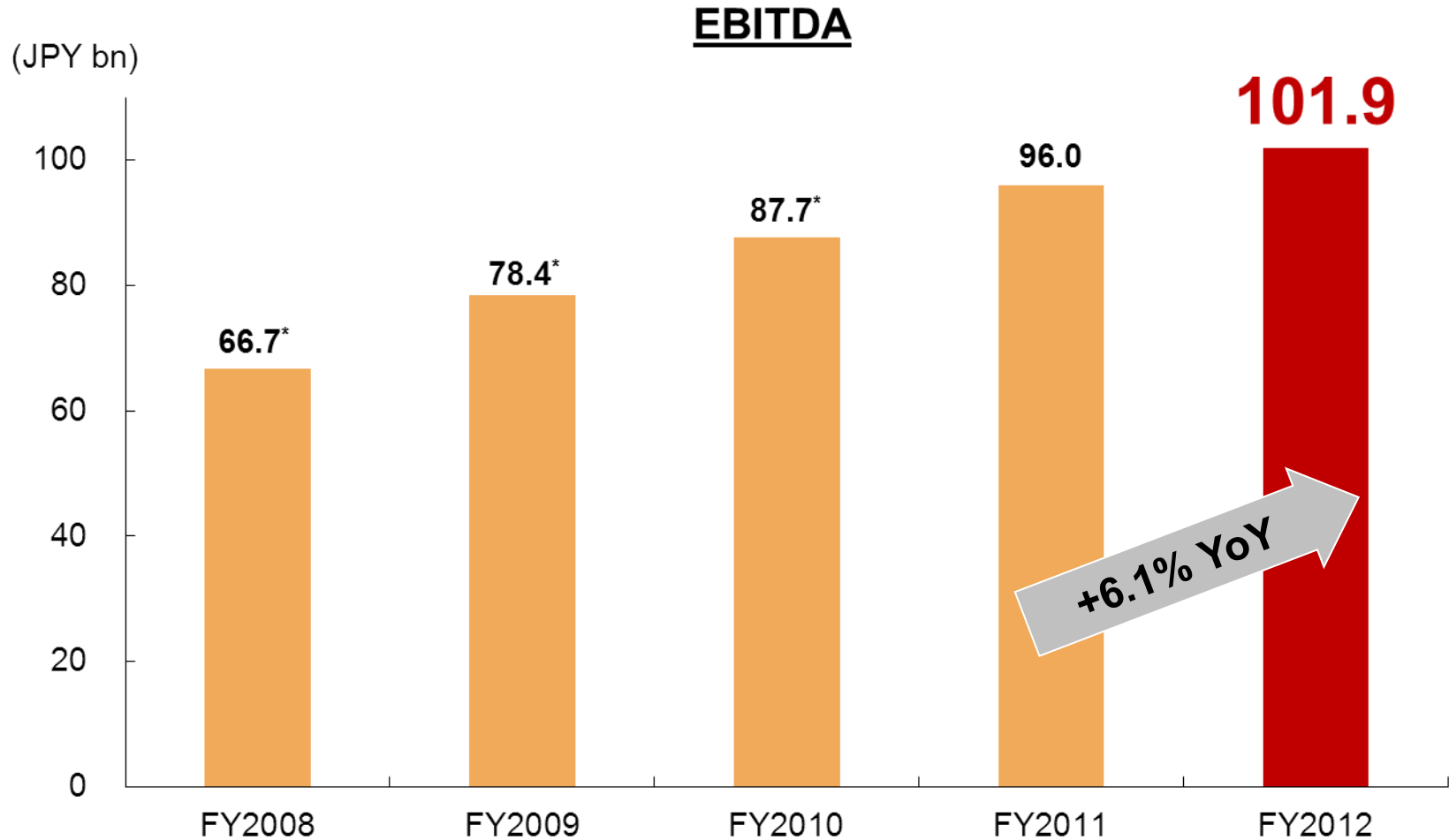
- OP growth: 2.1% YoY, record high operating profits for five consecutive years



*1: Profits are based on FORMER accounting policy regarding loyalty points

Consolidated EBITDA

■ EBITDA growth: 6.1% YoY



*1: Profits are based on FORMER accounting policy regarding loyalty points

Summary of Q4/12 Consolidated Results

- OP down due to consolidation of Kobo, loss from business model transition at Play.com and cost correction at Rakuten Travel

(JPY bn)

	Q4/11 ^{*3} (Oct-Dec)	Q4/12 (Oct-Dec)	Margin	YoY
Sales (Accounting)	109.4	133.8	100.0%	+22.3%
Operating Profit (Accounting)	22.4	18.4	13.8%	-18.0%
Operating Profit (Excluding cost correction at Rakuten Travel ^{*1})	22.3	21.0	15.7%	-5.6%
Ordinary Profit (Accounting)	21.3	18.3	13.7%	-14.2%
EBITDA^{*2} (Accounting)	29.0	26.5	+19.8%	-8.5%
Net Income / Loss (Accounting)	16.9	-9.5	-	-

*1: Refer to page 44. "Cost Correction at Rakuten Travel"

*2: EBITDA = Ordinary Profit + Interest expense + Depreciation + Amortization of goodwill and intangible assets

*3: Q4/11 profits are after retrospective application of the change in accounting policy regarding loyalty points program

Summary of Q4/12 Consolidated Results (by Business Category)

(JPY bn)

		Q4/12 (Oct-Dec)							
		Sales	YoY	Operating Profit	Operating Profit Margin	YoY ^{*2}	EBITDA ^{*3}	EBITDA Margin	YoY ^{*2}
Internet Services	Net ^{*1}	81.9	+20.9%	13.8	16.9%	-32.1%	17.1	21.0%	-24.6%
	Gross (Accounting)	89.3	+19.5%		15.5%			19.2%	
Internet Finance		46.1	+35.1%	8.1	17.7%	+64.5%	10.1	21.9%	+45.6%
Others		7.4	-1.6%	-0.2	-	-	0.3	5.0%	+32.7%
Adjustments		-9.0	-	-3.3	-	-	-1.1	-	-
Consolidated		133.8	+22.3%	18.4	13.8%	-18.0%	26.5	19.8%	-8.5%

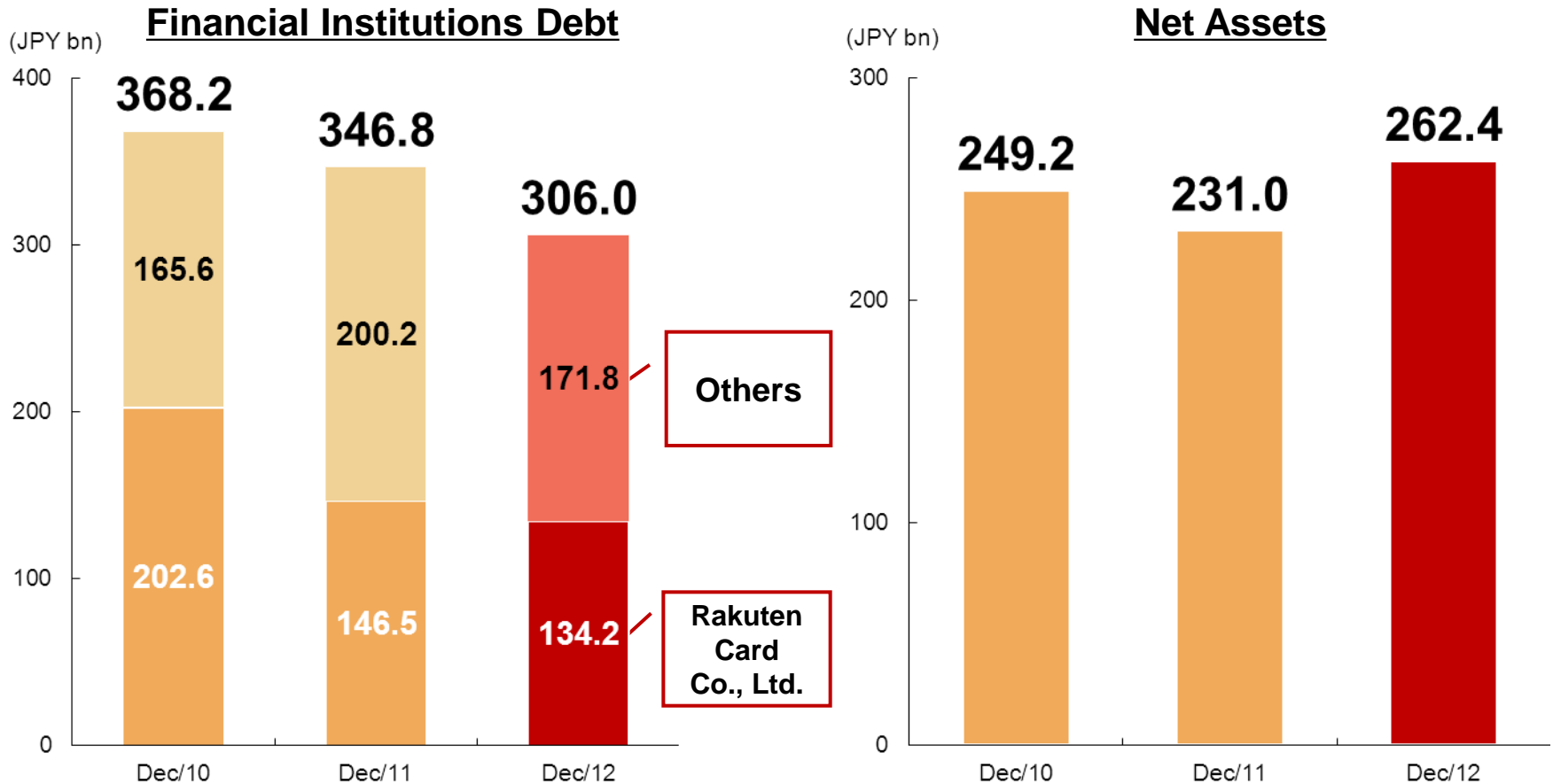
*1: Calculated based on Gross Profit for Package Media (inventory-type business in Japan).

*2: Growth rate is based on Q4/11 profits after retrospective application of the change in accounting policy regarding loyalty points.

*3: EBITDA = Ordinary Profit + Interest expense + Depreciation + Amortization of goodwill and intangible assets

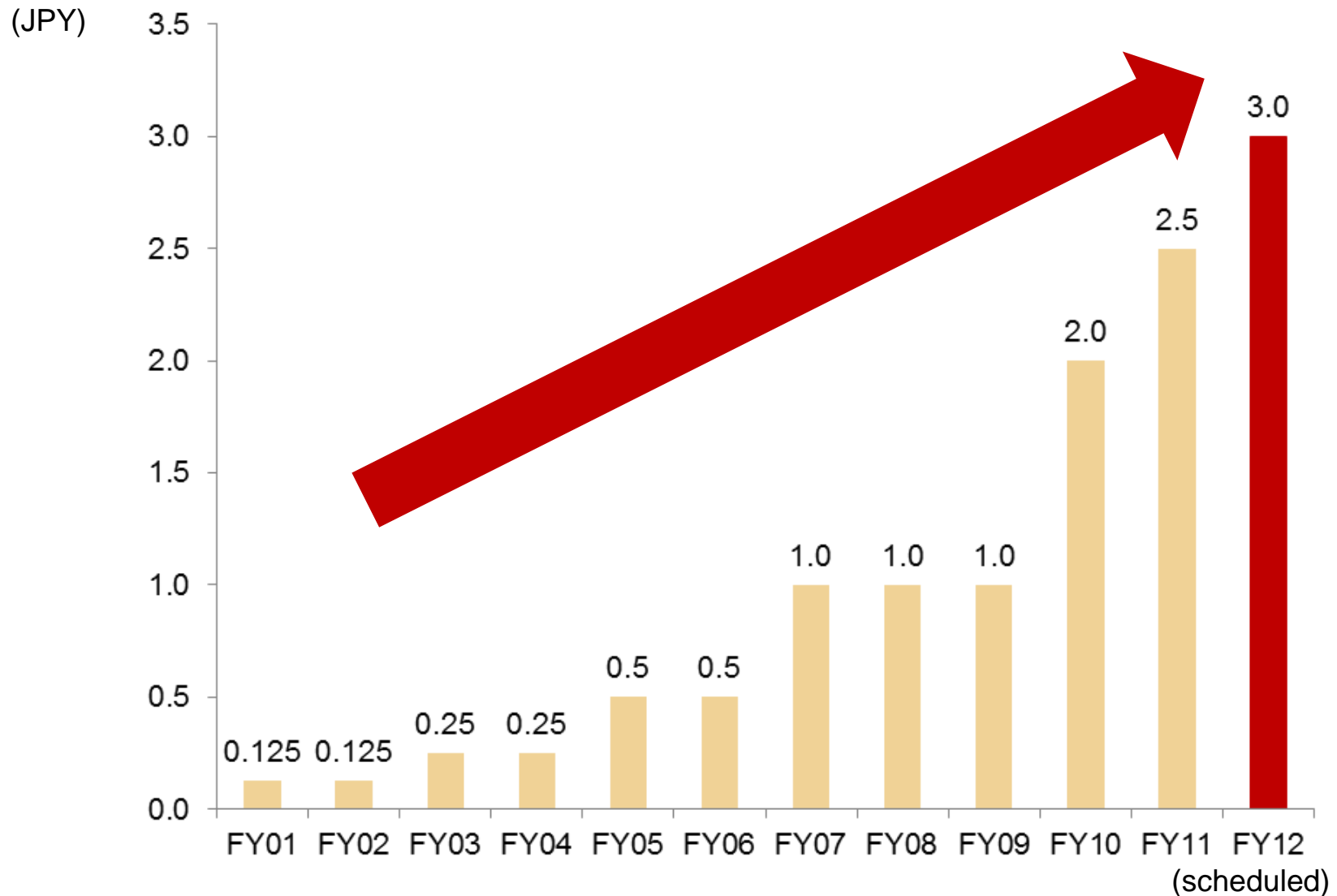
Balance Sheets Improved

- Net assets as of Dec 2012 rose above the levels of Dec 2010 and Dec 2011, despite reorganizations at Rakuten Card and Play.com and impairment loss



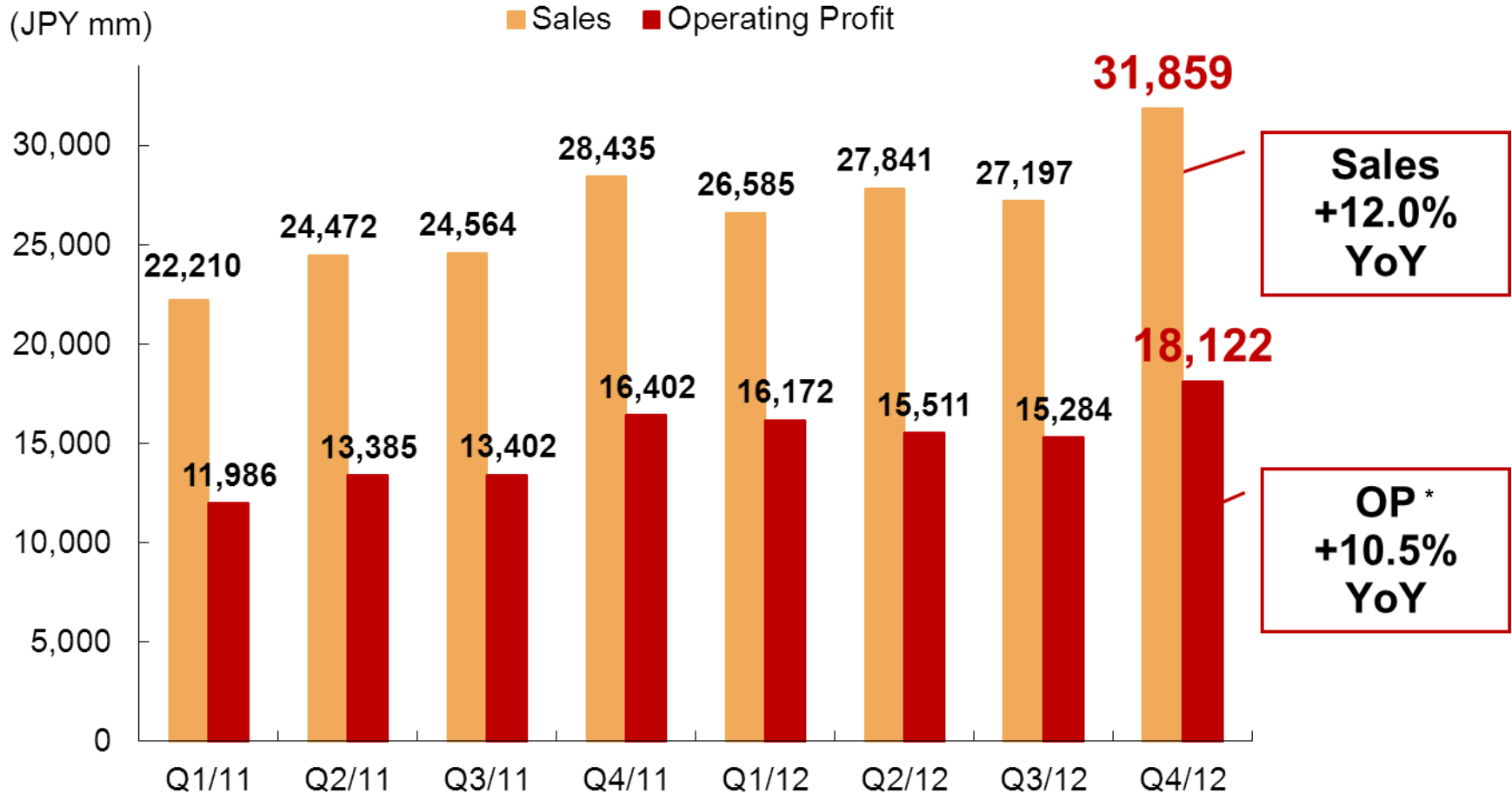
*: Debt from outside financial institutions = Bonds + CP + short-term debt + long-term debt

Dividend Per Share (Adjusted for Stock Splits)



7 Internet Services

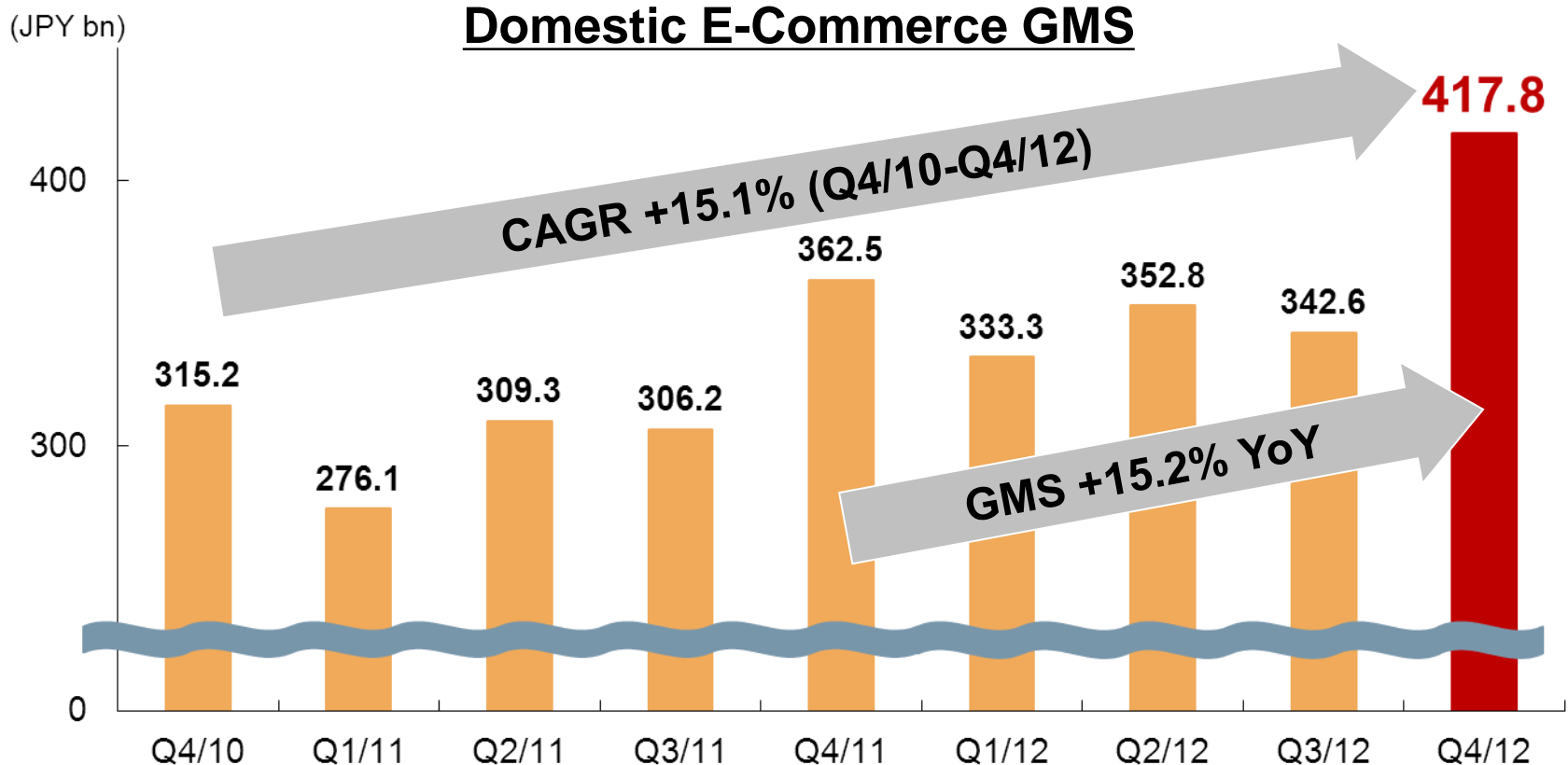
Rakuten Ichiba Quarterly Results



*: Operating Profit in 2011 is after retrospective application of the change in accounting policy regarding loyalty points

Domestic E-Commerce GMS

- Domestic E-Commerce GMS: +15.2% YoY, Q4/10 – Q4/12 CAGR: +15.1%
- Rakuten Ichiba and Books: +15.4% YoY, Q4/10 – Q4/12 CAGR: +15.1%

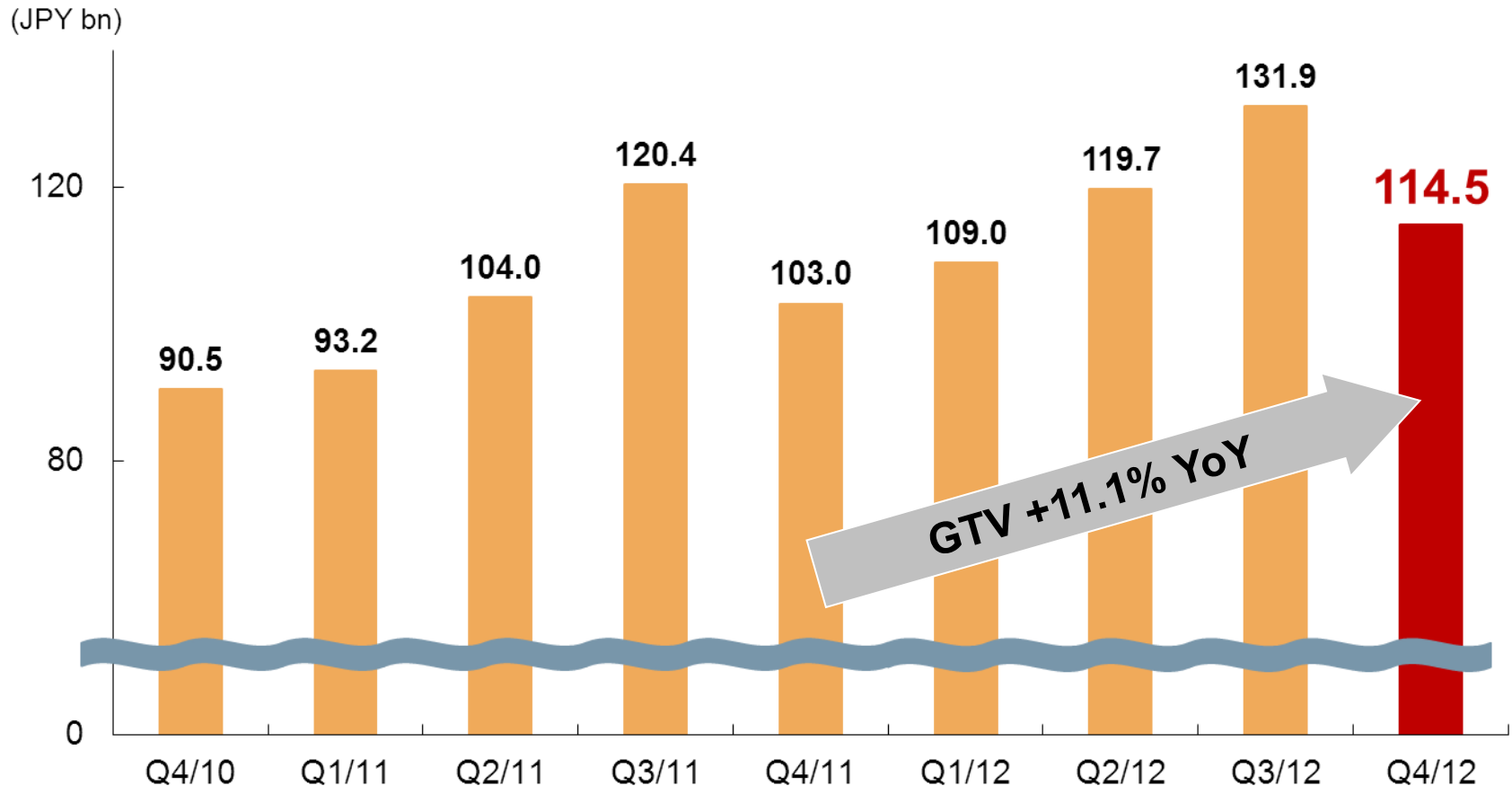


*: Domestic E-Commerce = Mall (Fixed-price, Group purchase), Mobile, Business, Golf, Books, Auction (Flea market), download, tickets, Internet Supermarket, Check Out, Off-track betting, toto, ShowTime, Media rental, Dining, Salon (added from Q2/12), and Mart and Kenko.com (added from Q3/12)

Travel Business

Gross Booking Transaction Value

■ Gross bookings : +11.1% YoY



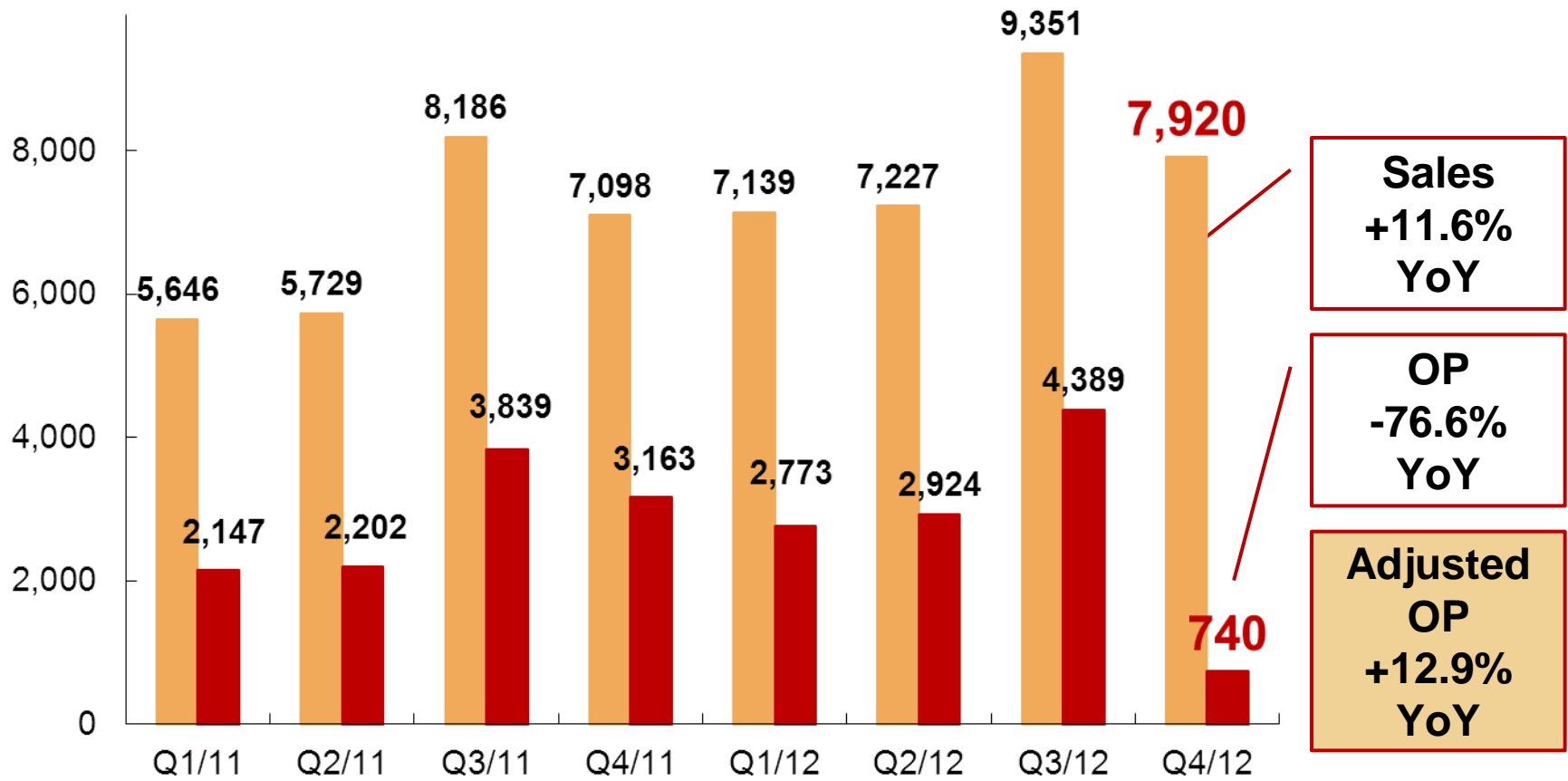
*: Travel GTV = Booking base (before cancellation, excl. tax) transactions of Domestic / International accommodation booking, International air tickets, Domestic / International DP, Bus, Rent-a-car and pet hotel (retroactively added) services

Rakuten Travel Quarterly Results

- Adjusted operating profit growth in Q4/12: +12.9% YoY (for details, refer to next page)
- Reported OP decreased due to accounting correction of dynamic packages

(JPY mm)

■ Sales ■ Operating Profit



Cost Correction at Rakuten Travel, Inc.

- Following revision of the entire accounting procedures for dynamic package transactions (from November 2006 to December 2012) at Rakuten Travel, Inc., its operating expenses and deposits received increased by ¥2,830 million and ¥2,971 million, respectively.
- The entire accounting procedures were revised in the fourth quarter of FY2012 including those for the past fiscal years, because the impact on consolidation was immaterial in amounts.
- In respect of this issue, we identified errors in accounting procedures for deposits received, etc. Therefore, an Investigation Committee composed of the Internal Audit Department of Rakuten, Inc. and external experts conducted an investigation of the relevant items for the entire period since the commencement of the service. As a result, the committee found no fraudulent procedures.
- From January 2013, Rakuten, Inc. has established an organization within its Accounting Department, with the aim to further support internal control of subsidiaries' operations.

Impacts of correction by transaction periods

(JPY mm)

		FY2006-2010	FY2011	FY2012	Total
BS	Deposits received (Liabilities)	1,228	758	984	2,971
PL	Operating expenses	1,169	722	937	2,830

OP Adjustment

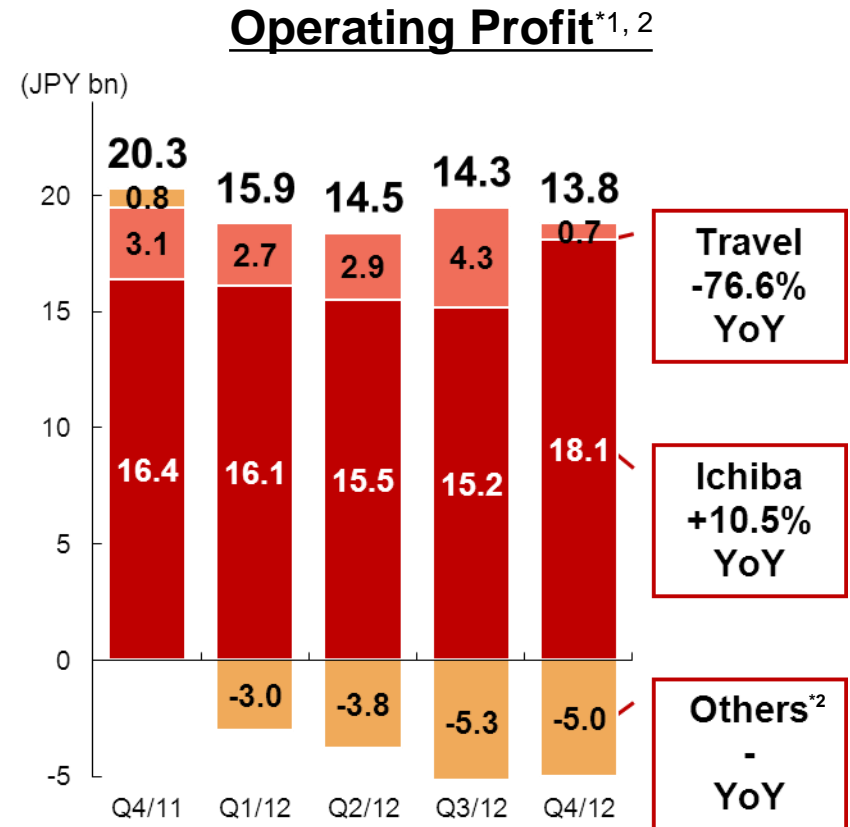
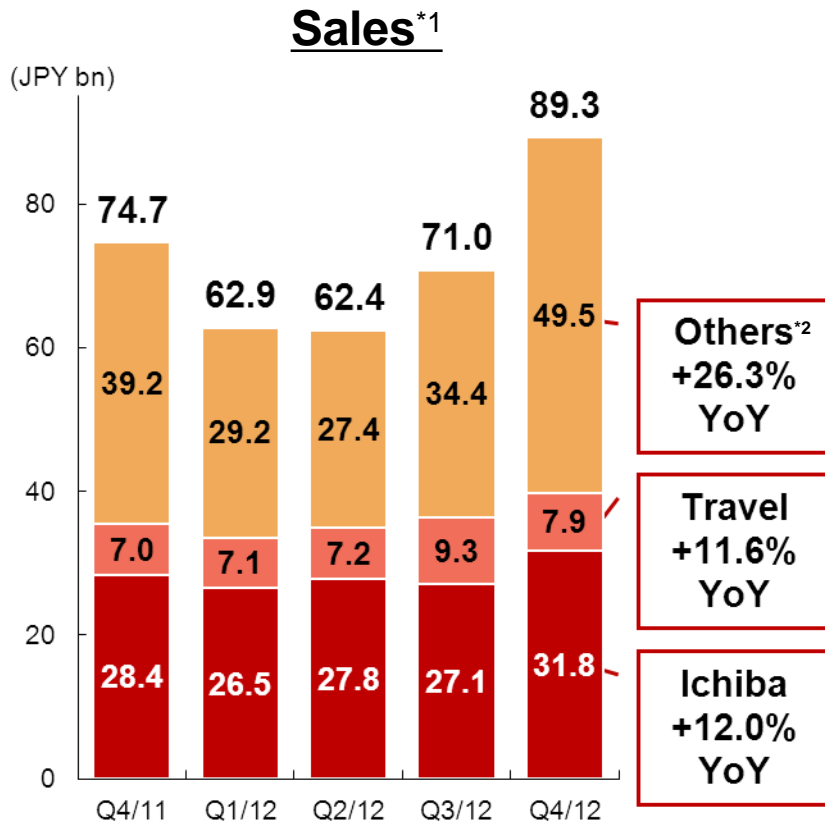
(JPY mm)

	FY2011	FY2012	YoY	Q4/11	Q4/12	YoY
Sales	26,660	31,639	+18.7%	7,098	7,920	+11.6%
OP Reported	11,353	10,828	-4.6%	3,163	740	-76.6%
Adjustment	-722	1,892	-	-183	2,624	-
Adjusted OP	10,630	12,720	+19.7%	2,980	3,365	+12.9%
Adjusted OP Margin	39.9%	40.2%	0.3 pt	42.0%	42.5%	0.5pt

Internet Service Segment

Breakdown by Major Businesses

- Because of new consolidation of Kobo, loss from business transition at Play.com and correction at Rakuten Travel, OP of Internet Services decreased



*1: Kenko.com is now retrospectively included in Others of Internet Service since Q3/12, previously included in "Adjustments"

*2: Operating profit of Q4/11 is after retrospective application of the change in accounting policy regarding loyalty points

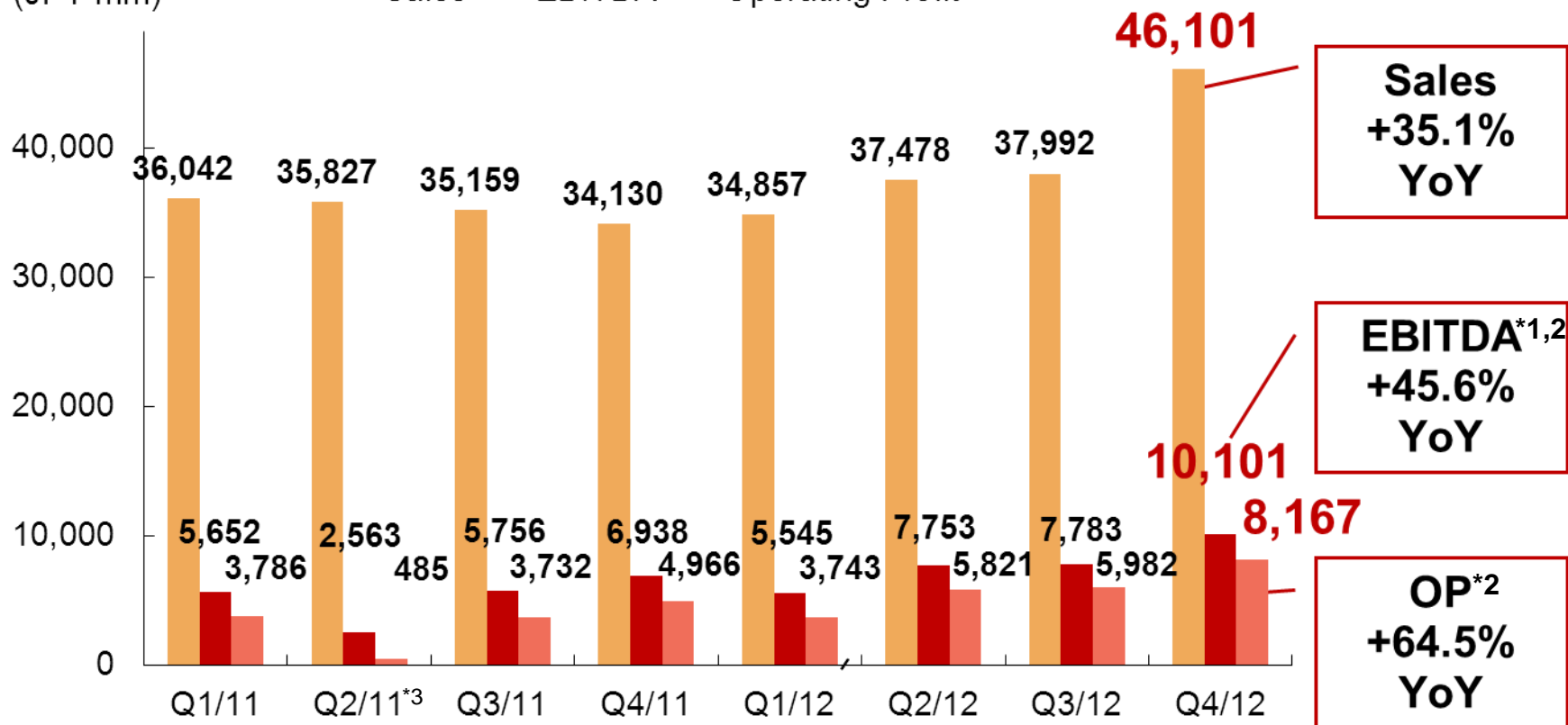
8 Internet Finance

Internet Finance Quarterly Results

- Card, Banking, and Securities are all growing significantly
- Edy achieved first ever full year operating profit

(JPY mm)

■ Sales ■ EBITDA ■ Operating Profit



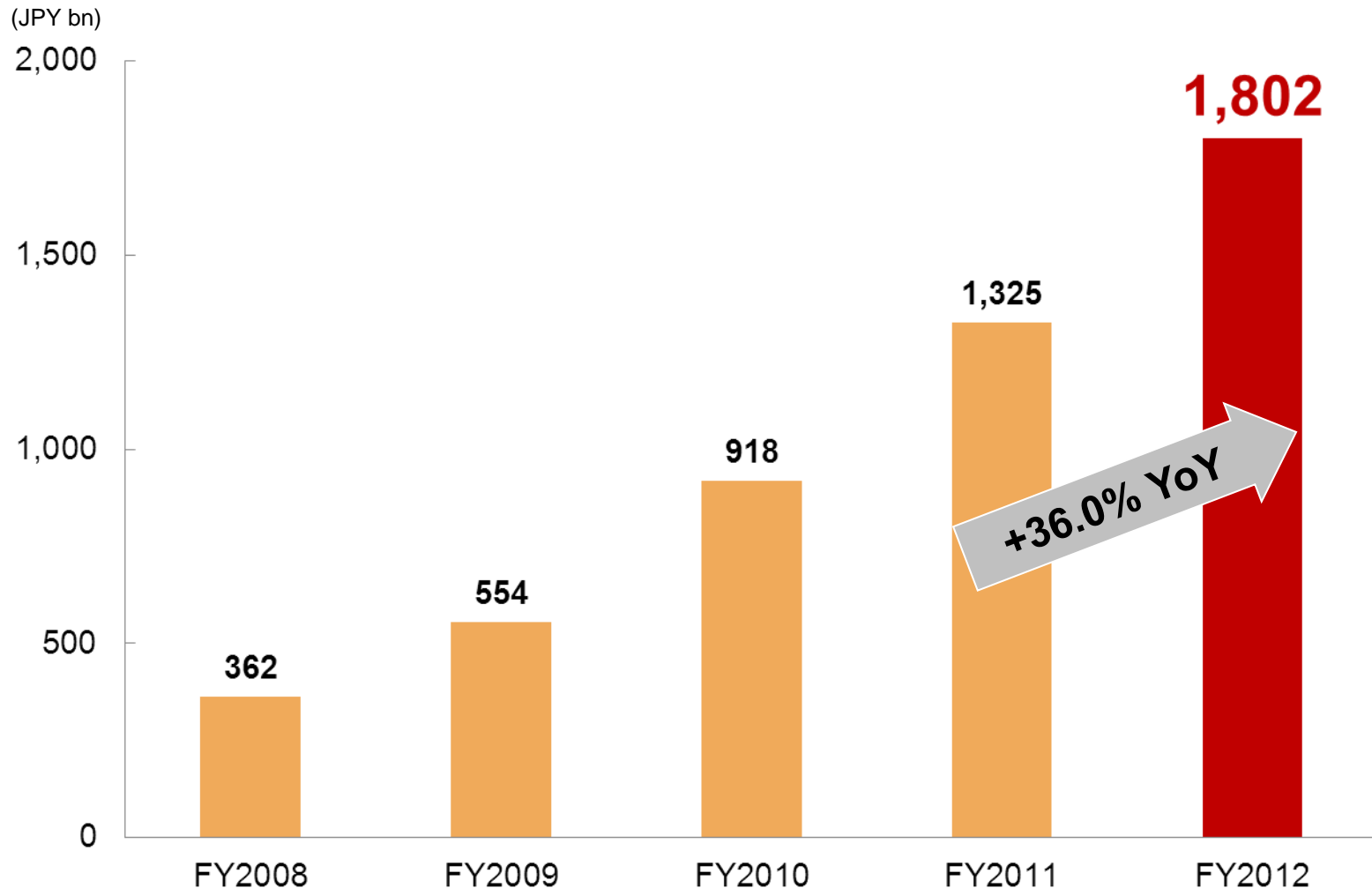
*1: EBITDA = Ordinary Profit + Interest expense + Depreciation + Amortization of goodwill and intangible assets.

*2: Profits in 2011 are after retrospective application of the change in accounting policy regarding loyalty points

*3: Q2/11 operating profit is JPY 4,749 mm after adjusting one-off operating expense at Rakuten KC of JPY 4,264 mm

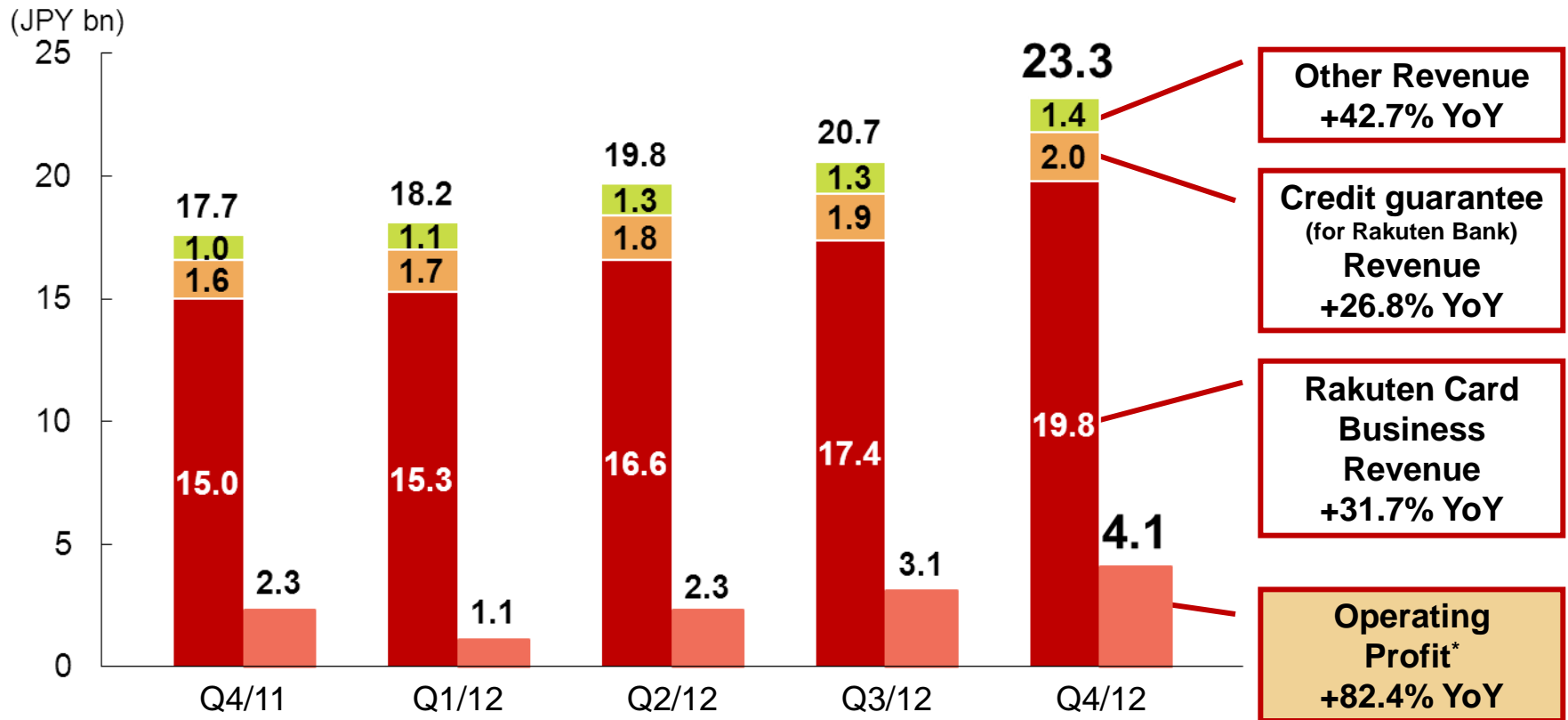
Rakuten Card Shopping Transaction Value

■ Rakuten Card Annual Shopping Transaction Value: +36.0% YoY



Credit Card Business Revenue and OP*1

■ Operating Profit increased by 82.4% YoY led by Rakuten Card

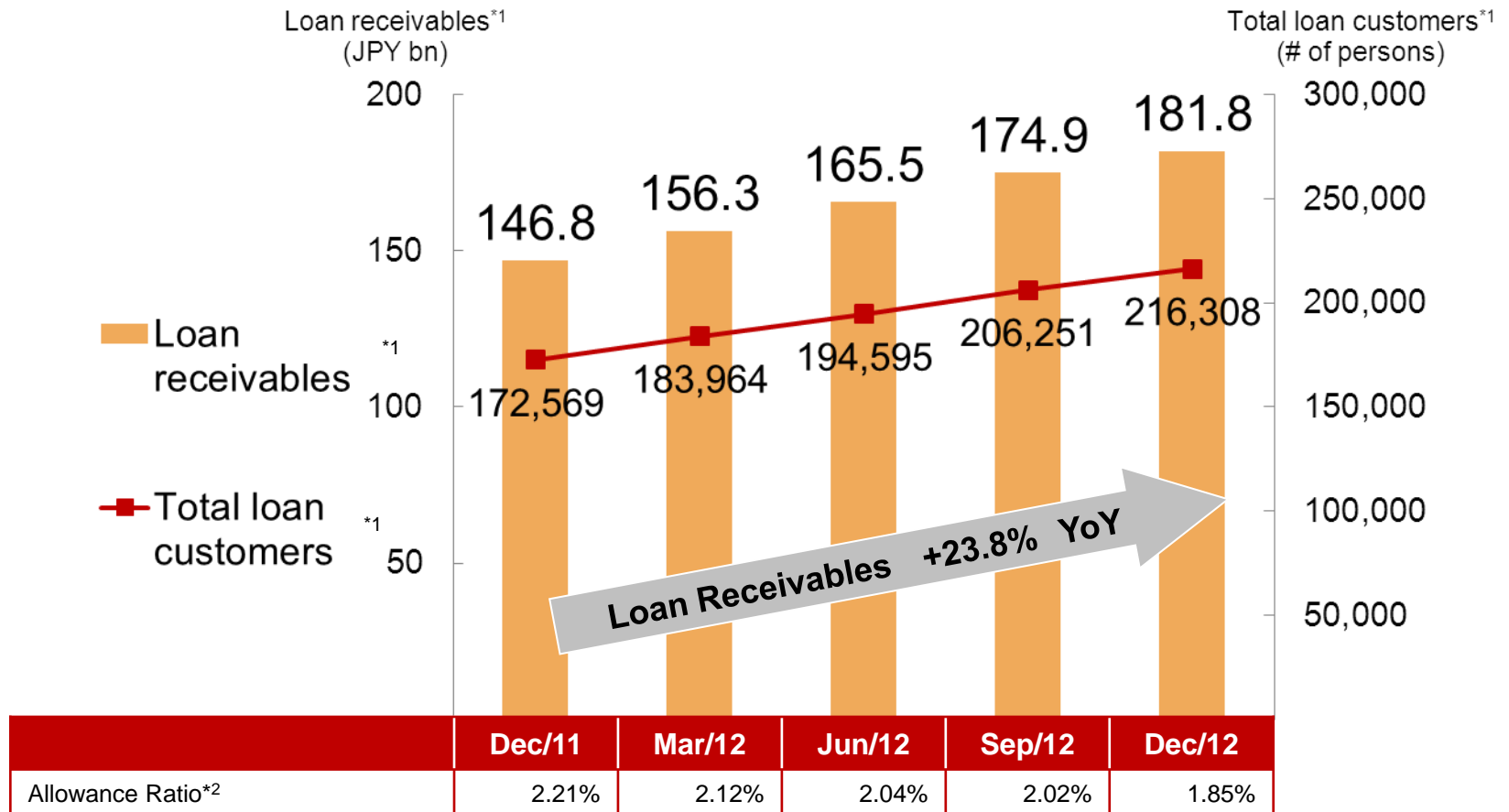


*: Operating profits in 2011 are after retrospective application of the change in accounting policy regarding loyalty points.

“Rakuten Bank Super Loan”

Trends of Loan Receivables

- Rapid growth of Loan Receivables: +23.8% YoY, while Allowance Ratio is decreasing



*1: Loan Receivables, Total loan customers and Allowance ratio are total of Rakuten Bank and credit guarantee of Rakuten Card Co., Ltd.

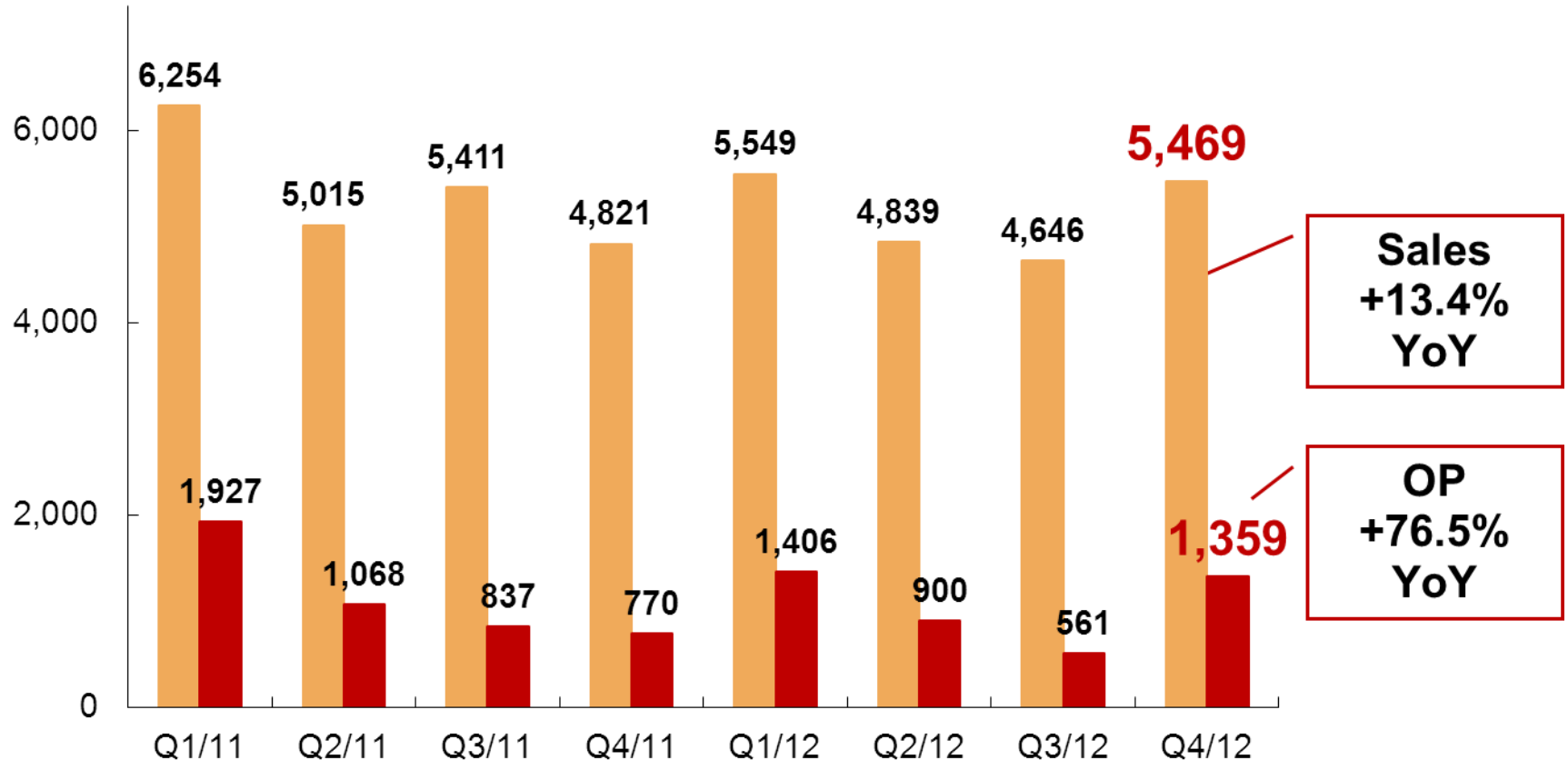
*2: Allowance Ratio = Balance of allowances for doubtful accounts / Balance of loan receivables

Rakuten Securities Quarterly Results*

■ Operating profit +76.5% YoY based on high trading activity

(JPY mm)

■ Sales ■ Operating Profit



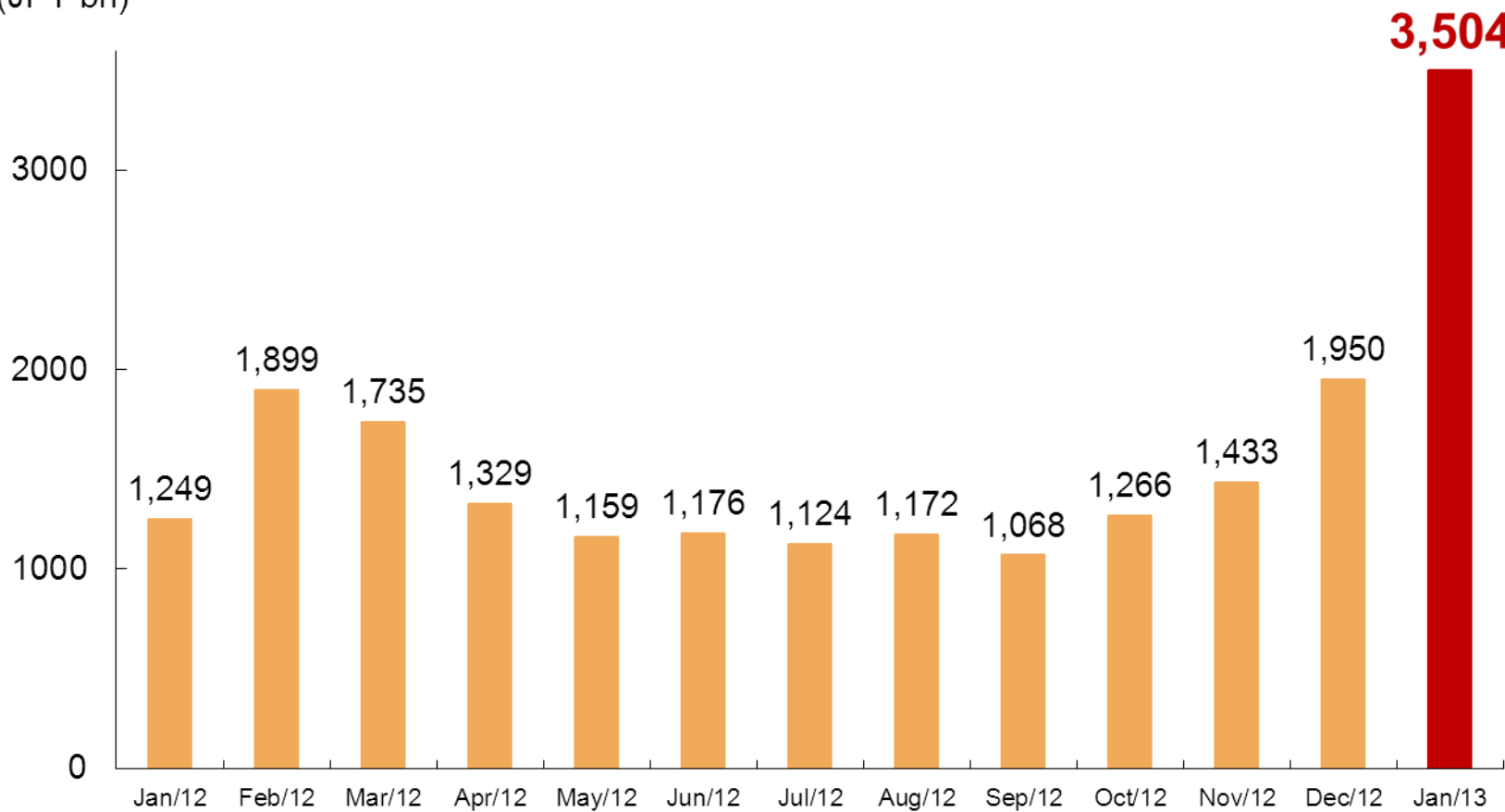
*: Since Q3/11, consolidated financial results are shown. Up to Q2/11, on a non-consolidated basis.

Rakuten Securities Monthly Change in Stock Brokerage Trading Value

- Domestic stock trading value strongly increased on stimulated stock market and deregulation of margin trading

Domestic Stock Brokerage Trading Value

(JPY bn)



Rebranding of Airio Life Insurance

- Rebranding to Rakuten Life Insurance
 - Planned on April 1 assuming regulatory approval

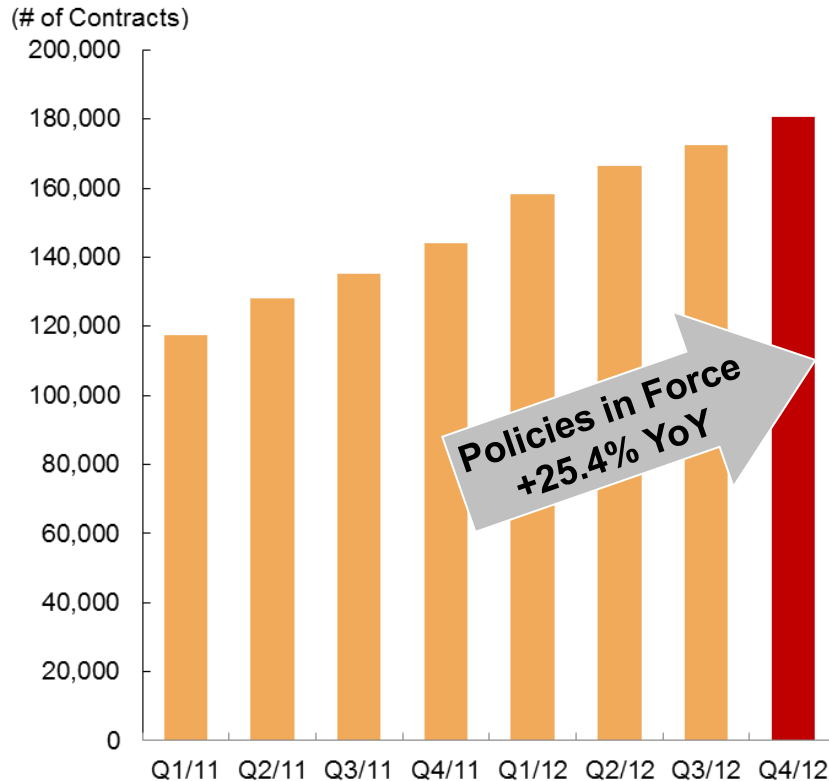


Airio Life Insurance

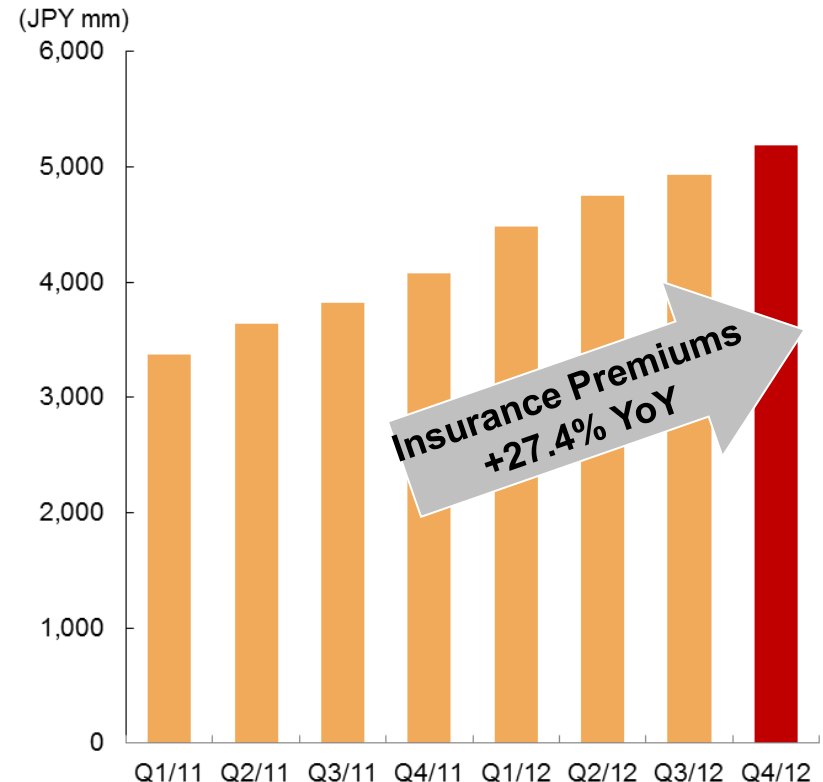
Trend of Life Insurance Contracts

- Steady growth of life insurance contracts
- Preparing sales via internet channel

Policies in Force



Annualized Insurance Premiums



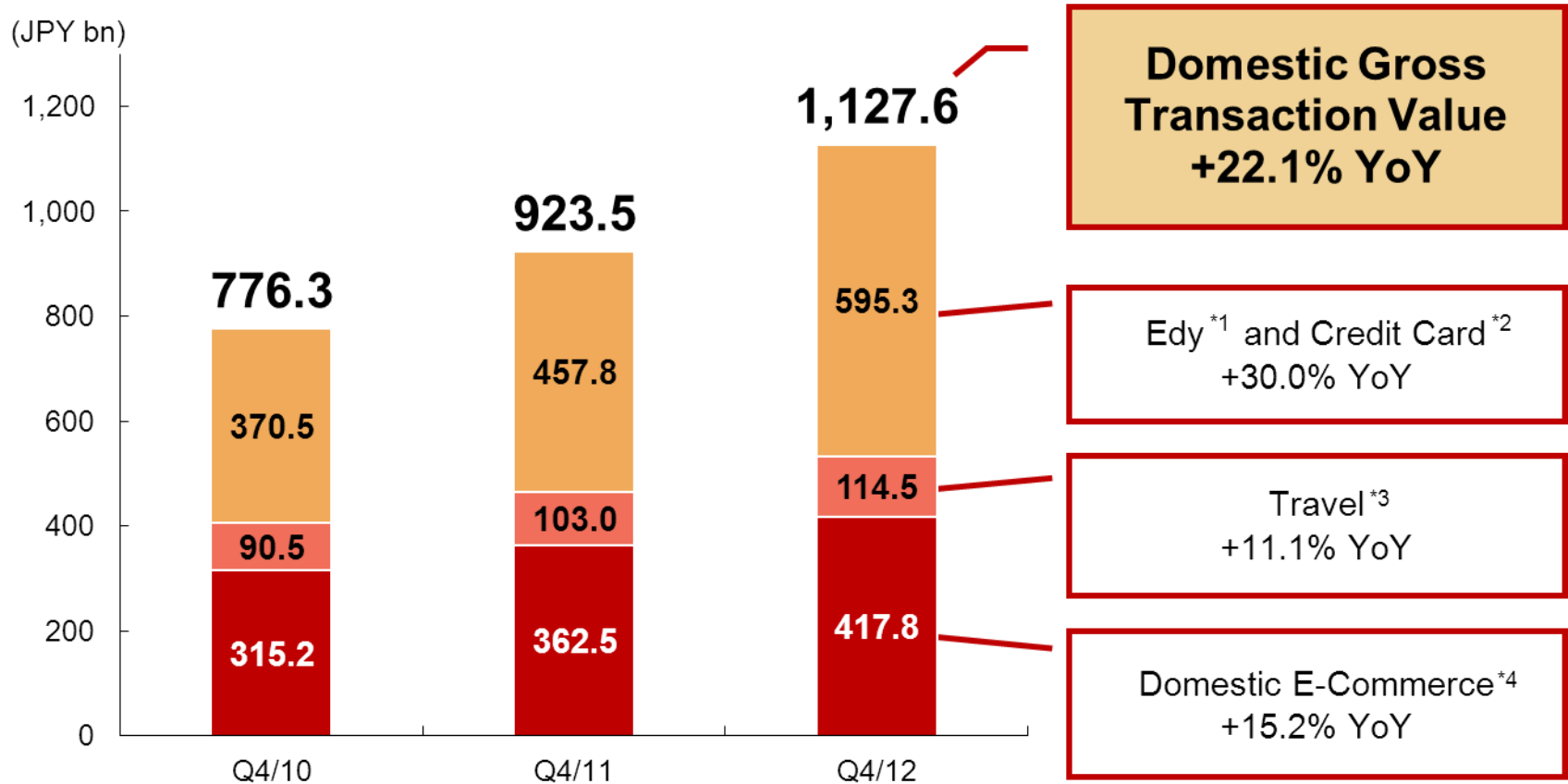
*: Excluding contracts of mutual aid association

Figures above are different with consolidated financial results

Appendix

- Other Information
- Consolidation Impact of Airio Life Insurance

Quarterly Domestic Gross Transaction Value (Including Credit Cards and E-Money)



*1: Edy Transaction Value = Amount settled by E-Money "Edy" (including mobile and cards)

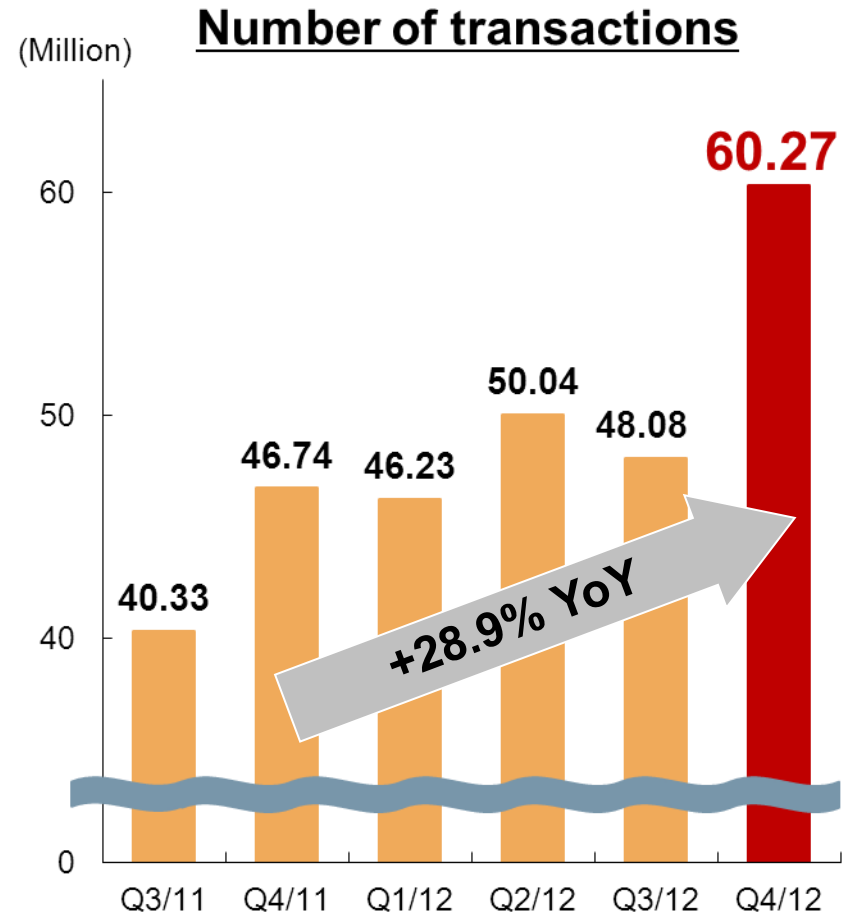
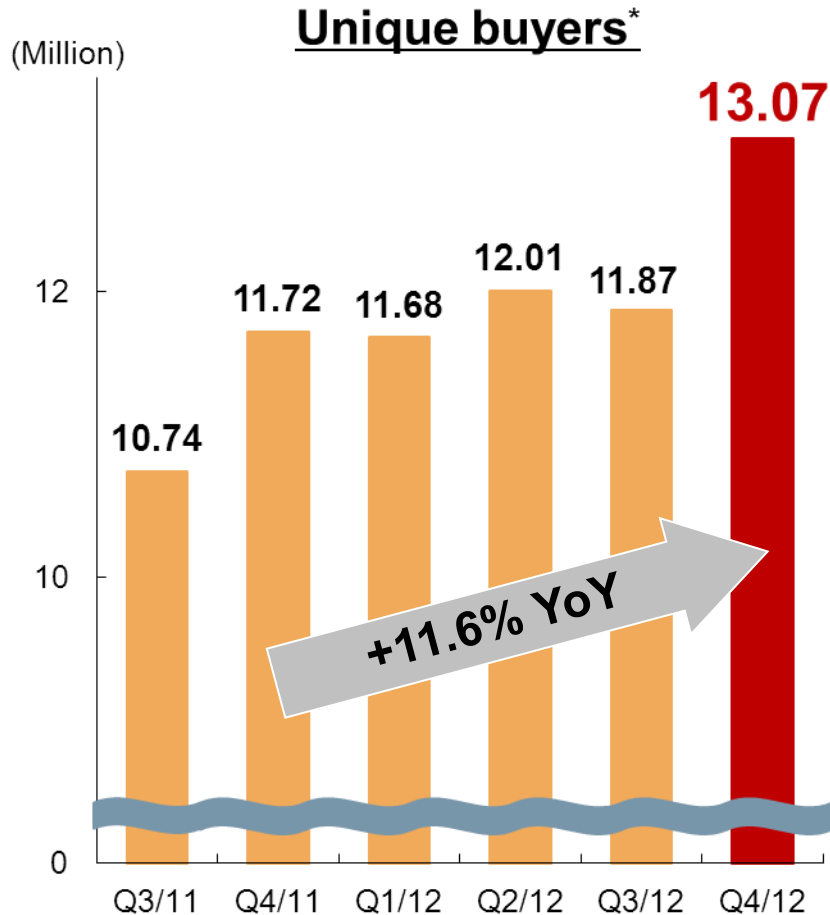
*2: Credit Card Shopping Transaction Value = Shopping Transaction Value of credit cards (including Rakuten group service use)

*3: Travel (before cancellations, excluding tax) = Domestic / international accommodation bookings, International air tickets, Domestic / international dynamic packages, bus services, rent-a-car and pet hotel services

*4: Domestic E-Commerce = Mall (Fixed-price, Group purchase), Mobile, Business, Golf, Books, Auction (Flea market), download, tickets, Internet Supermarket, Check Out, Off-track betting, toto, Showtime, Media rental, Dining, Salon (added from Q2/12), and Mart and Kenko.com (added from Q3/12)

Rakuten Ichiba

Unique Buyers* and Transactions



*Unique Buyers: Number of buyers sorted by e-mail address with purchasing records during the listed 3 month period.

Consolidation of Airio Life Insurance

Q4/12

- Consolidated balance sheet as of Dec 2012
 - Recognized JPY 7,052m of goodwill
 - Recognized JPY14,629m of intangible assets
- Consolidated income statement from Nov to Dec 2012

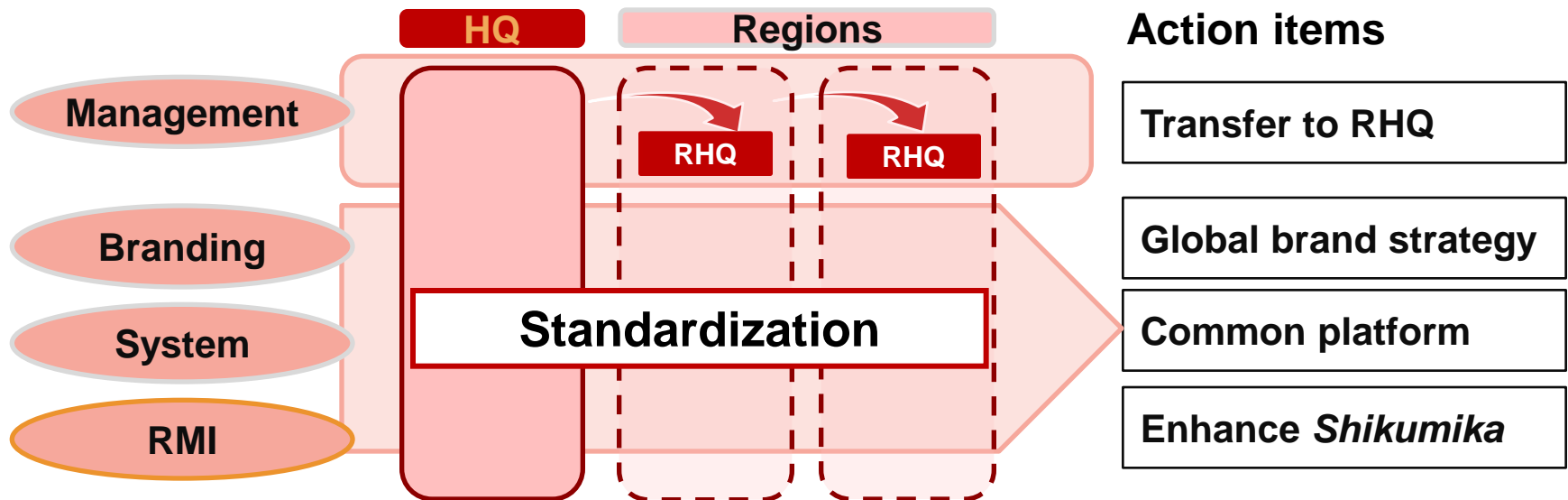
	PL Impact (JPY m)	Segment Classification
Revenue	4,469	Internet Finance
Amortization of goodwill	52	Adjustments
Amortization of intangible assets	157	Internet Finance
Operating Profit	93	Internet Finance
Gain on step acquisition	2,978	Extraordinary Item

From
FY2013

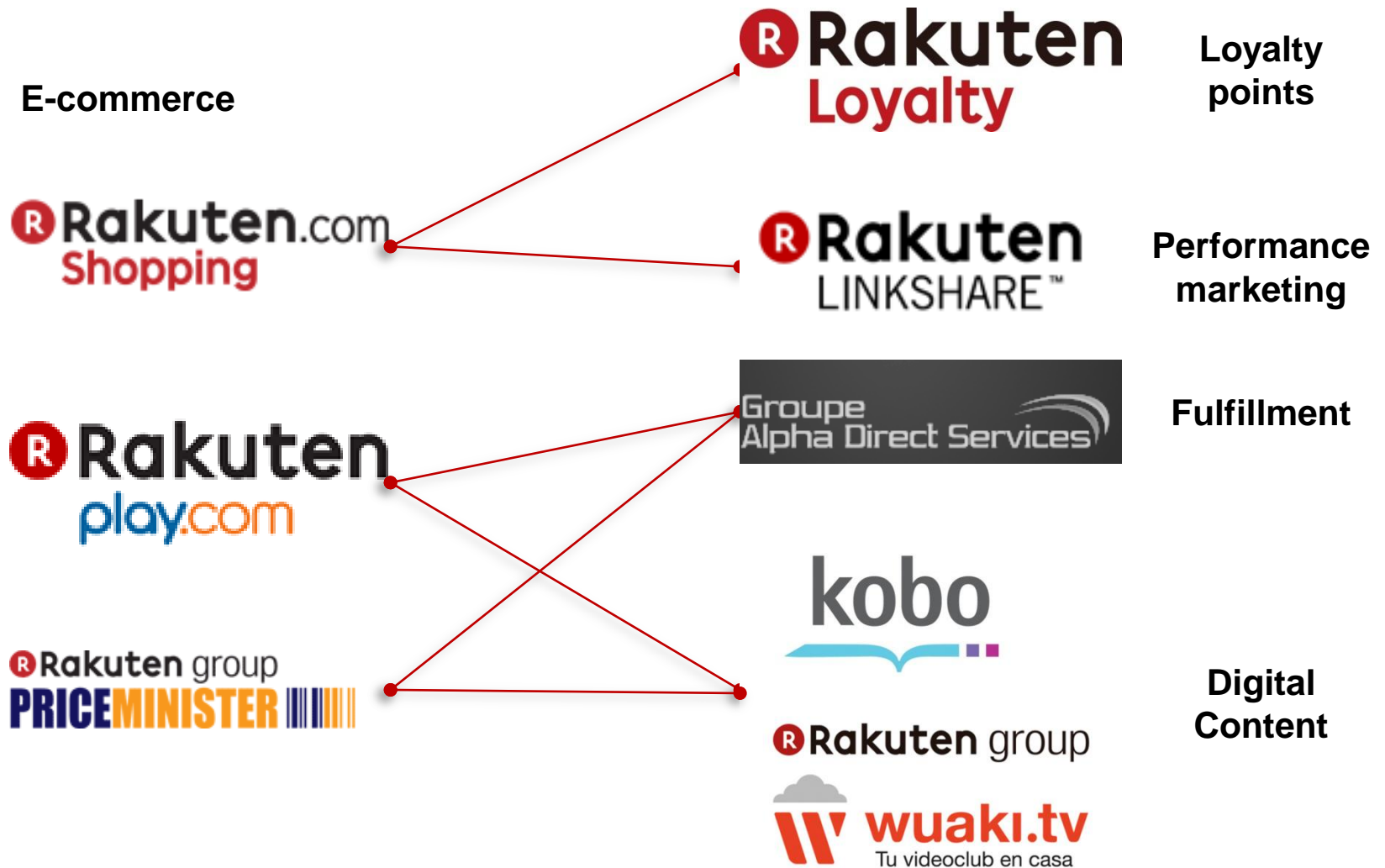
- Terminate periodical amortization of goodwill due to migration to IFRS
- Continue amortization of intangible assets
 - Approximately JPY800m in FY2013

Rakuten Model Integration

- Transfer headquarters functions to local management and implement global standardization with Regional Headquarters



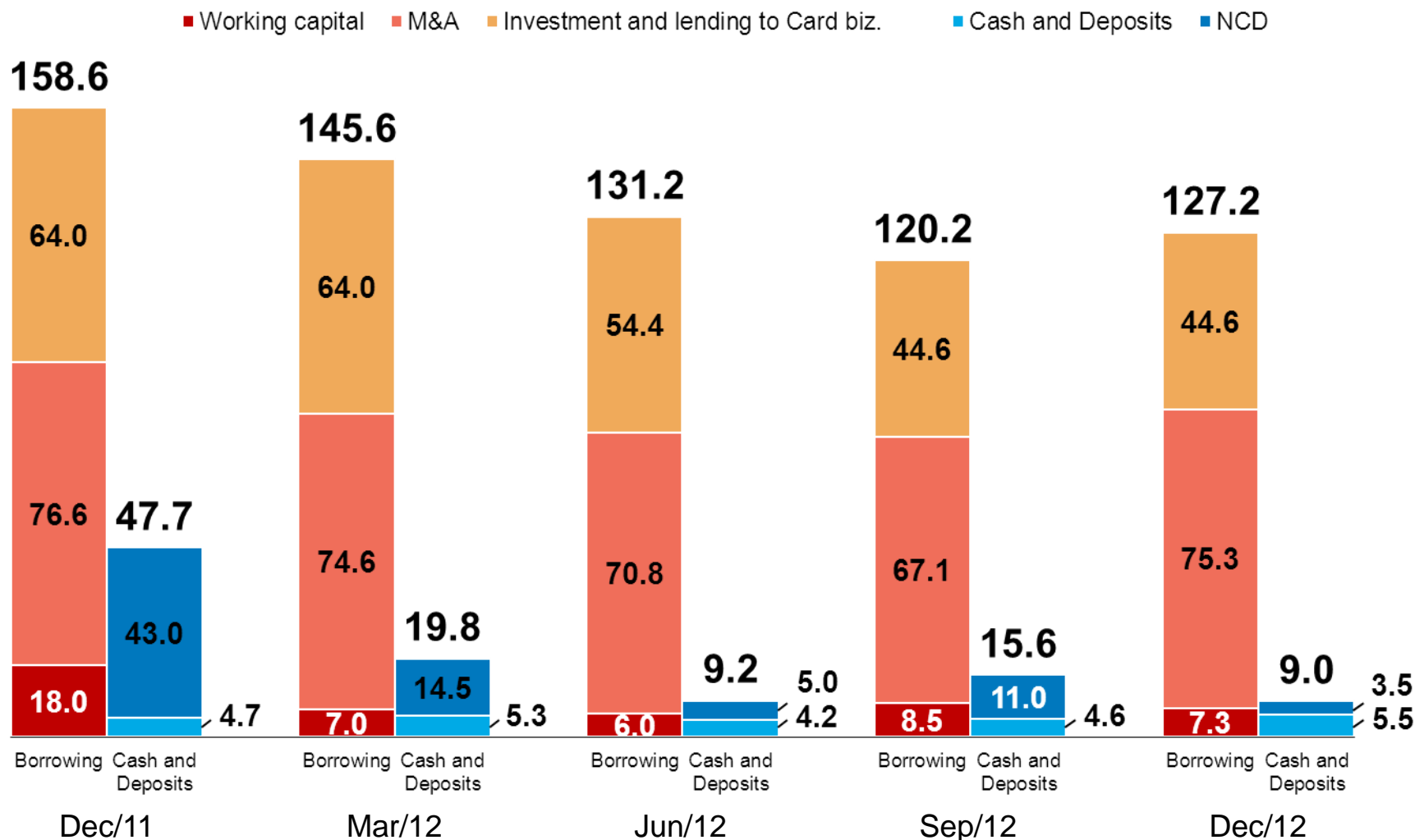
Group Synergies



Financial Condition

Rakuten, Inc. (Non-consolidated)

Debt and Cash (JPY bn)

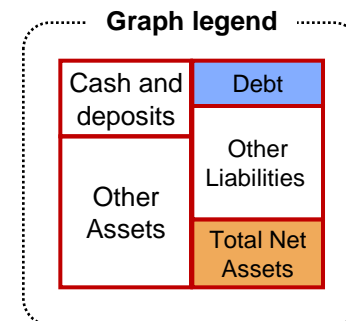


Rakuten Group : Balance Sheets (As of December 31, 2012. JPY bn)

Rakuten Group (Consolidated)

Cash and deposits	267.5	306.0
Other Assets	1840.8	
Liabilities at Securities Business	340.7	
Other Liabilities	391.2	
Total Net Assets	262.4	

Debt from financial institution (outside the group)



Rakuten Bank (Consolidated)

*: JPY5.0bn of borrowing is from Rakuten, Inc.

145.9	5.0
751.1	814.3
	27.7
	50.0

Rakuten, Inc. (Non-Consolidated)

5.5	127.2
532.7	108.2
	302.8

Rakuten Card Co., Ltd.

*: JPY74.6bn of borrowing is from the group

31.8	208.8
372.9	156.6
	39.3

Rakuten Securities (Non-Consolidated)

* JPY17.0bn of borrowing is from the group

27.3	57.3
410.4	344.6
	35.8

AIRIO Life Insurance Co., Ltd

21.4

Total Assets
2,108.4

Total Assets
538.3

Total Assets
897.0

Total Assets
404.7

Total Assets
437.8

Total Assets
45.8

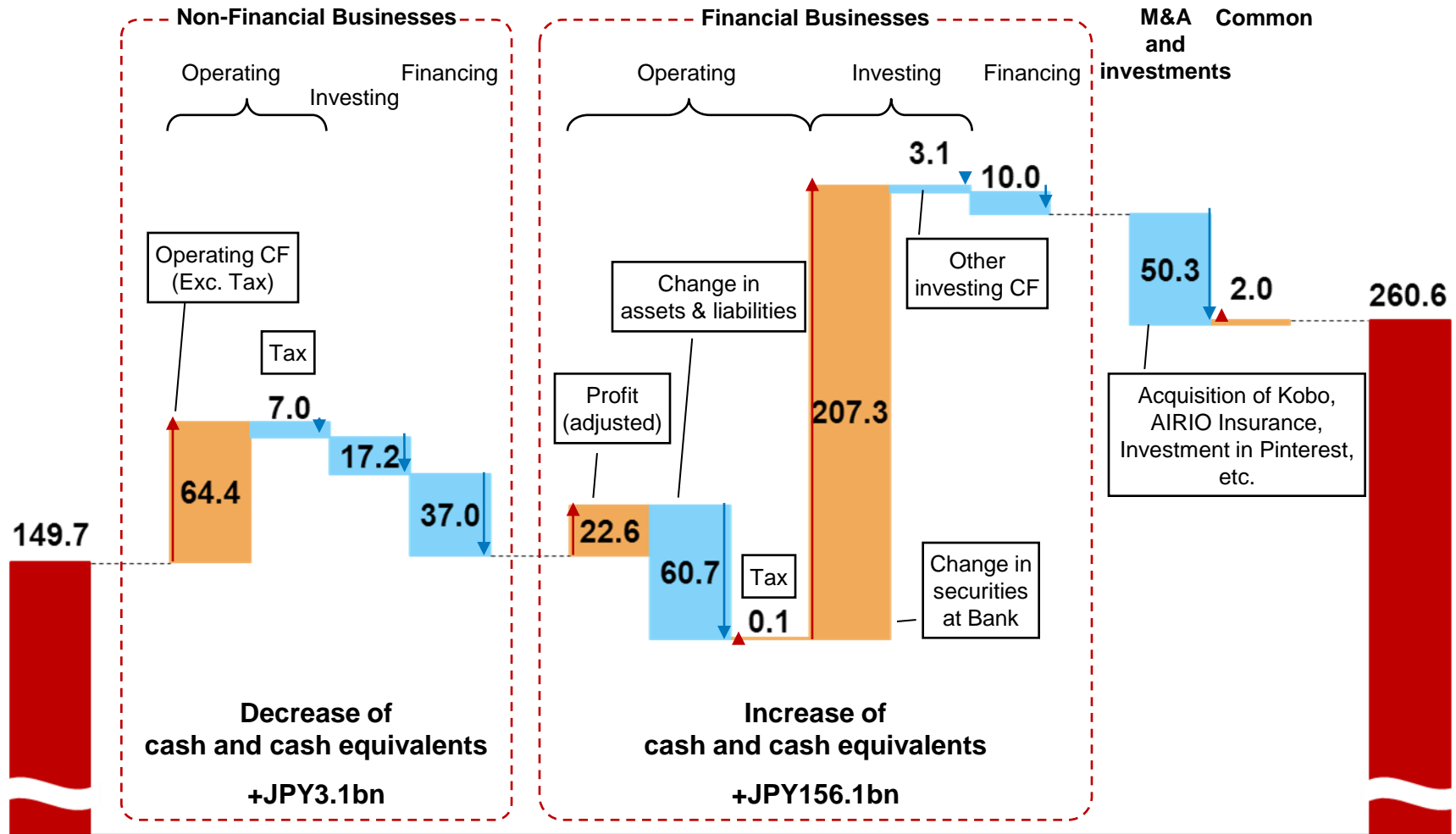
*1: Rakuten, Inc., Rakuten Bank, Rakuten Card Co., Ltd., Rakuten Securities and Airio Life Insurance Co., Ltd include internal eliminations

*2: Debt = Corporate bonds + CP + Short-term borrowings + Long-term borrowings

Cash Flow Breakdown: Jan - Dec 2012 (JPY bn)

Beginning
(Dec 31, 2011)

End
(Dec 31, 2012)



Breakdown of Cash Flow by Financial Businesses and Non-financial Businesses : Jan-Dec 2012 (1)

(JPY bn)

Overview of cash flow statements for FY2012	Consolidated	Financial	Non-Financial	Common
Income (loss) before income taxes and minority interests	46.6	17.8	28.8	-
Depreciation and amortization	21.1	6.9	14.1	-
Amortization of goodwill	7.9	2.4	5.5	-
Impairment loss	18.6	-	18.6	-
Increase (decrease) in allowance for doubtful accounts	(4.4)	(4.6)	0.1	-
Loss on business restructuring	4.2	-	4.2	-
Other loss (gain)	(0.8)	-	-	(0.8)
Decrease (increase) in notes and accounts receivable - trade	(9.7)	0.0	(9.7)	-
Decrease (increase) in accounts receivable - installment	(98.1)	(98.1)	-	-
Decrease (increase) in beneficial interests in securitized assets	(65.5)	(65.5)	-	-
Decrease (increase) in operating loans receivable	(6.8)	(6.8)	-	-
Increase (decrease) in notes and accounts payable - trade	14.5	14.8	(0.3)	-
Increase (decrease) in accounts payable-other and accrued expenses	10.3	6.7	3.6	-
Increase (decrease) in deposits for banking business	66.5	66.5	-	-
Decrease (increase) in call loans for banking business	42.0	42.0	-	-
Decrease (increase) in loans for banking business	(33.7)	(33.7)	-	-
Decrease (increase) in operating assets for securities business	(54.3)	(54.3)	-	-
Increase (decrease) in operating liabilities for securities business	45.1	45.1	-	-
Increase (decrease) in borrowings secured by securities for securities business	8.7	8.7	-	-
Other - net	6.3	6.3	0.0	-
Subtotal	18.6	(45.6)	65.1	(0.8)
Payments for guarantee deposits for business operation	(0.9)	(0.9)	-	-
Proceeds from guarantee deposits for business operation	8.4	8.4	-	-
Income taxes paid	(6.9)	0.1	(7.0)	-
Other - net	(0.6)	-	(0.6)	-
I Net cash provided by (used in) operating activities	18.6	(37.9)	57.4	(0.8)

*: Breakdown between financial and non-financial businesses are based on internal estimation and not reviewed by independent auditors.

Breakdown of Cash Flow by Financial Businesses and Non-financial Businesses : Jan-Dec 2012 (2)

(JPY bn)

Overview of cash flow statements for FY2012	Consolidated	Financial	Non-Financial	Common
Payments into time deposits	(6.3)	(6.1)	(0.1)	-
Proceeds from withdrawal of time deposits	12.4	12.2	0.2	-
Purchase of securities for banking business	(254.0)	(254.0)	-	-
Proceeds from sales and redemption of securities for banking business	461.3	461.3	-	-
Purchase of property, plant and equipment	(5.1)	(1.2)	(3.9)	-
Purchase of intangible assets	(19.0)	(6.6)	(12.3)	-
Purchase of investment securities	(14.0)	(5.8)	(8.2)	-
Purchase of investments in subsidiaries	(5.1)	-	(5.1)	-
Purchase of subsidiaries stocks with change in consolidation	(37.0)	-	(37.0)	-
Other payments	(5.7)	(3.1)	(2.5)	-
Other proceeds	8.8	7.7	1.1	-
Interest and dividends received	0.3	-	0.3	-
II Net cash provided by (used in) investing activities	136.5	204.1	(67.6)	-
Net increase (decrease) in short-term loans payable	6.8	17.9	(11.0)	-
Increase (decrease) in commercial papers	14.0	9.0	5.0	-
Proceeds from long-term loans payable	28.2	16.2	12.0	-
Repayment of long-term loans payable	(86.2)	(52.8)	(33.4)	-
Redemption of bonds	(4.8)	-	(4.8)	-
Interest paid	(1.5)	-	(1.5)	-
Cash dividends paid	(3.2)	-	(3.2)	-
Other - net	(0.2)	(0.3)	0.1	-
Net cash provided by (used in) financing activities	(47.0)	(10.0)	(37.0)	-
Effect of exchange rate change on cash and cash equivalents	2.8	-	-	2.8
Net increase (Decrease) in cash and cash equivalents	110.9	156.1	(47.2)	2.0
Cash and cash equivalents (as of December 31, 2011)	149.7	-	-	-
Cash and cash equivalents from newly consolidated subsidiaries	0.2	-	-	-
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(0.3)	-	-	-
Cash and cash equivalents (as of December 31, 2012)	260.6	-	-	-

*: Breakdown between financial and non-financial businesses are based on internal estimation and not reviewed by independent auditors.

Other Information

Balance of Goodwill (as of end Dec 2012)

■ J-GAPP basis

(JPY mm)

Internet Services	LinkShare Corporation	26,911
	Kobo ^{*1}	16,788
	PriceMinister ^{*2}	15,749
	Play.com ^{*3}	3,954
	Buy.com ^{*4}	0
	Others	18,962
Internet Finance	Rakuten Bank	30,676
	Airio Life Insurance ^{*5}	7,000
	Others	8,387
Others		2,626
Total		131,058

*1: In addition, intangible assets, JPY 13,748mm

*2: In addition, intangible assets, JPY 5,683mm

*3: In addition, intangible assets, JPY 2,360mm

*4: Intangible assets, zero

*5: In addition, intangible assets, JPY 22,485mm

Amortization of Goodwill*

(JPY mm)

	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12
Internet Services	1,007	1,023	1,138	1,280	1,413	1,188	1,339	1,409
Internet Finance	829	825	677	841	597	597	597	649
Others	39	41	41	41	41	41	21	41
Total	1,876	1,890	1,858	2,164	2,053	1,827	1,959	2,100

* Amortization of goodwill is included in SG&A expenses. Amortization of negative goodwill is included in non-operating revenue.

Rakuten Group's CAPEX*

(JPY bn)

		2011				2012			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Non Consolidated	Hardware	0.53	0.39	0.19	0.19	0.69	0.52	0.28	0.20
	Software	1.84	1.51	1.48	1.79	1.83	2.37	1.81	1.93
	Total	2.37	1.90	1.67	1.99	2.53	2.89	2.09	2.14
Consolidated	Hardware	1.63	1.09	0.74	1.13	1.61	1.33	1.97	1.39
	Software	4.44	3.23	3.88	3.86	4.25	5.49	5.22	4.83
	Total	6.07	4.32	4.62	5.00	5.86	6.82	7.20	6.22

* Acquisition Base (Including Professional Sports Business) and using straight-line method of depreciation.

Rakuten, Inc. (non-consolidated) B/S and P/L

■ Balance Sheets

As of Dec 31, 2012

CURRENT ASSETS	93.2	CURRENT LIABILITIES	129.1
Cash and deposits	5.5	Account payable-trade	4.0
Accounts receivable-trade	43.0	Short-term debts and Loans	26.3
Other current assets	45.1	Accounts payable	22.9
Allowance for doubtful accounts	-0.3	Income taxes payable	0.5
		Reserve for point program	25.5
		Other current liabilities	49.7
		LONG-TERM LIABILITIES	106.3
		(Long-term debts and Loans)	100.9
		TOTAL LIABILITIES	235.4
NONCURRENT ASSETS	445.0	SHAREHOLDERS' EQUITY	300.4
Property, plant and equipment	6.1	Capital stock	108.2
Intangible assets	16.6	Capital surplus	117.0
Investment and other assets	422.1	Retained earnings	78.7
(Allowance for doubtful accounts)	-0.6	Treasury stock	△3.6
(Allowance for investment loss)	-1.2	VALUATION AND TRANSLATION	0.9
		ADJUSTMENTS	
		Valuation difference on available-for-sale securities	0.9
		deferred gains or losses on hedges	-
		Subscription rights to shares	1.4
		TOTAL NET ASSETS	302.8
TOTAL ASSETS	538.3	TOTAL LIABILITIES AND NET ASSETS	538.3

■ Income Statements

(JPY bn)

Three months ended Dec 31, 2012

(JPY bn)

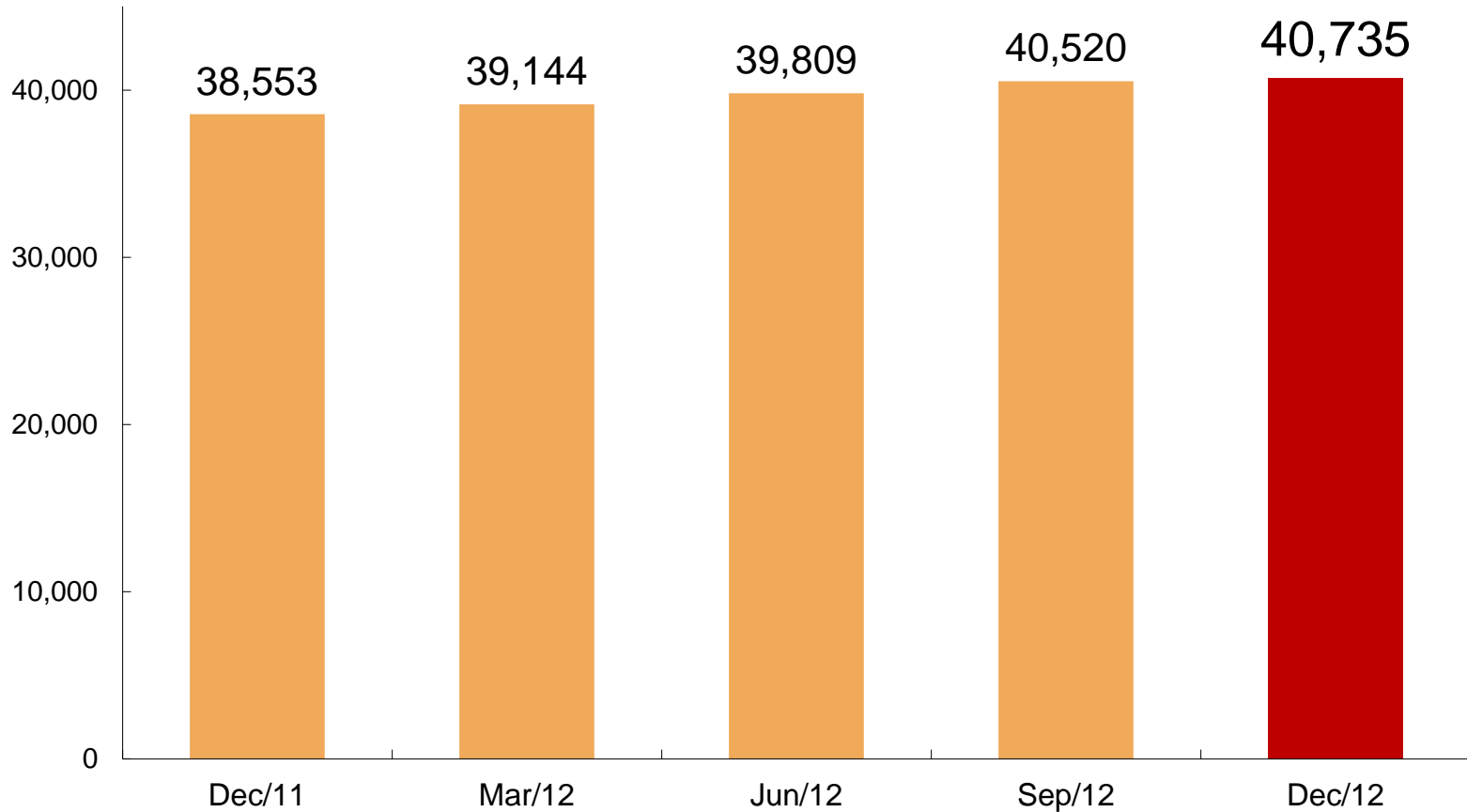
Sales	46.5
Cost of Sales	9.7
Gross Profit	36.8
Operating Expense	20.3
Personnel costs	6.6
Advertising and sales promotion	6.7
Depreciation	1.6
Communication and maintenance	1.1
Outsourcing	4.5
Others	△0.3
Operating Profit	16.4
Non-Operating Profit	0.5
Non-Operating Expense	0.5
Ordinary Profit	16.5
Extraordinary income	0.3
Extraordinary loss	9.5
Net income before tax	7.3
Income taxes-current	0.0
Income taxes-deferred	4.4
Net Income	2.9

* Figures are rounded down

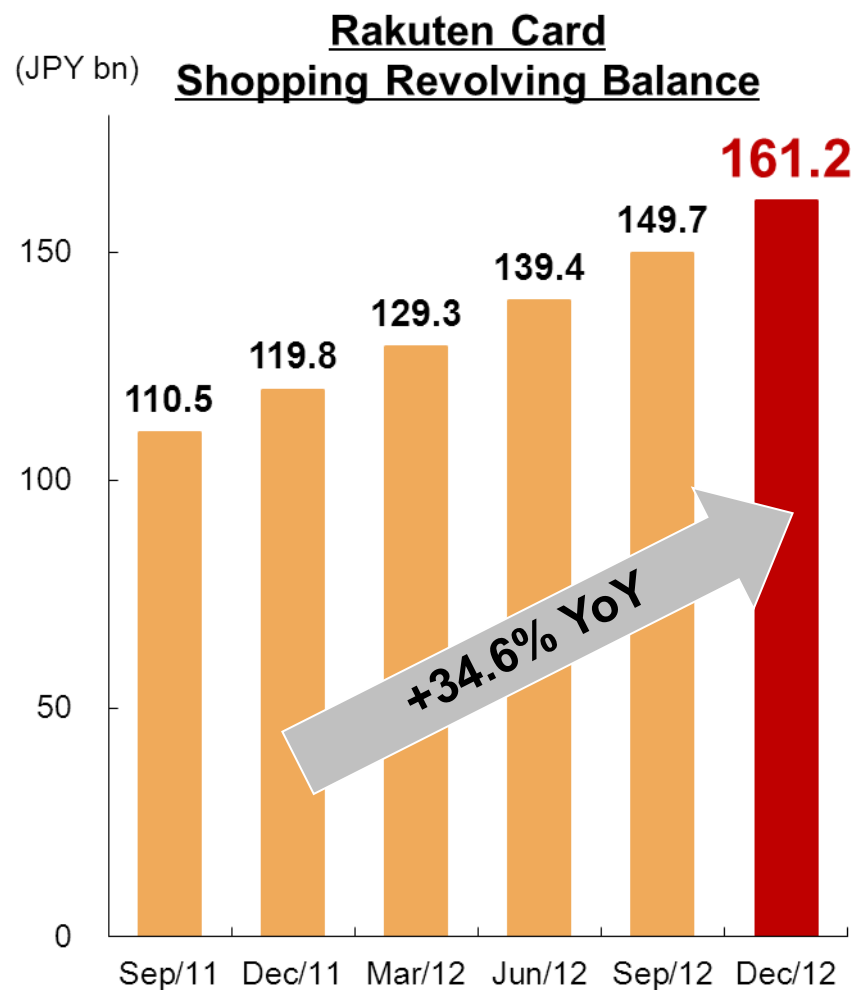
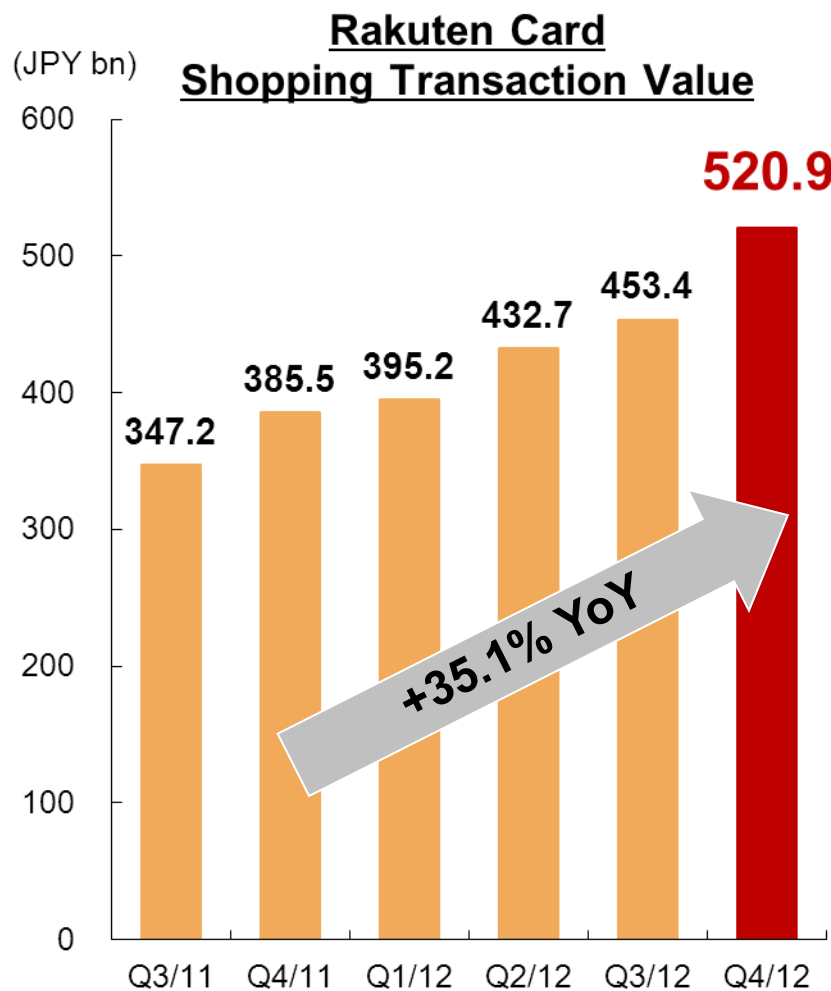
Number of Merchants

■ Number of merchants: +5.7% YoY

(No. of Merchants)



Rakuten Card Shopping Transaction Value and Shopping Revolving Balance*



* For figures of other credit cards, please refer to the appendix

Credit Card Business: Revenues and Expenses

(JPY mm)

	Q4/11 ^{*1}	Q1/12	Q2/12	Q3/12	Q4/12
General services	10,455	10,903	11,887	12,561	13,981
Card shopping	10,438	10,886	11,871	12,545	13,965
Others	16	17	16	16	15
Financing	915	900	1,025	1,115	1,254
Card cash advances	848	836	953	1,029	1,145
Loan card	38	38	44	56	79
Others	29	25	27	28	29
Credit guarantee for Rakuten Bank and other	1,636	1,705	1,824	1,947	2,075
Others	4,708	4,722	5,109	5,084	6,063
Total revenues	17,716	18,231	19,846	20,708	23,374
(incl. effect of securitization)	17,415	18,918	19,926	21,951	24,850
Personnel costs	1,264	1,287	1,195	1,322	1,306
General expenses	11,351	12,292	12,557	12,801	14,661
Interest expenses	1,160	1,282	1,024	978	830
Costs related to doubtful accounts	1,637	2,245	2,711	2,409	2,376
Total operating expenses	15,413	17,107	17,488	17,511	19,174
(incl. goodwill amortization ^{*2})	15,963	17,437	17,818	17,841	19,504
Operating profit	2,302	1,124	2,357	3,196	4,199
(incl. effect of securitization, goodwill amortization ^{*2})	1,452	1,480	2,108	4,110	5,345
[Pro forma] Revenues of Rakuten Card biz.	15,034	15,398	16,637	17,455	19,807

*1: After retrospective application of the change in accounting policy regarding loyalty points

*2: Goodwill amortization which is eliminated in internal transactions in consolidated accounts

Credit Card Business: Transaction Volume*

■ Composition of Transaction Volume

(JPY mm)

	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12
General services	386,800	396,897	434,403	455,051	522,685
Card shopping	386,132	396,195	433,731	454,366	522,015
Others	668	702	671	684	670
Financing	10,228	11,219	13,800	15,382	16,939
Card cash advances	9,877	10,741	12,689	13,480	14,650
Loan card	350	477	1,110	1,902	2,289
Others	4,475	4,401	4,969	4,851	4,731
Total transaction volume	401,505	412,518	453,173	475,285	544,357

Credit Card Business: Balance of Loan Receivables

(JPY mm)

	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12
General services	257,982	265,440	281,586	294,264	348,311
Card shopping	257,727	265,184	281,370	294,034	348,070
Card shopping (Securitized)	188,833	187,129	225,872	223,913	314,971
(Securitized, off-balance)*	188,833	187,129	185,616	97,360	140,144
(Securitized, on-balance)*	0	0	40,255	126,552	174,827
incl. Revolving balance (principal)	120,064	129,650	139,724	150,002	161,530
Others	255	256	216	230	241
Financing	64,233	63,927	64,274	65,442	66,049
Card cash advances	18,455	20,069	21,874	23,792	24,970
Loan card	1,446	1,656	2,421	3,849	5,312
Others	44,331	42,201	39,979	37,800	35,766
Installment	476	292	187	134	92
Others	26,089	25,156	24,016	23,166	22,082
Credit guarantee	25,783	24,953	23,873	23,058	22,013
(Off-balance guarantees)	23,630	22,872	21,890	21,179	20,231
Others (Off-balance)	306	202	143	108	69
Total balance (incl. off-balance)	348,782	354,816	370,065	383,008	436,537
(Total on-balance)	136,012	144,612	162,414	264,361	276,091
Credit guarantee for Rakuten Bank and other	145,350	154,878	164,150	173,660	180,390
(Off-balance guarantees)	137,993	147,280	156,215	165,331	171,557
(On-balance loan receivables)	7,356	7,598	7,935	8,329	8,833

*: Starting from FY2012, some off-balanced loan was on-balanced. Rakuten group is increasing usage of securitization scheme which on-balances securitized loan among various securitization schemes in order to optimize balance sheet. Going forward, on-balanced loan is likely to increase along with growth of shopping transaction.

Credit Card Business: Allowance for Doubtful Accounts

■ Balance of Uncollected Loan Receivables and Allowances

(JPY mm)

	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12
Rakuten Card	277,638	286,885	305,655	321,706	378,361
Normal	271,883	281,046	300,310	316,110	372,671
Doubtful (4months-and-over-delinquent)	5,754	5,838	5,345	5,596	5,690
Others (incl. re-contract)	42,814	40,425	38,054	35,786	33,668
Normal	30,108	28,964	27,262	25,797	24,689
Doubtful (4months-and-over-delinquent)	12,706	11,461	10,792	9,989	8,979
Sub-total balance of loan receivables	320,453	327,311	343,710	357,493	412,030
Normal	301,991	310,010	327,573	341,907	397,360
Doubtful (4months-and-over-delinquent)	18,461	17,300	16,137	15,585	14,670
% of doubtful accounts	5.76%	5.29%	4.70%	4.36%	3.56%
Secured	4,762	4,648	4,539	4,390	4,317
Total balance of loan receivables	325,215	331,959	348,249	361,883	416,348
Allowance for doubtful accounts*1	21,408	20,661	19,631	18,776	17,791
Allowance ratio	6.6%	6.2%	5.6%	5.2%	4.3%
Write-off for bad debt	2,142	2,335	3,049	2,608	2,909

■ Loan receivables and Allowance of Former Rakuten Credit, Inc.*2

(JPY mm)

	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12
Loan receivables	7,356	7,598	7,935	8,329	8,833
Credit guarantee	137,993	147,280	156,215	165,331	171,557
Allowance*3	3,243	3,320	3,370	3,536	3,362
Write-off for bad debt	648	605	507	522	615

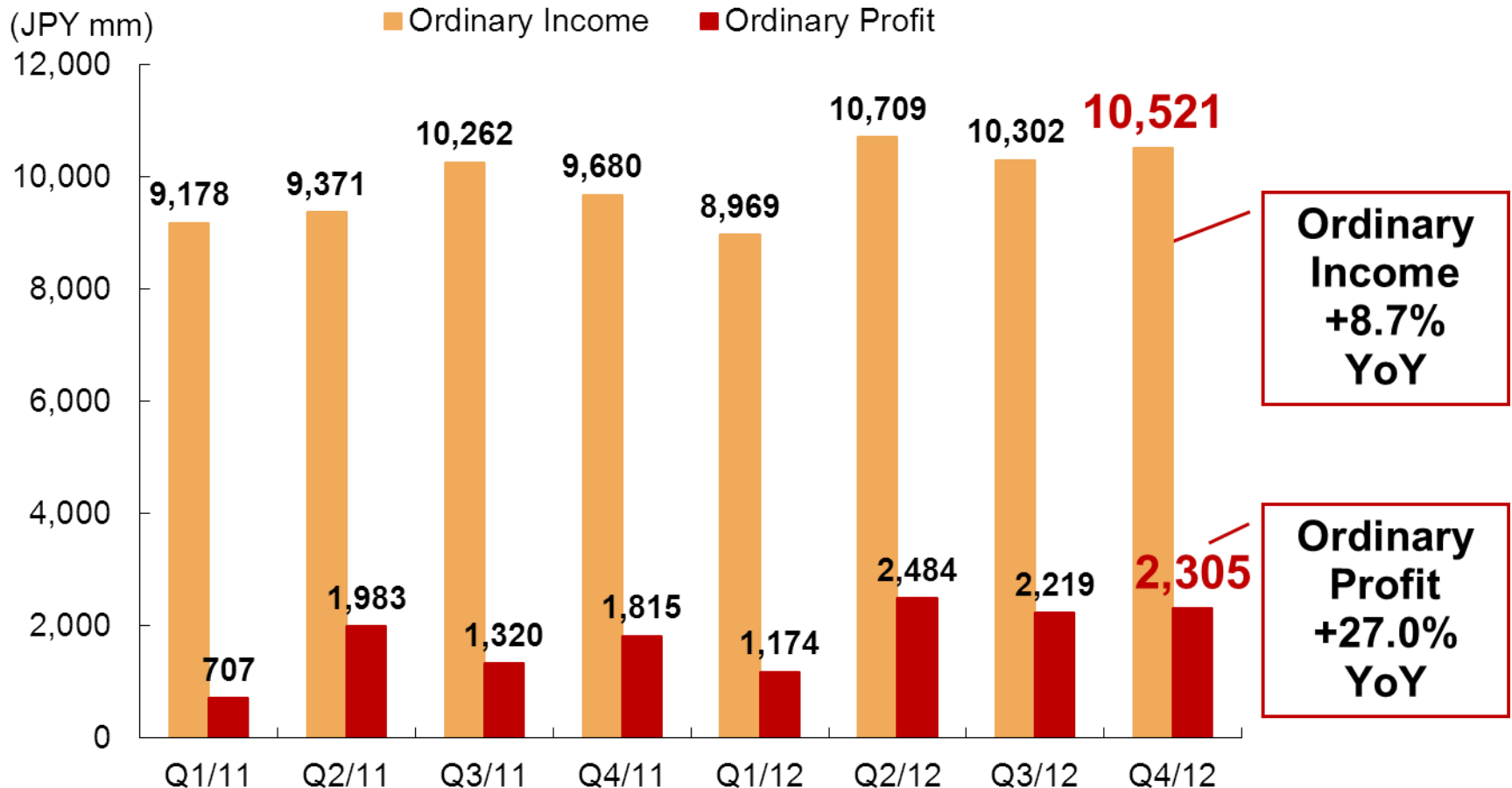
*1: Includes an earthquake disaster reserve. Balance after end of Sep 2012: JPY0, as of end Jun 2012: JPY 280mm

*2: Figures shown are the credit guarantee business of the Rakuten Card Co., Ltd (renamed from former Rakuten Credit, Inc.)

*3: Includes an earthquake disaster reserve. Balance as of end Dec 2012: JPY0, as of end Sep 2012: JPY 329mm

Rakuten Bank Quarterly Results

- Growth of Super Loans contributed to profits. Gains from sale of JGBs*



*: Gaps in gains from sale of securities between Rakuten Bank and Rakuten consolidated results are included in "Adjustments" in the segment report

Rakuten Bank, Ltd. and Its Subsidiaries PL

(JPY mm)

		Q4/11	Q1/12	Q2/12	Q3/12	Q4/12	YoY
	Interest income	4,978	5,043	5,205	5,481	5,803	+16.6%
	Interest on loans and discounts	3,446	3,569	3,805	4,047	4,321	+25.4%
	Interest and dividends on securities	756	742	632	603	552	-26.9%
	Fees and commissions	3,591	3,268	3,670	3,463	3,483	-3.0%
	Other ordinary income	1,057	648	1,786	1,377	1,219	+15.3%
	Other income	52	9	46	-20	15	-71.2%
Ordinary income		9,680	8,969	10,709	10,302	10,521	+8.7%
	Interest expenses	583	571	531	542	474	-18.7%
	Interest on deposits	562	549	509	520	452	-19.4%
	Fees and commissions payments	2,940	2,947	3,158	3,219	3,425	+16.5%
	Other ordinary expenses	122	36	220	-	-	-100.0%
	General and administrative expenses	4,203	4,238	4,311	4,299	4,298	+2.2%
	Other expenses	14	1	3	21	17	+21.0%
Ordinary expenses		7,865	7,794	8,224	8,082	8,216	+4.5%
Ordinary profit		1,815	1,174	2,484	2,219	2,305	+27.0%

Rakuten Bank, Ltd. Assets and Deposits

■ Balance of Assets

(JPY bn)

	Market Value Dec/11 (A)	Market Value Dec/12 (B)	Changes in Market Value (B) - (A)	Allowances Dec/12	Unrealized gains and losses (Rakuten consolidated)
JGB, Local Government Bonds, Corporate Bonds	288.4	209.5	-78.9	0.0	0.1
JGB	141.0	67.3	-73.6	0.0	0.0
Others *1	147.4	142.1	-5.2	0.0	0.0
Loan Receivables	155.6	189.4	33.7	0.2	0.0
ABS (securitized loan receivables)	236.9	265.6	28.6	0.0	0.3
Rakuten Card securitized assets	113.1	185.3	72.2	0.0	0.0
ABS (Real estate products)	5.0	2.3	-2.7	0.0	-0.3
Funds	4.8	1.3	-3.5	0.0	-0.1
Stocks	0.9	0.0	-0.8	0.0	0.0
CDO	2.9	3.0	0.0	0.0	0.0
Total	695.0	671.4	-23.6	0.2	0.0

■ Balance of Deposits (Liabilities)

(JPY bn)

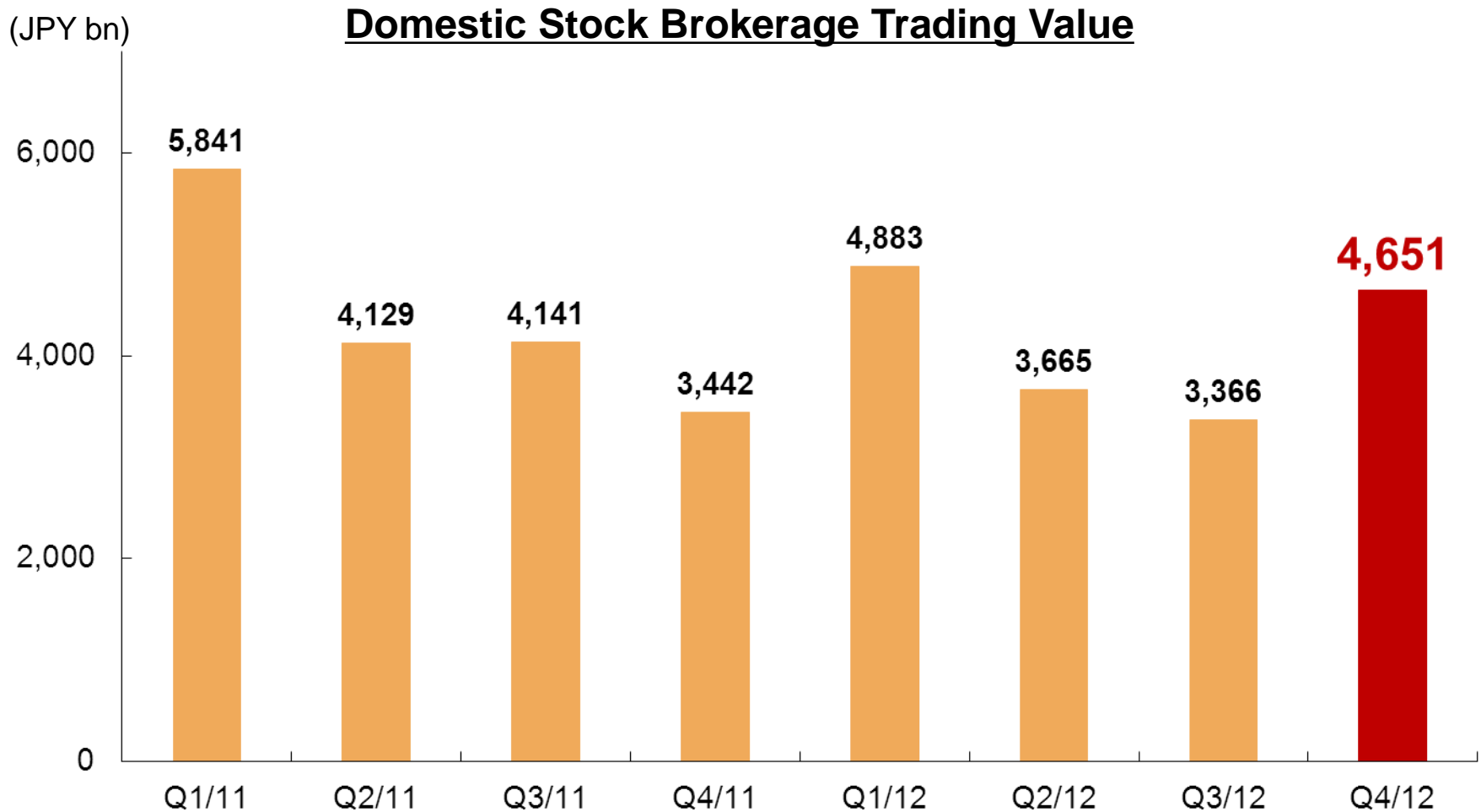
	Dec/11	Dec/12	Changes
Deposit Balance	749.0	814.3	65.3
Ordinary Deposits	393.5	450.1	56.5
Time Deposits	283.8	290.7	6.8
Other Deposits *2	71.5	73.4	1.8

*1: JGB, Local government bonds, Corporate bonds include government-guaranteed bonds, etc.

*2: Other deposits include deposits in foreign currencies and others

Rakuten Securities Quarterly Change in Stock Brokerage Trading Value

■ Domestic stock trading value strongly increased on stimulated stock market

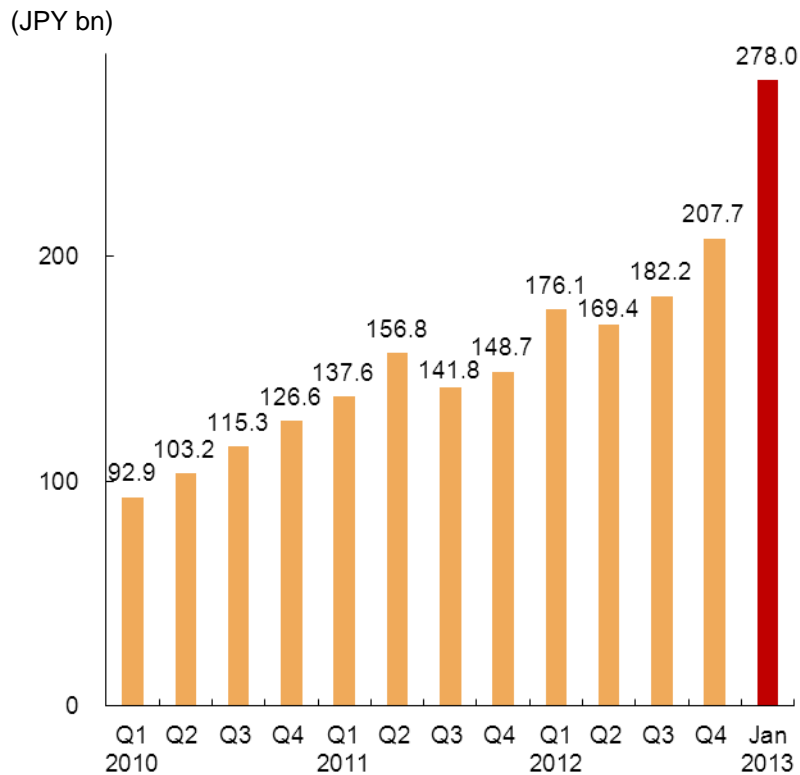


Rakuten Securities

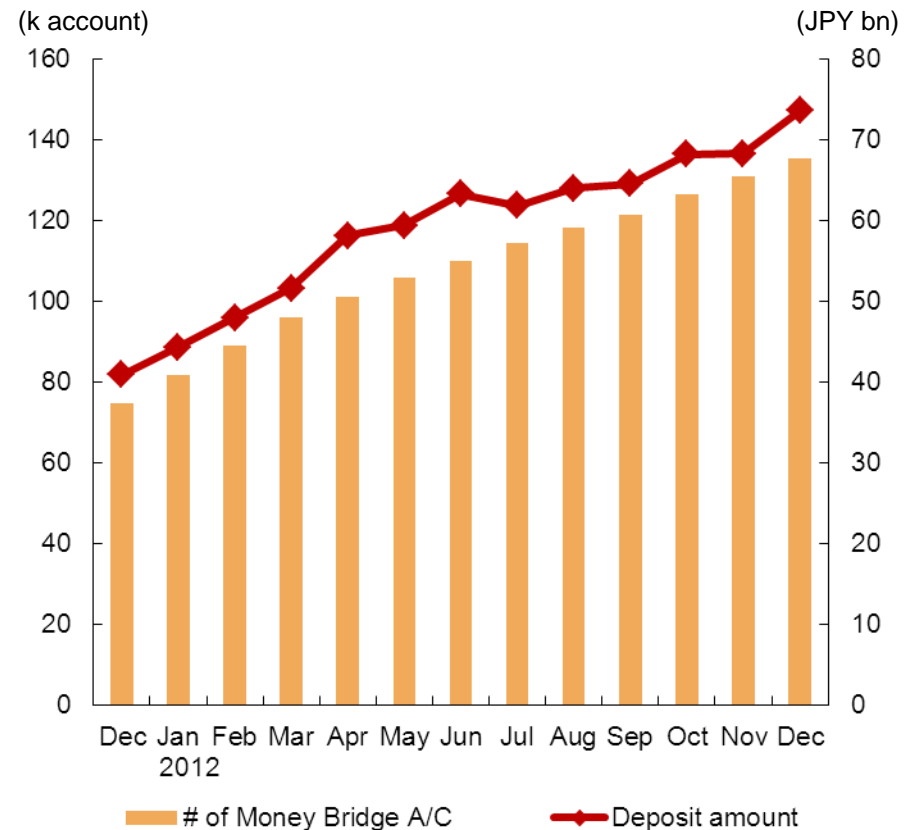
Investment Trust asset balance / Money Bridge service

- Investment trust balance grew strongly, helped by acquired investment trust business from Rakuten Bank from Jan 2013
- “Money Bridge” service showing strong growth and surpassed 130,000 users

Investment Trust Asset Balance

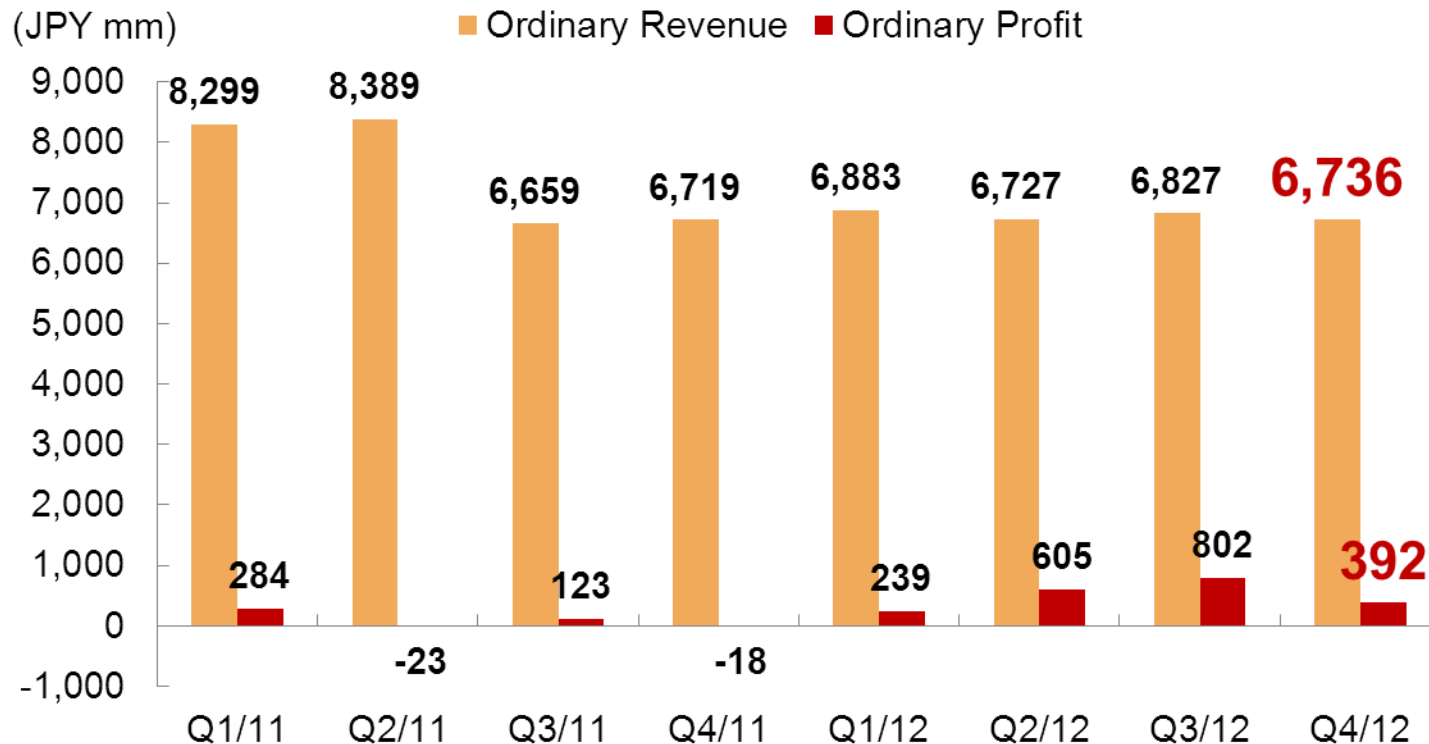


Money Bridge Users & Deposits



Airio Life Insurance Quarterly Results

- Insurance claims cause volatility of quarterly earnings
- Termination of reinsurance contracts in Q2/11 improved profitability
- Both reinsurance incomes and premiums declined



*: Consolidated income statements include from 2012/Nov to Dec.

*: Results of 12/Q4 are preliminary. Airio Life Insurance discloses final results late Feb of 2013 at its web site

Airio Life Insurance

Major Indices

(# of contracts, JPY mm)

	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12 ^{*4}
New Policies								
No. of New Policy	19,407	15,253	11,430	12,790	19,232	13,725	11,563	13,882
Annualized Insurance Premiums	521	402	316	377	561	431	363	435
Policies in Force^{*1}								
No. of Policies	647,110	648,309	646,666	646,963	652,521	652,072	650,262	649,449
Annualized Insurance Premiums	27,144	27,073	26,934	26,885	26,994	26,955	26,881	26,854
Solvency Margin^{*2}	1307.4%	723.9%	868.3%	775.8%	833.8%	916.4%	978.5%	1014.6%
MCEV^{*3}								37,545
Adjusted Net Assets								4,051
Value of In-Force Contracts								33,493

*1: Including policies of succeeded mutual aid association business

*2: Based on new calculation methodology tightened in Mar/2012. New standard were retroactively applied

*3: Simplified calculation methodology

*4: Results of 4Q/12 are preliminary

Others Q4/12 Highlights

Fusion Communications (Telecom)



- Operating profit: JPY 398m, keeping good condition
- Released “FUSION iPaaS”, the first cloud linkage platform service in Japan to EC merchants

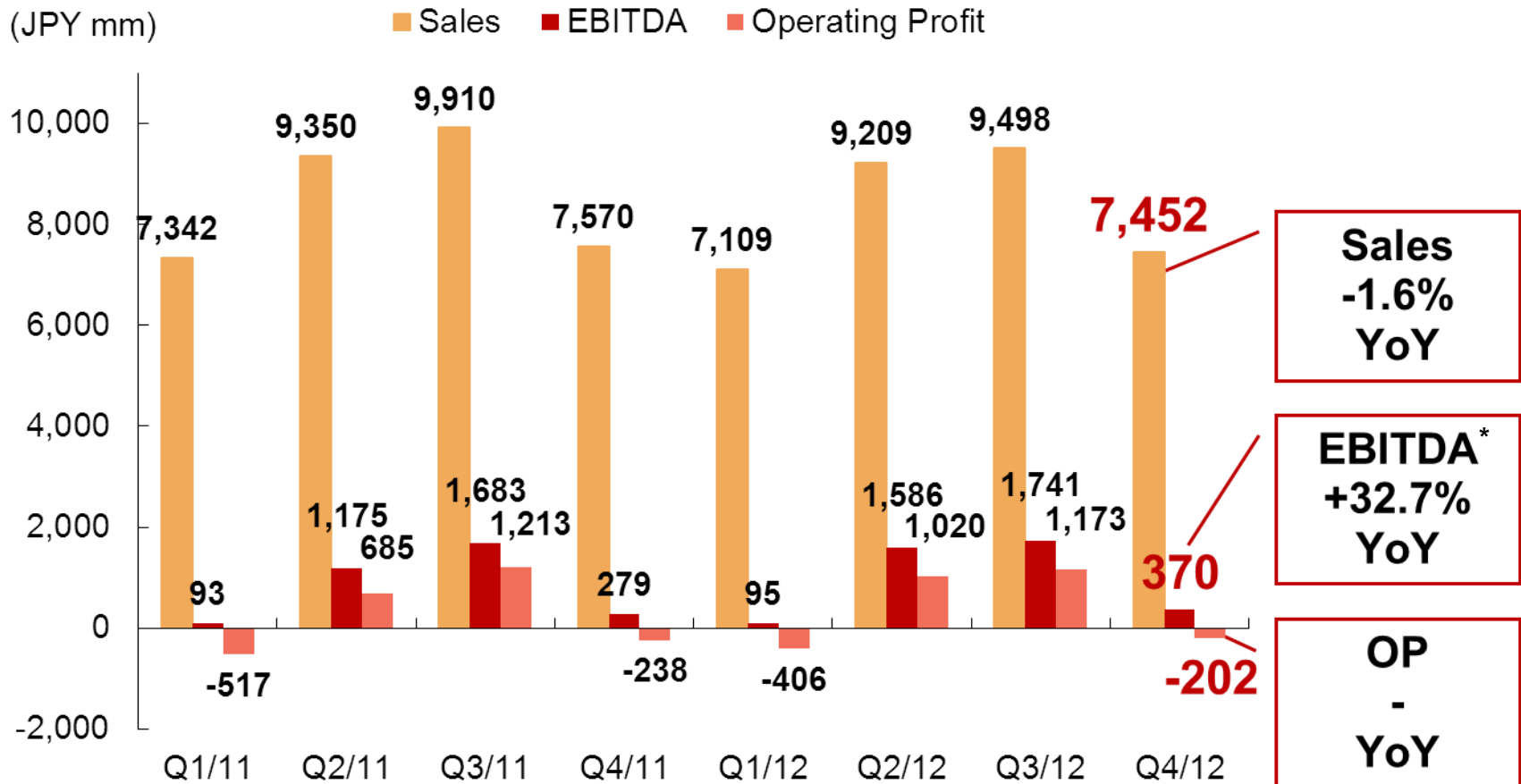
Rakuten Baseball



- Annual season tickets sales reached a record high
- Sponsorships and broadcasting sales staying in good shape
- Total attendants at 72 home games: + 1% YoY

Others Quarterly Results

- Stable growth both at IP Telephony and Professional Sports businesses



*: EBITDA = Ordinary Profit + Interest expense + Depreciation + Amortization of goodwill and intangible assets.

Rakuten Membership

(Million persons)

	11/Dec	12/Sep	12/Dec	YoY
Rakuten Members*	75.18	79.78	81.56	+8.5%

*: Rakuten Members excluding non-active users who never use any Rakuten services, and excluding members who logged in during the period but later withdrew their membership: Dec 2011: 48.57m, Sep 2012: 53.19m , Dec 2012: 54.90m

