

Fiscal Year 2013 Second Quarter Consolidated Financial Results

August 2, 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.

Q2/13 Highlights

- **Operating Income robust growth: +28.9% YoY**
- **Financial business profit surged: +183.3% YoY**
 - **Cardholder acquisition accelerated**
 - **Securities business profit exploded 8 times YoY**
- **Domestic e-commerce GMS growth accelerated: +17.1% YoY**
 - **Successful marketing contributed**

1 Consolidated Financial Results

- Rakuten started to report quarterly financial results based on IFRS from Q1/13, versus J-GAAP up to Q4/12.
- Numbers for FY2012 in this presentation are retrospectively stated based on IFRS basis.
- Numbers are rounded to the nearest million, etc.

Q2/13 Results Summary

(JPY bn, IFRS)

	Q2/13	YoY	Margin	Q2/12	FY2012
Revenue	127.7	+39.7%	-	91.5	400.4
Operating Income before Additional Line Items	24.7	+28.9%	19.3%	19.1	78.8
Operating Income	24.7	+28.9%	19.3%	19.1	50.1
Net Income Attributable to Owners of the Company	11.4	-0.1%	8.9%	11.4	20.5

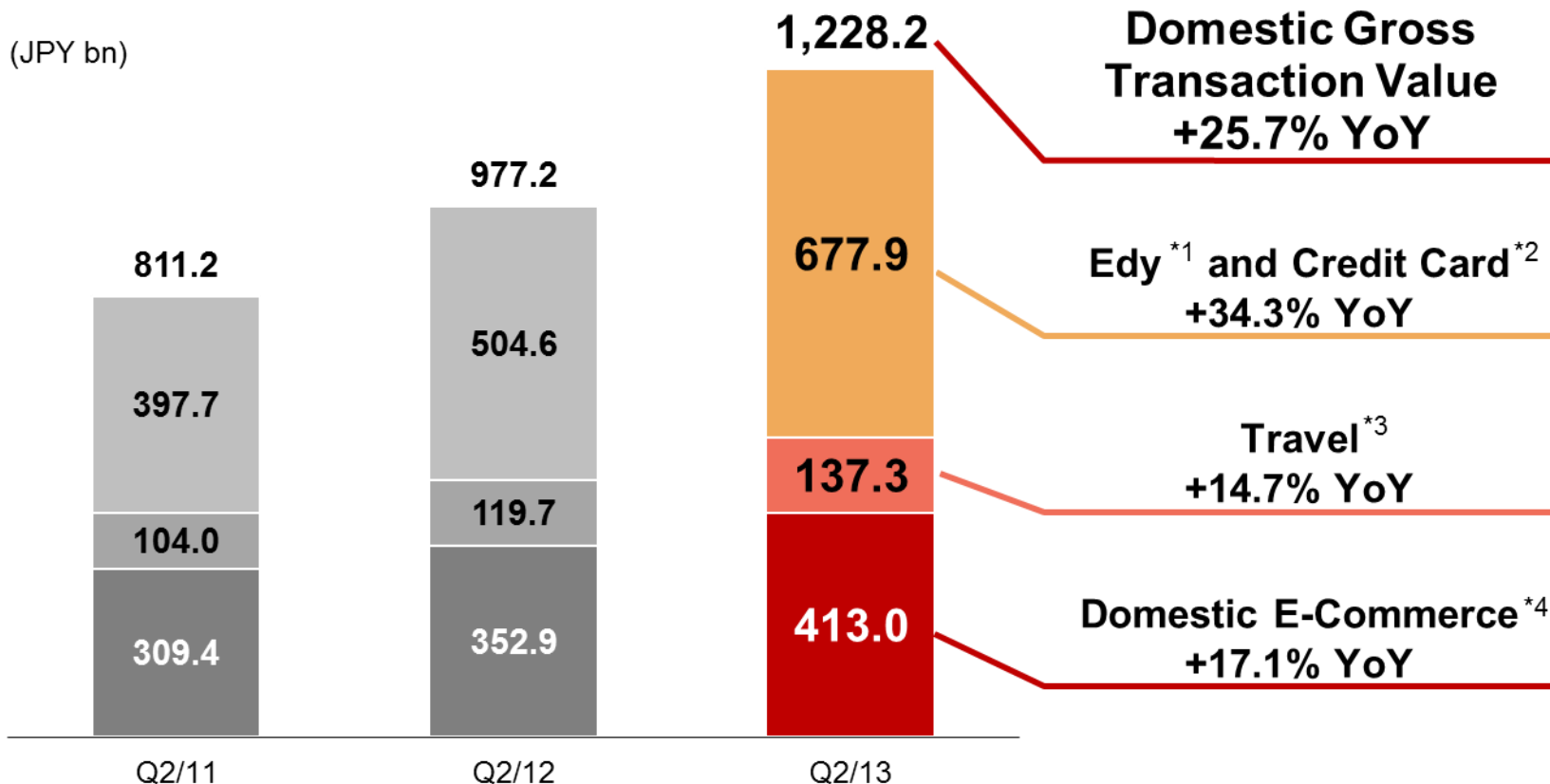
Q2/13 Business Summary

- Profits from existing businesses maintained healthy growth
- In 'Other Internet Services', advance investments continued in strategic areas such as Content, Logistics

(JPY bn, IFRS)

	Q2/13	YoY	Margin	Q2/12
Rakuten Ichiba and Rakuten Travel				
Revenue	41.4	+17.9%	-	35.1
Operating Income	20.1	+9.0%	48.5%	18.4
Other Internet Services				
Revenue	31.8	+32.6%	-	24.0
Operating Income (Loss)	-8.3	-	-26.0%	-4.2
Internet Finance Segment				
Revenue	51.7	+75.6%	-	29.4
Operating Income	11.5	+183.3%	22.2%	4.1
Others Segment				
Revenue	9.4	+1.7%	-	9.2
Operating Income	1.8	+39.3%	19.6%	1.3
Adjustments				
Revenue	-6.6	-	-	-6.3
Operating Income (Loss)	-0.5	-	-	-0.5
Consolidated				
Revenue	127.7	+39.7%	-	91.5
Operating Income	24.7	+28.9%	19.3%	19.1

Domestic Gross Transaction Value



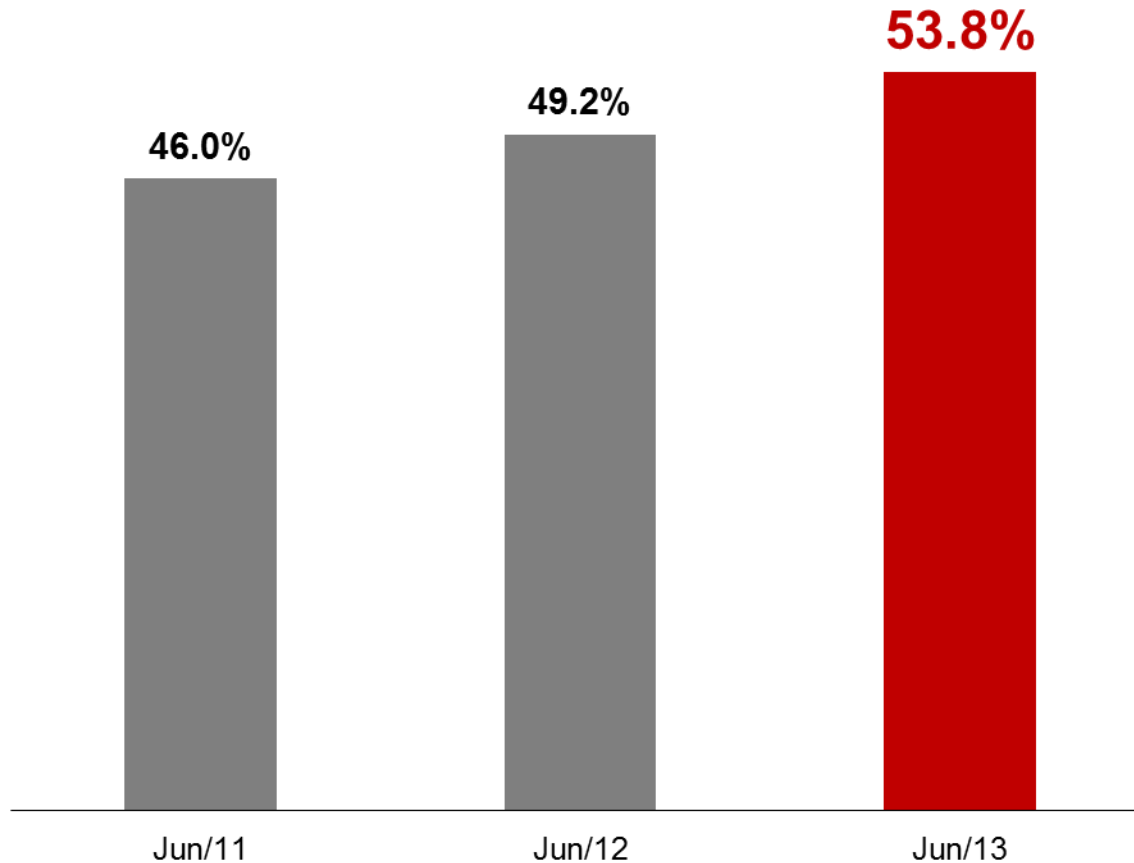
*1: Edy Transaction Value = Amount settled by E-Money "Rakuten Edy" (including mobile and cards)

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

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

*4: Domestic E-Commerce = Ichiba, Auction, Package Media, Golf, Business, Download, Tickets, Internet Supermarket, Check Out, Off-track betting, toto, Showtime, Media rental, Dining, Salon (added from Q2/12), Mart and Kenko.com (added from Q3/12), Stylife (added from Q2/13), Solar (retroactively added from Q3/12)

Advancing Cross-use Ratio*



*: Purchasing ratio of Rakuten members who have utilized two or more Rakuten services during the past 12 months of the listed month.
Applicable services are limited to those which can earn Rakuten Super Points.

Maintaining Top Web Brand Position in Japan*1

Rank	Site Name	Score	Change*2
1	Rakuten Ichiba	121.6	+0.9
2	Yahoo! Japan	111.4	-5.0
3	Google	106.4	+1.3
4	Amazon.co.jp	98.7	-18.2

*1: Nikkei BP Consulting, Inc. "Web Brand Survey 2013-Spring/Summer" April 2013

*2: Change in scores compared to previous survey in October 2012

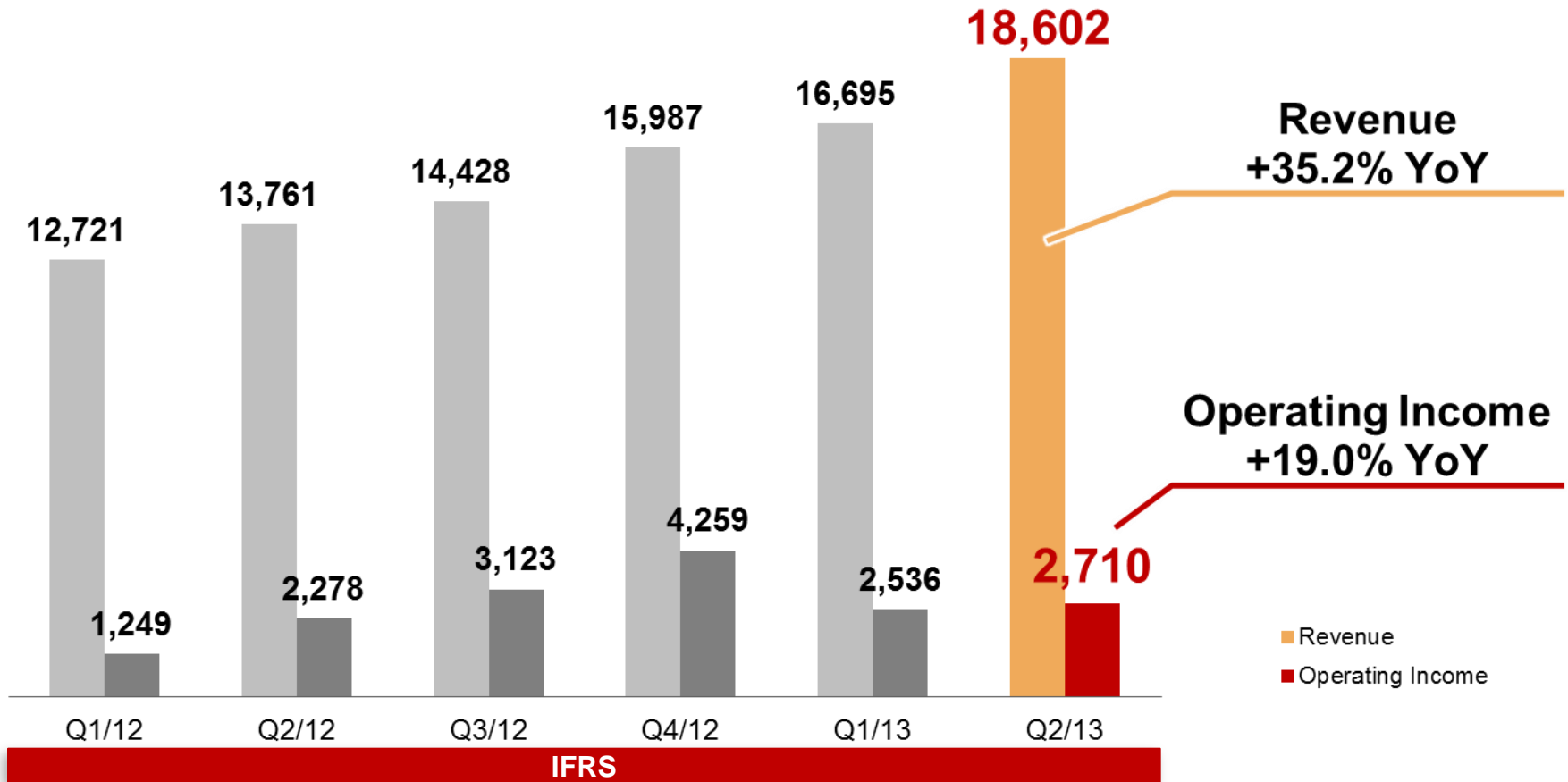
2 Internet Finance

Rakuten Card Results

- Operating income rising steadily on higher card membership levels

(JPY mm)

Credit Card Business Quarterly Results



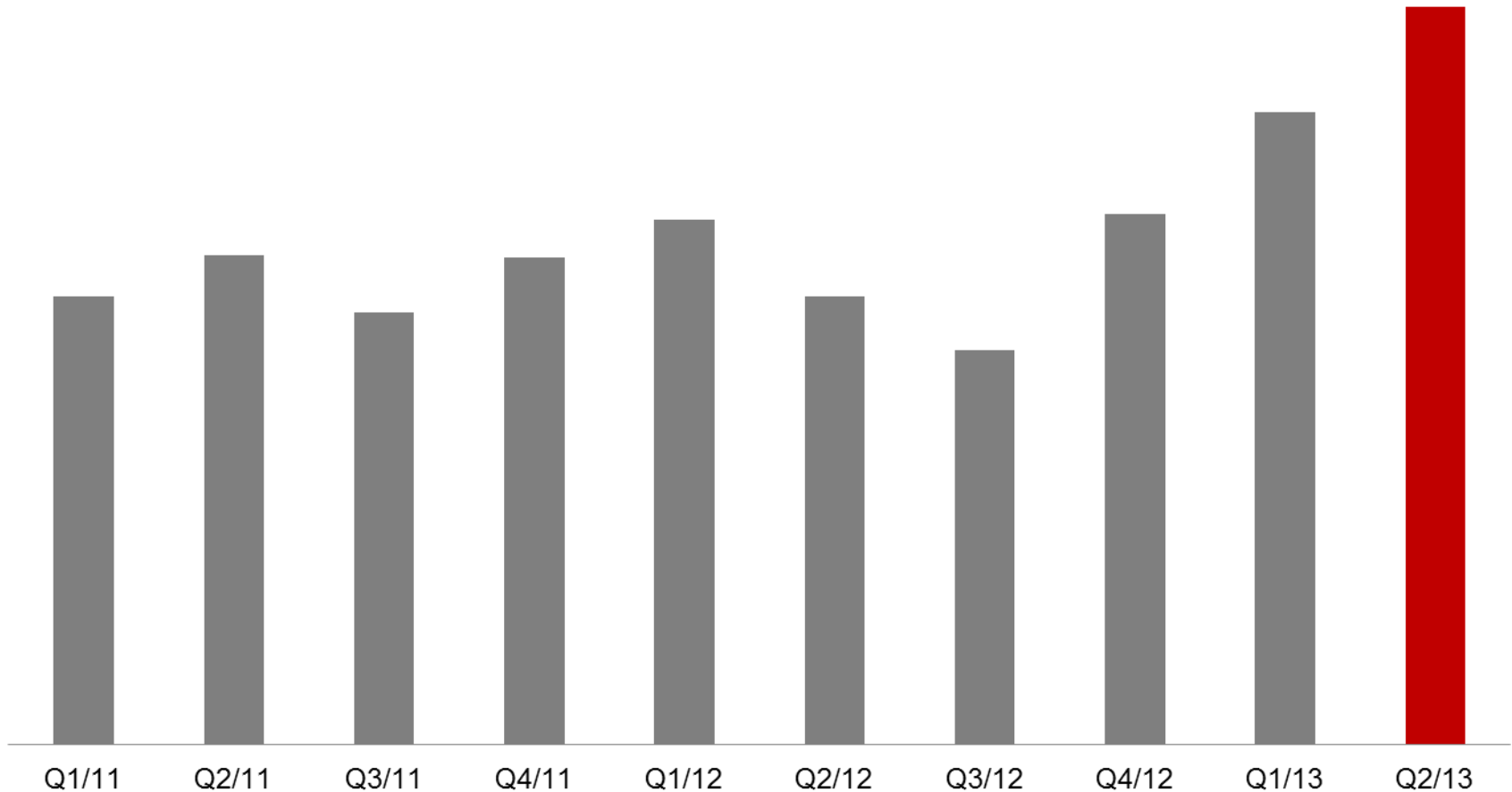
* Definitive figures after IFRS introduction to managerial accounting. Figures may differ from previously disclosed preliminary data.

Acceleration in Cardholder Acquisition

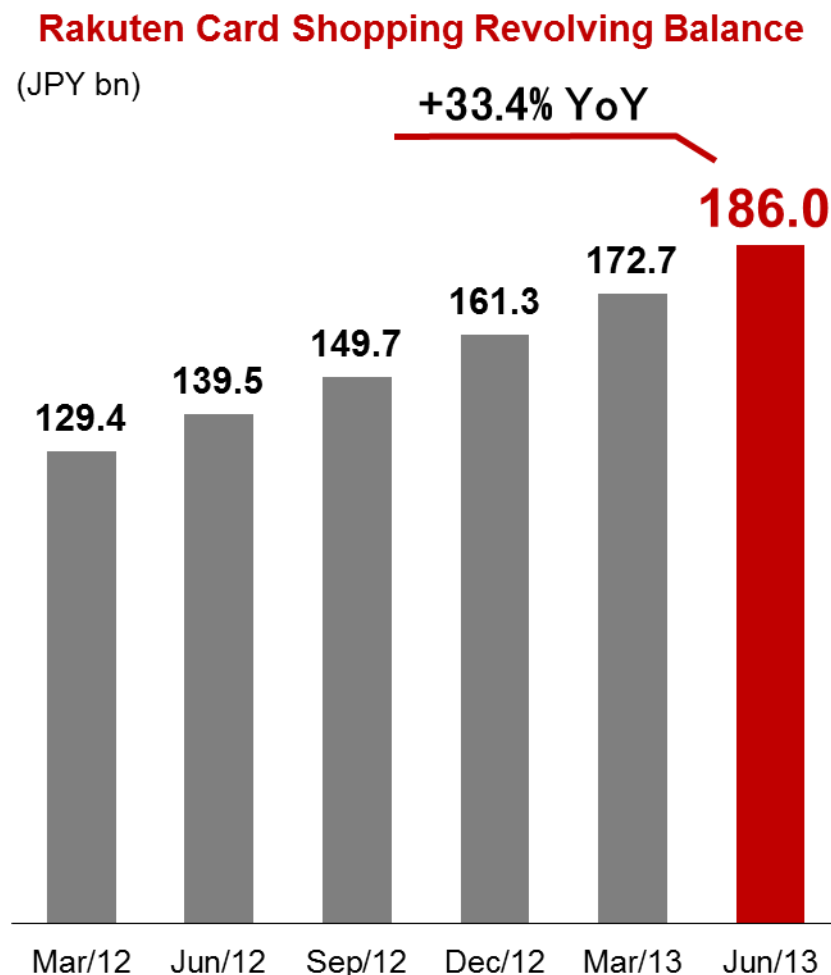
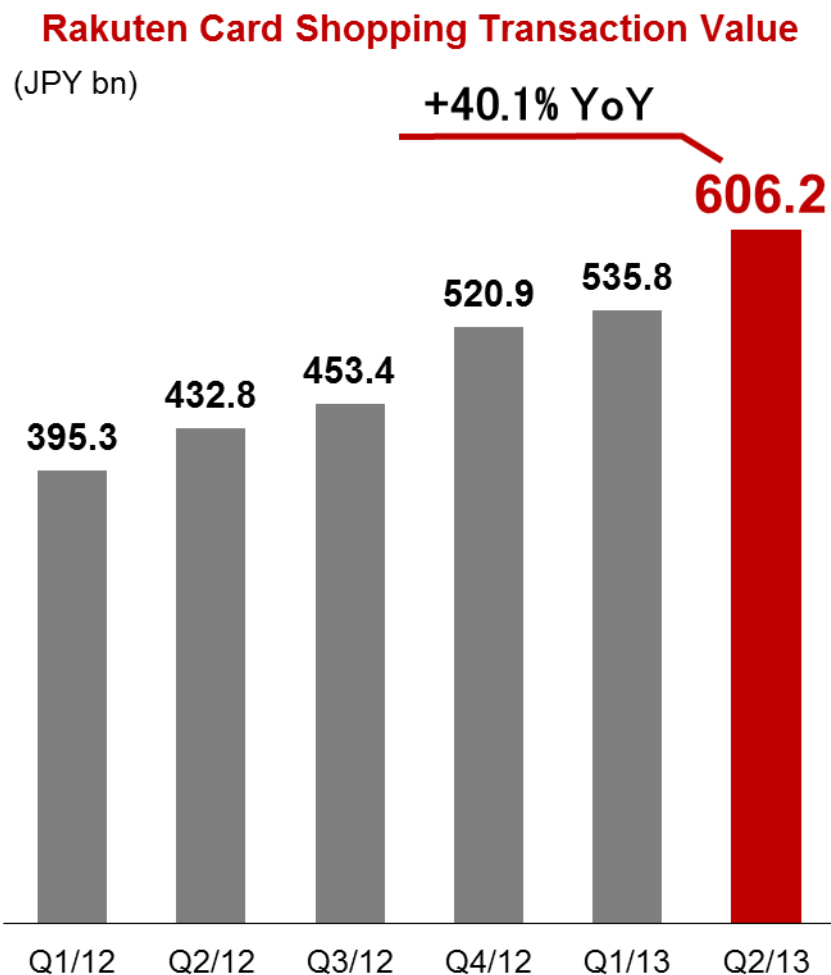
- Customer acquisition accelerated thanks to point promotions and TV ads

(Persons)

Net Increase in Rakuten Card Holders



Rakuten Card Shopping Transaction Value and Shopping Revolving Balance*



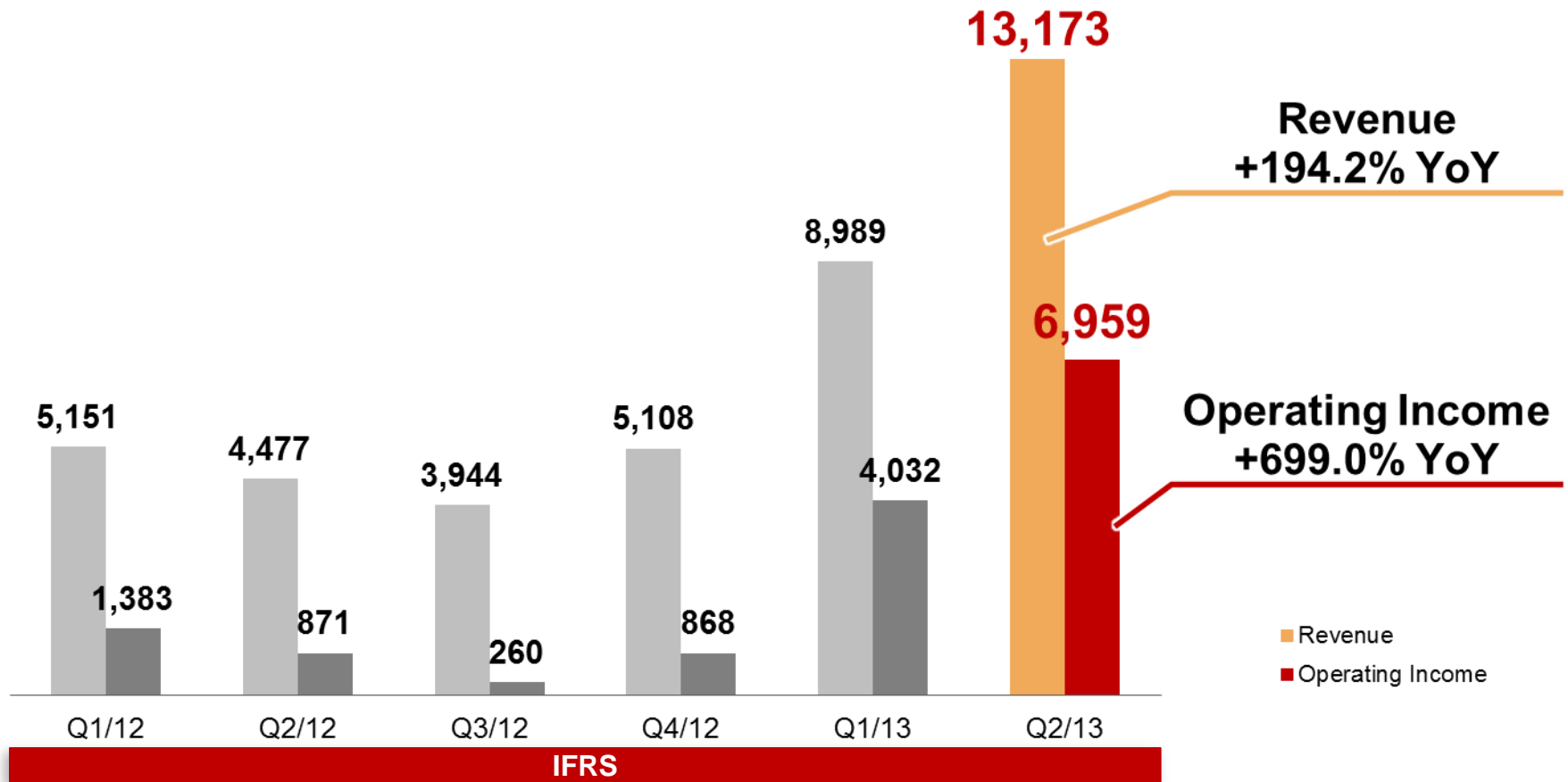
* Total credit card data are shown in Appendix

Rakuten Securities Results*

- Operating income +699.0% YoY based on active trading by customers

(JPY mm)

Securities Business Quarterly Results



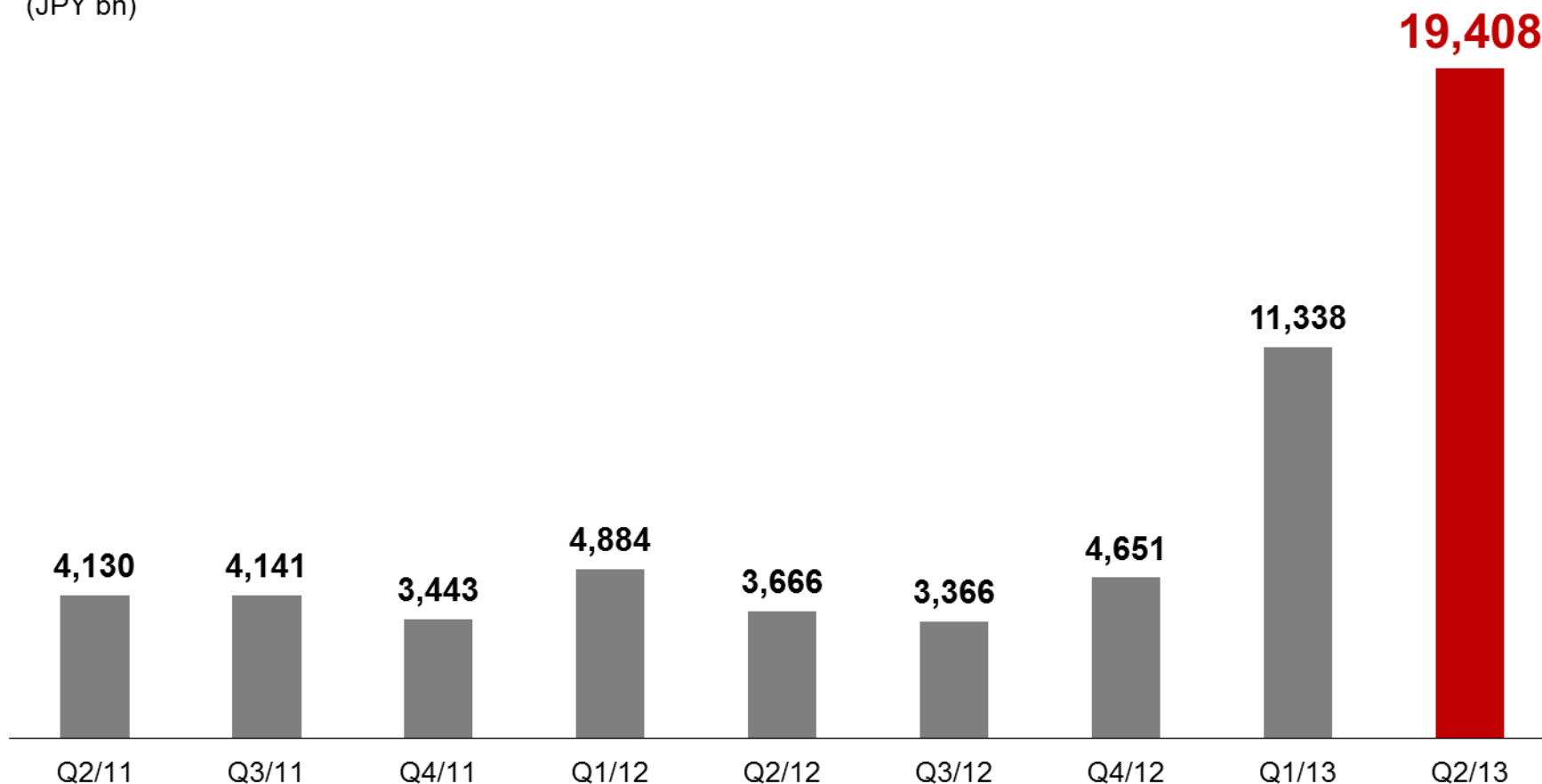
* Disclosed figures are IFRS basis

Rakuten Securities

Stock Brokerage Trading Value

- Domestic stock trading value surged on active stock market

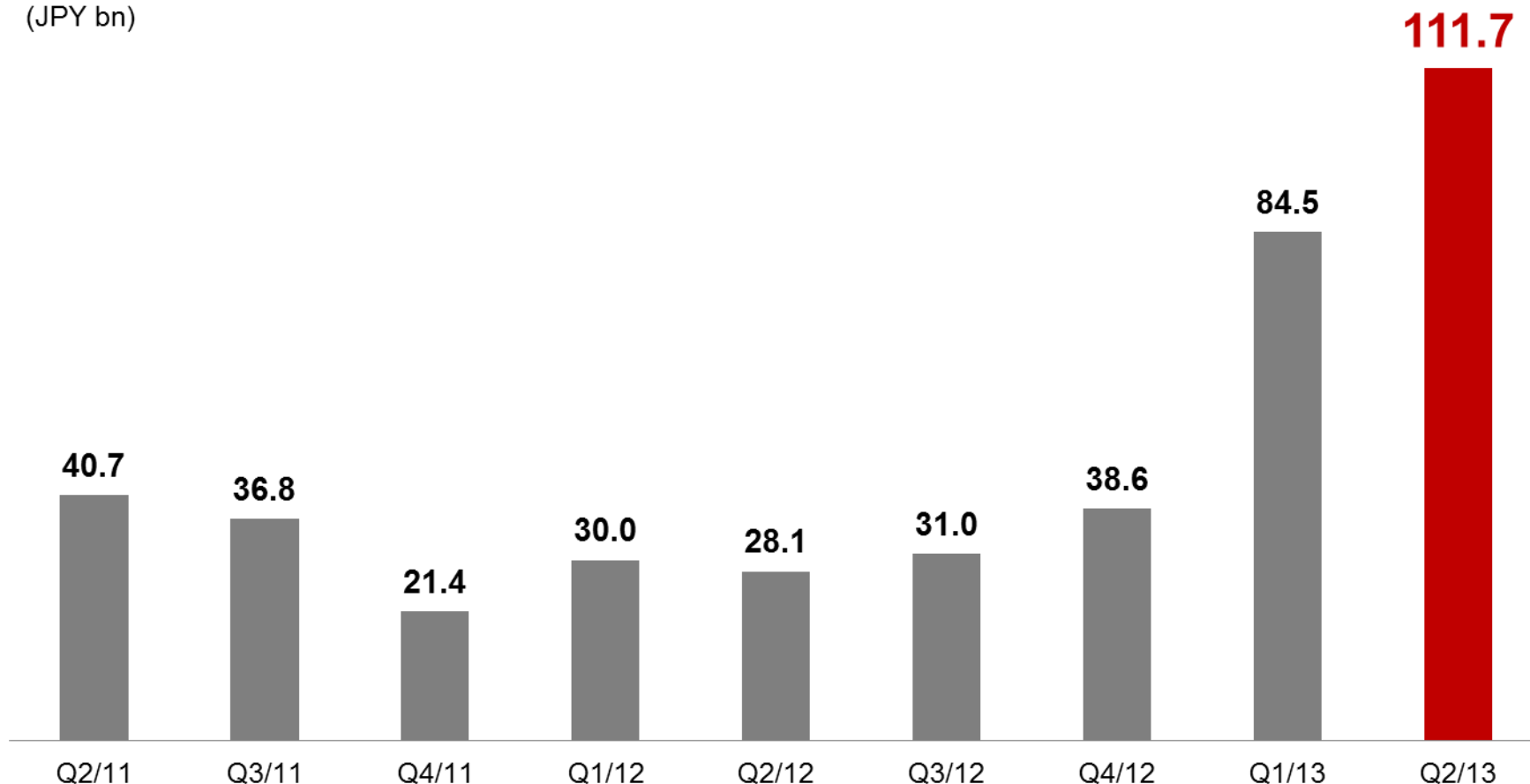
(JPY bn)



Rakuten Securities Investment Trust Sales

- Sales of investment trusts hit a record high in Q2/13

(JPY bn)

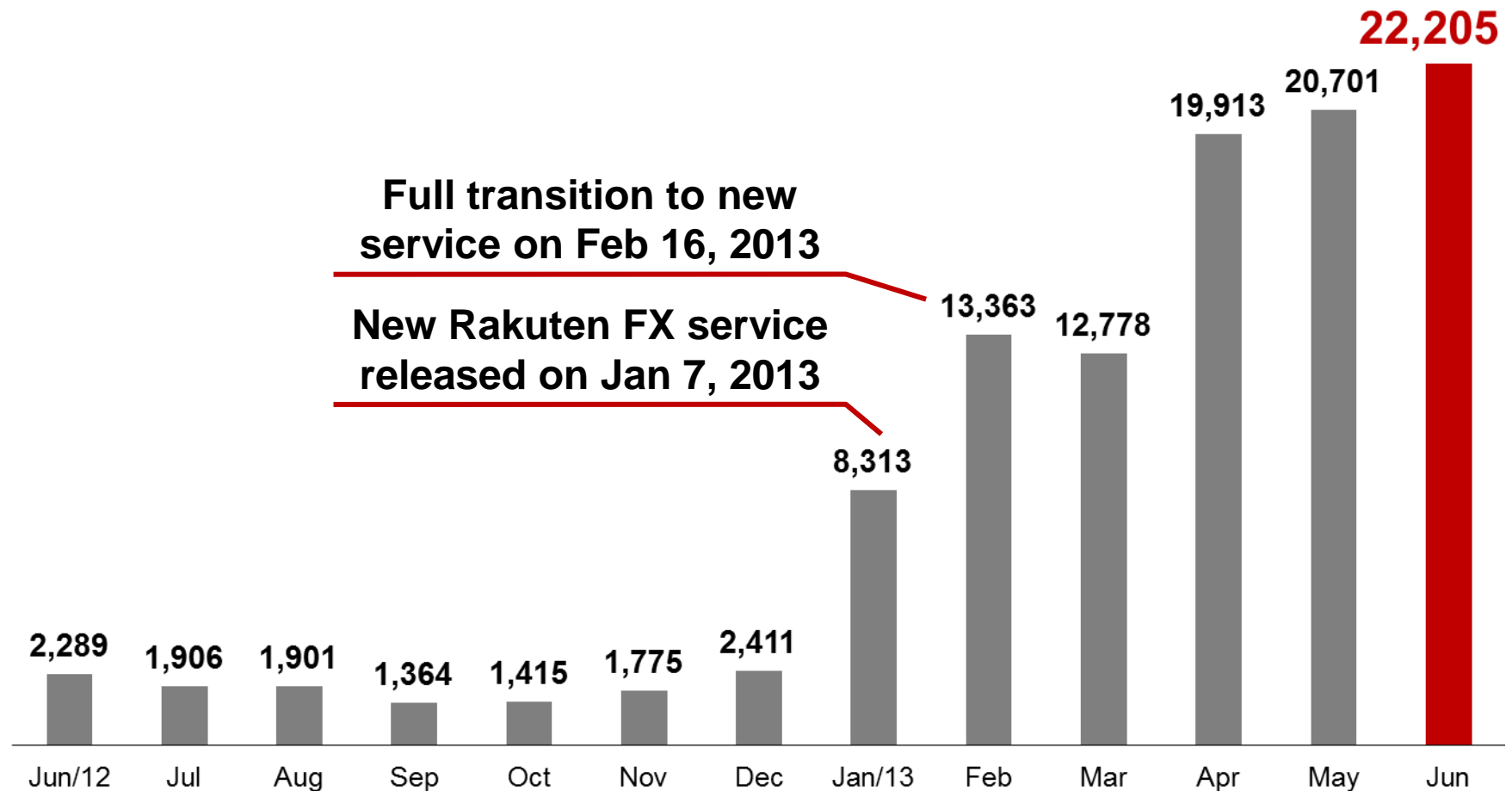


* Investment trust sales includes MMF

Rakuten Securities FX Trading Value

- Transaction amount greatly increased after release of New Rakuten FX service

(JPY bn)

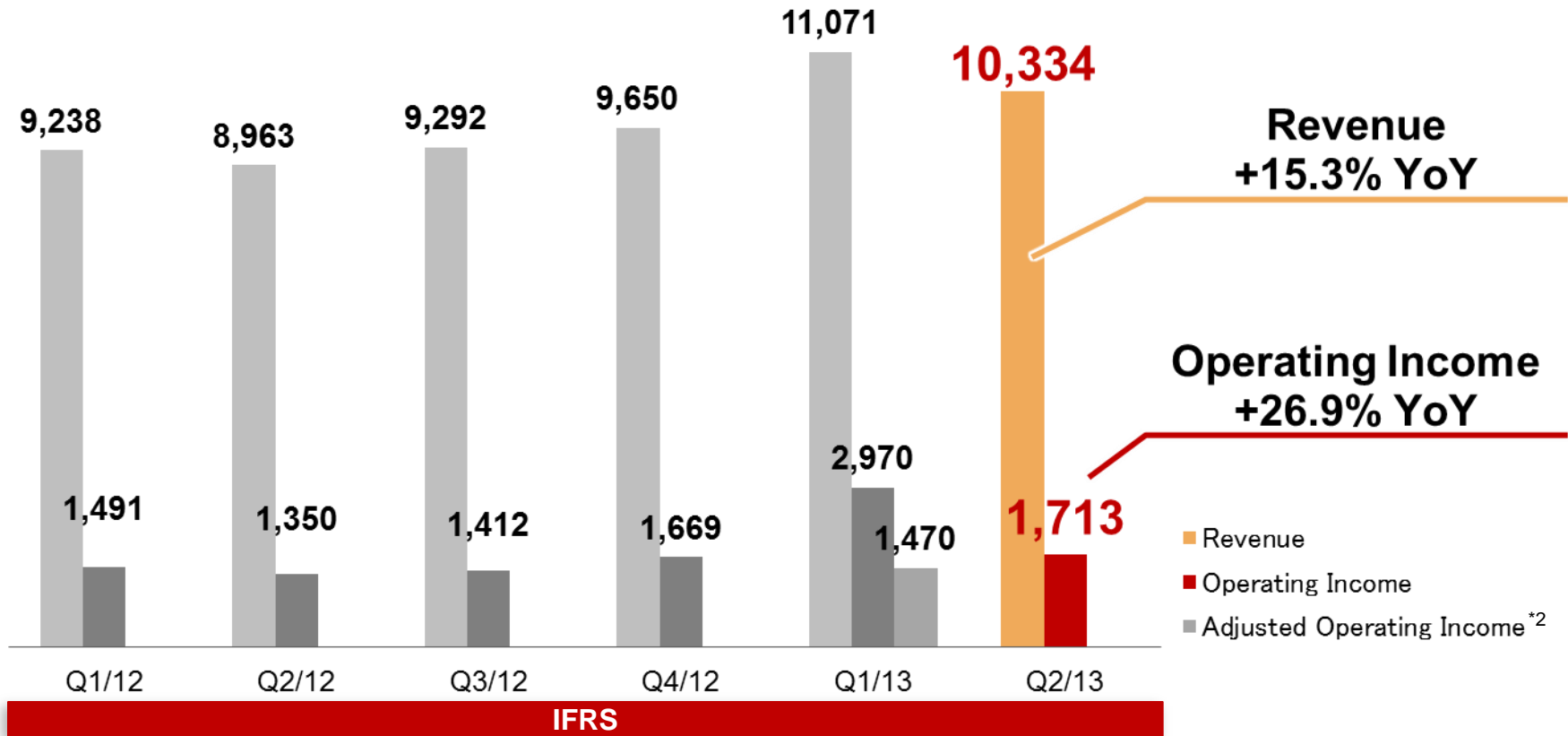


Rakuten Bank Results*1

■ Operating Income +26.9% YoY

Banking Business Quarterly Results

(JPY mm)



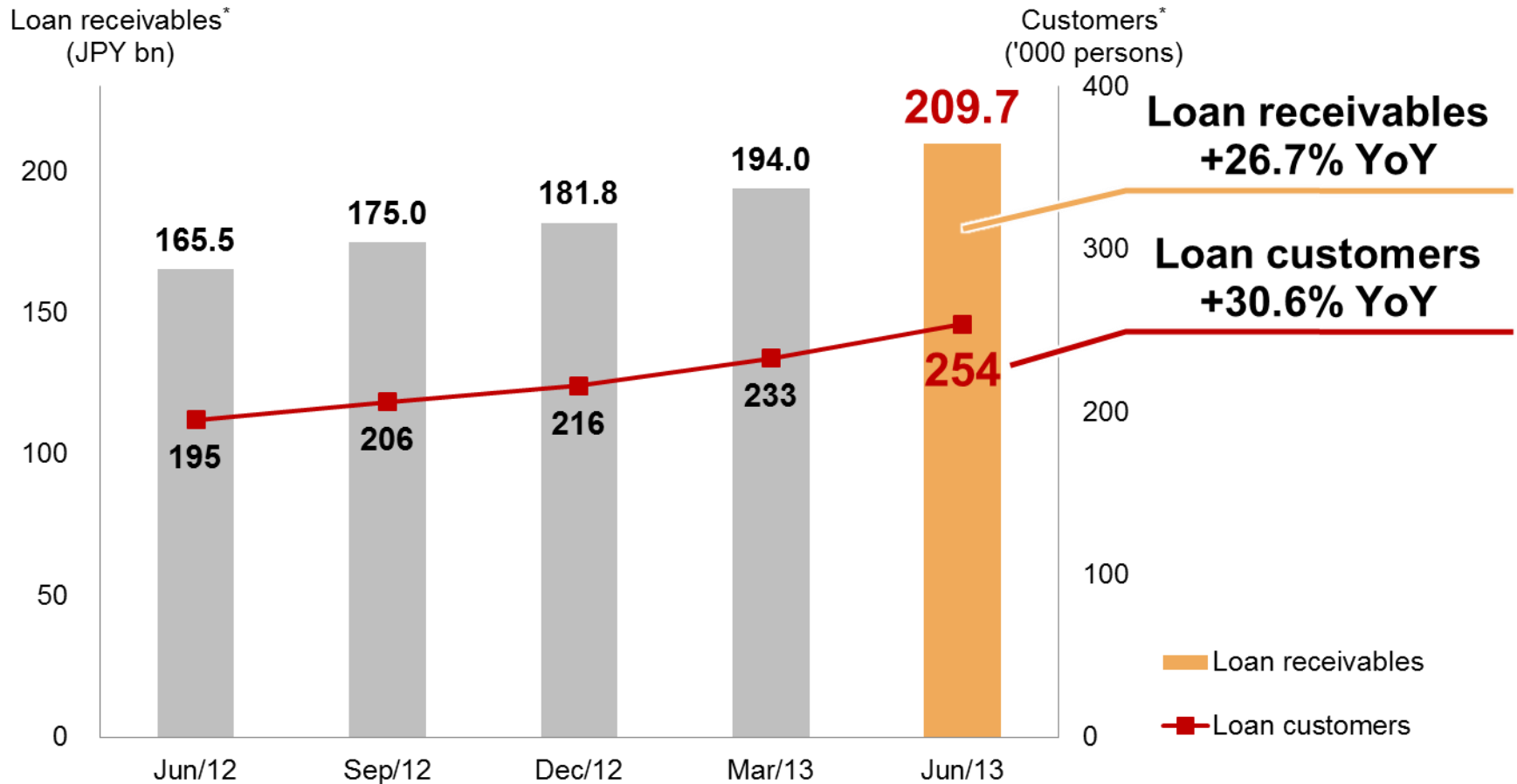
*1: Definitive figures after IFRS introduction to managerial accounting. Figures may differ from previously disclosed preliminary data

*2: Operating income in Q1/13 includes transfer gain (JPY1.5bn) of investment trust business to Rakuten Securities.

Rakuten Bank recognizes transfer gain as extraordinary profit under J-GAAP, while consolidated Rakuten group eliminates it in "Adjustments" as group transaction

Rakuten Bank Super Loans

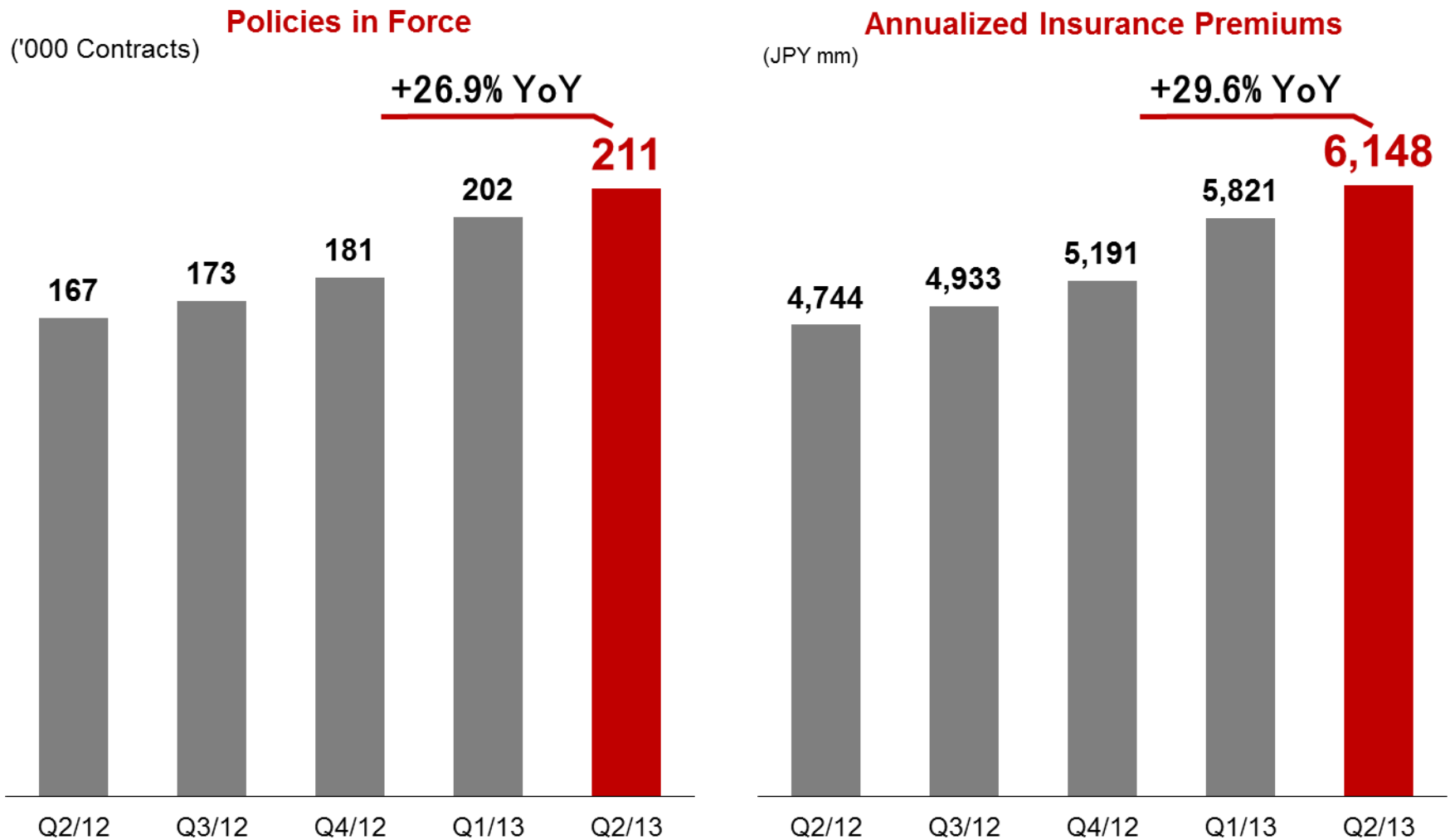
■ Continued healthy growth of loan receivables. Surpassed JPY200 bn



* Loan receivables and loan customers are total of Rakuten Bank and credit guarantees of Rakuten Card Co., Ltd

Life Insurance Business*

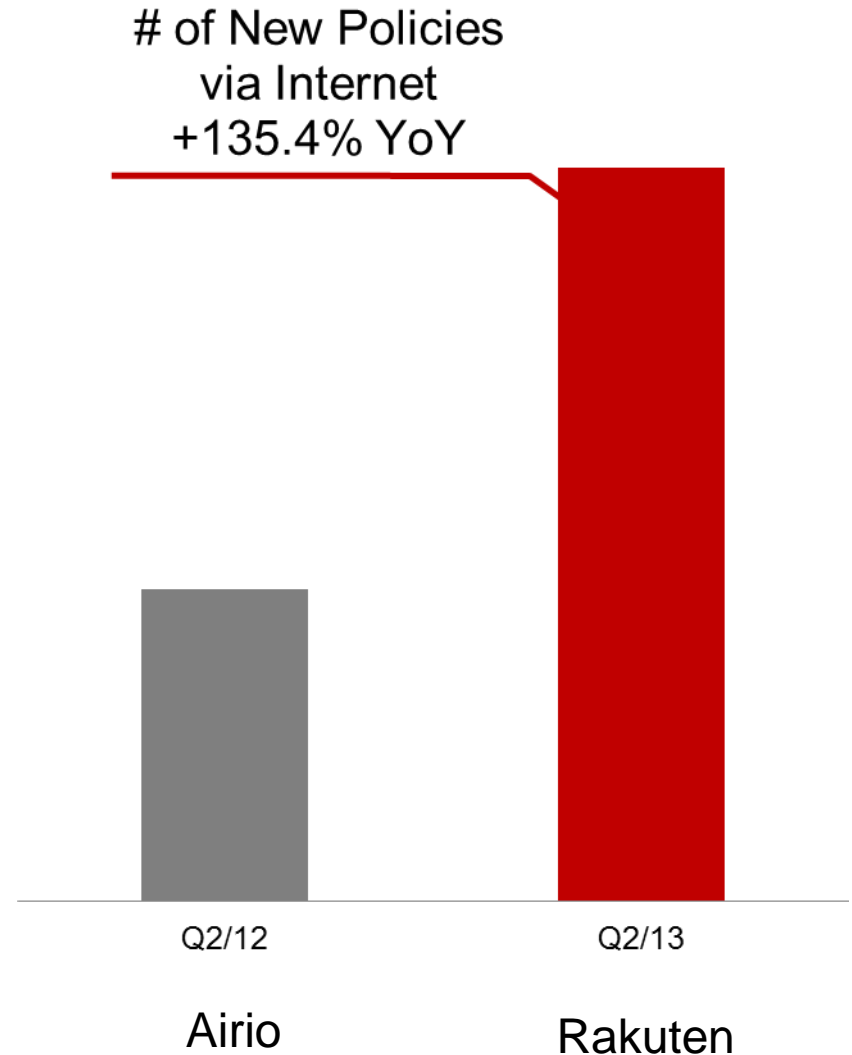
Life Insurance Contracts (excl. mutual aid association)



* Rakuten Life Insurance Co., Ltd. was consolidated from the end of October, 2012

Birth of Rakuten Life Insurance

- Changed company name on April 1, 2013
- Launched new internet-dedicated, affordable life insurance products
- Registered group companies as agencies
 - Mar 2013: Rakuten Bank
 - May 2013: Rakuten Card
 - Sep 2013 (planning): Rakuten Securities
- Started Smartphone app and SNS promotion



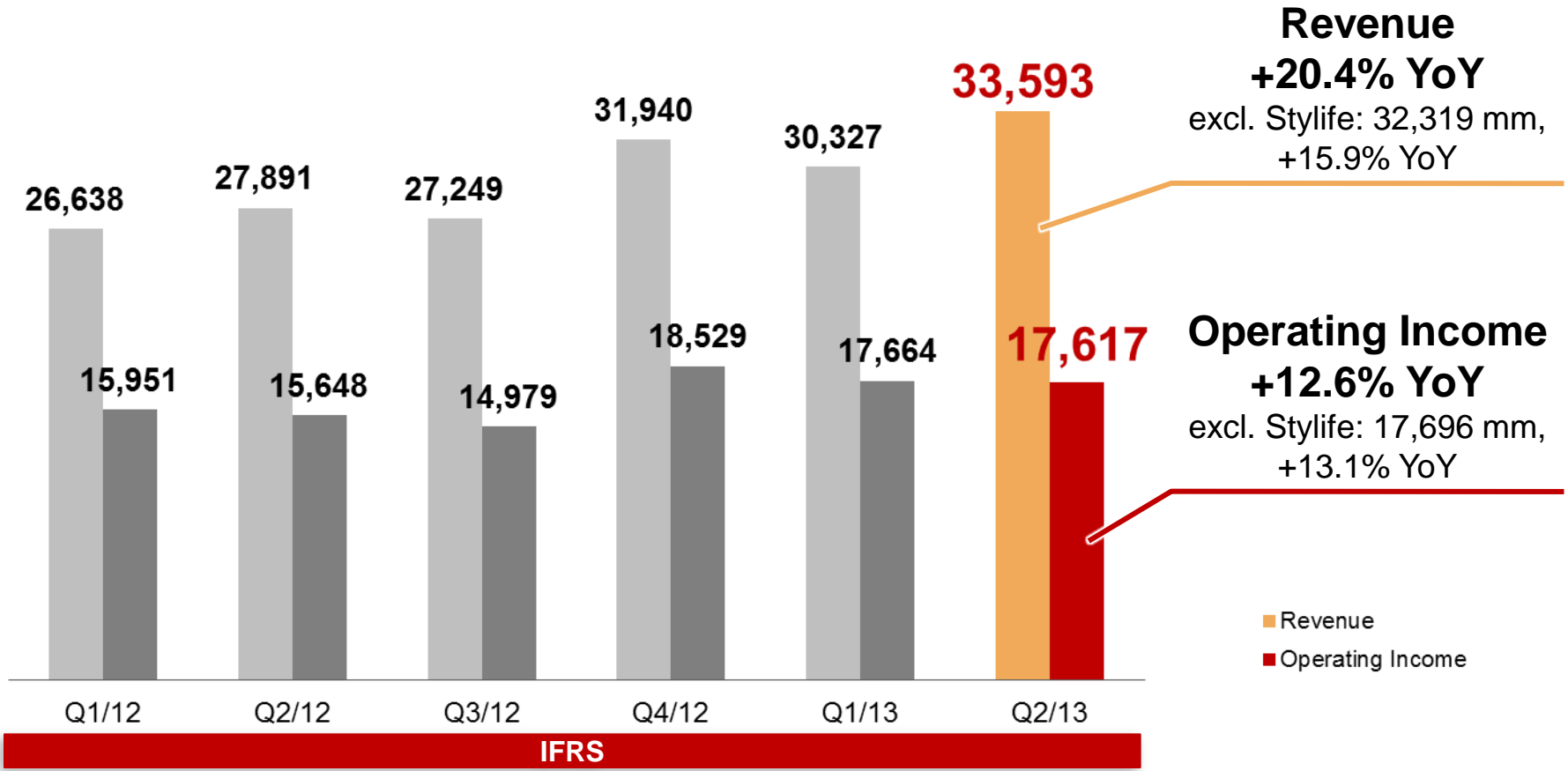
3 Internet Services

Rakuten Ichiba Results

- Maintained strong momentum
- OP margin excluding Stylife, consolidated from Q2/13: 54.8%

(JPY mm)

Ichiba Business Quarterly Results

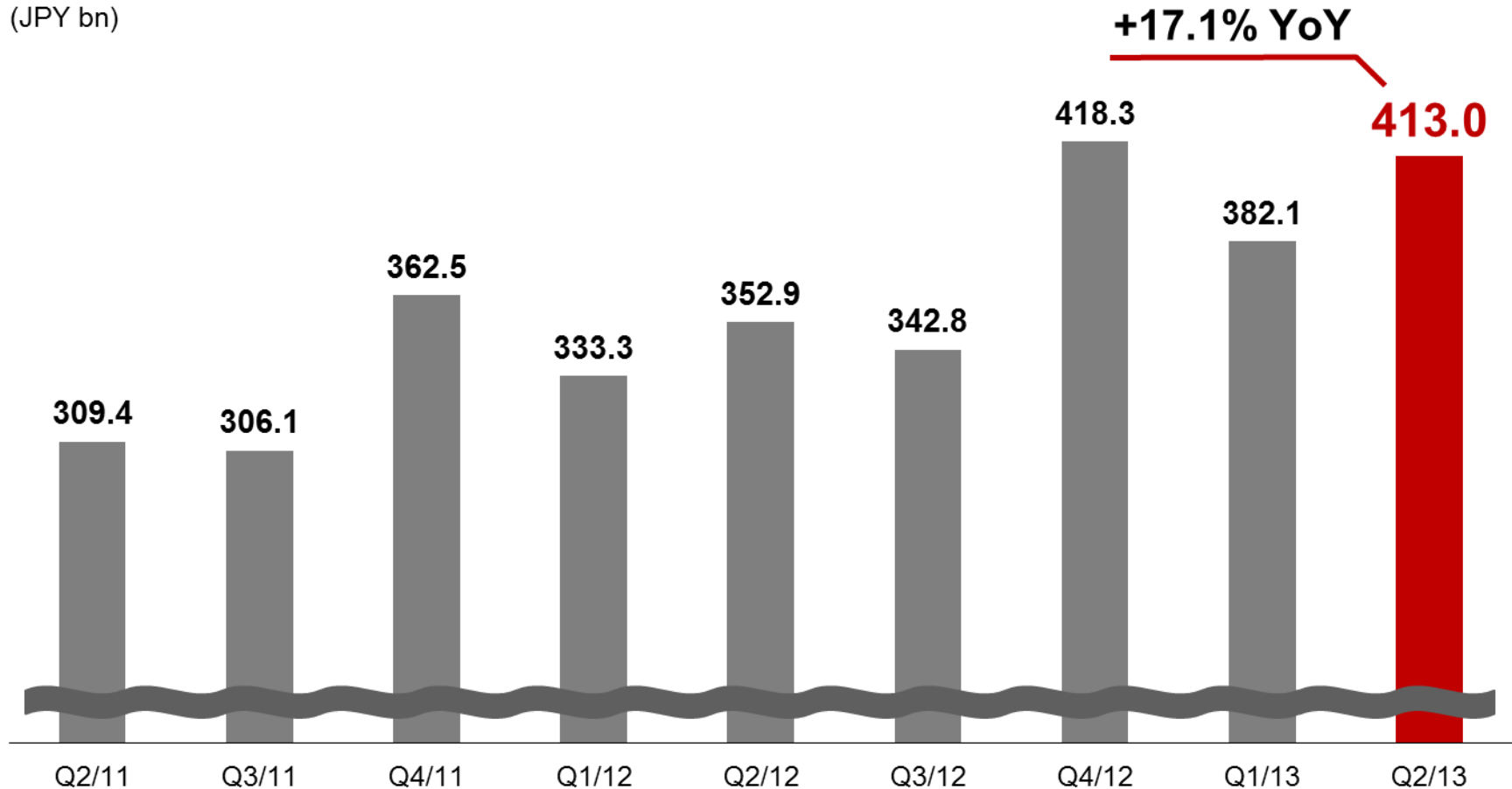


* Disclosed figures are IFRS basis

Domestic E-Commerce GMS

■ Domestic E-Commerce GMS: +17.1% YoY

(JPY bn)



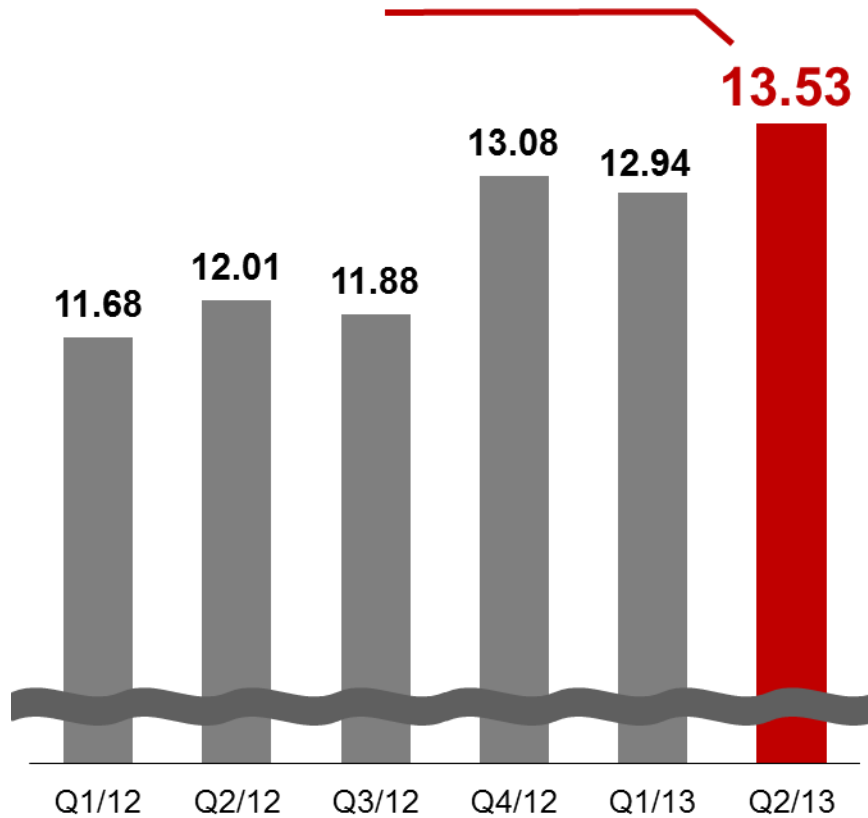
* Domestic E-Commerce = Ichiba, Auction, Package Media, Golf, Business, Download, Tickets, Internet Supermarket, Check Out, Off-track betting, toto, Showtime, Media rental, Dining, Salon (added from Q2/12), Mart and Kenko.com (added from Q3/12), Stylife (added from Q2/13), Solar (retroactively added from Q3/12)

Rakuten Ichiba Unique Buyers* and Transactions

Unique buyers*

(Million)

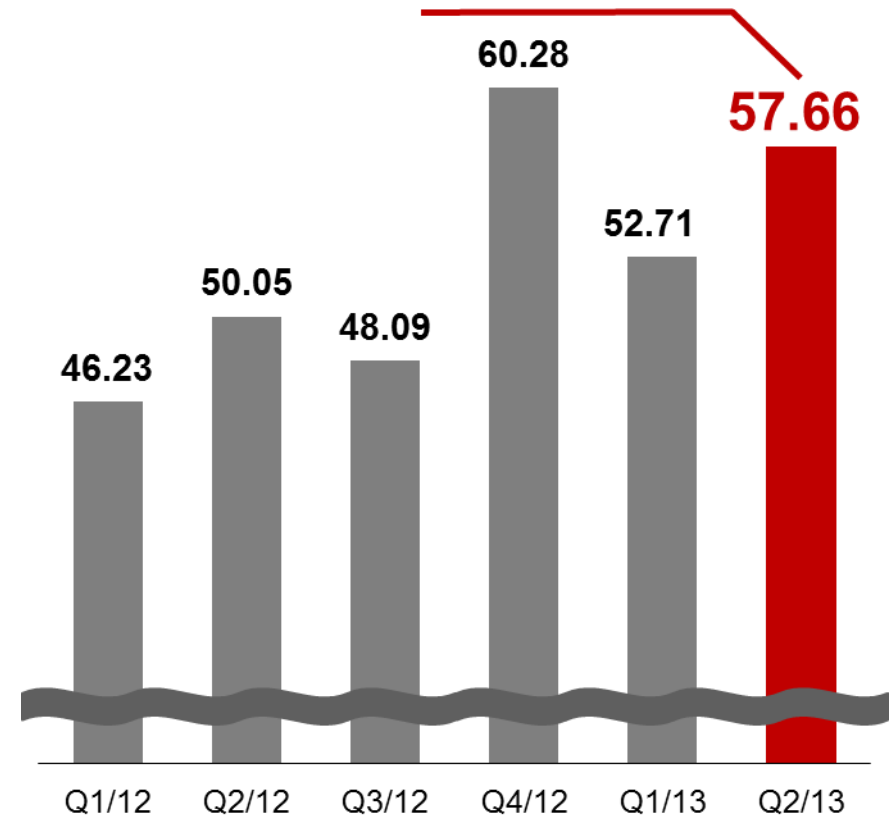
+12.7% YoY



Number of transactions

(Million)

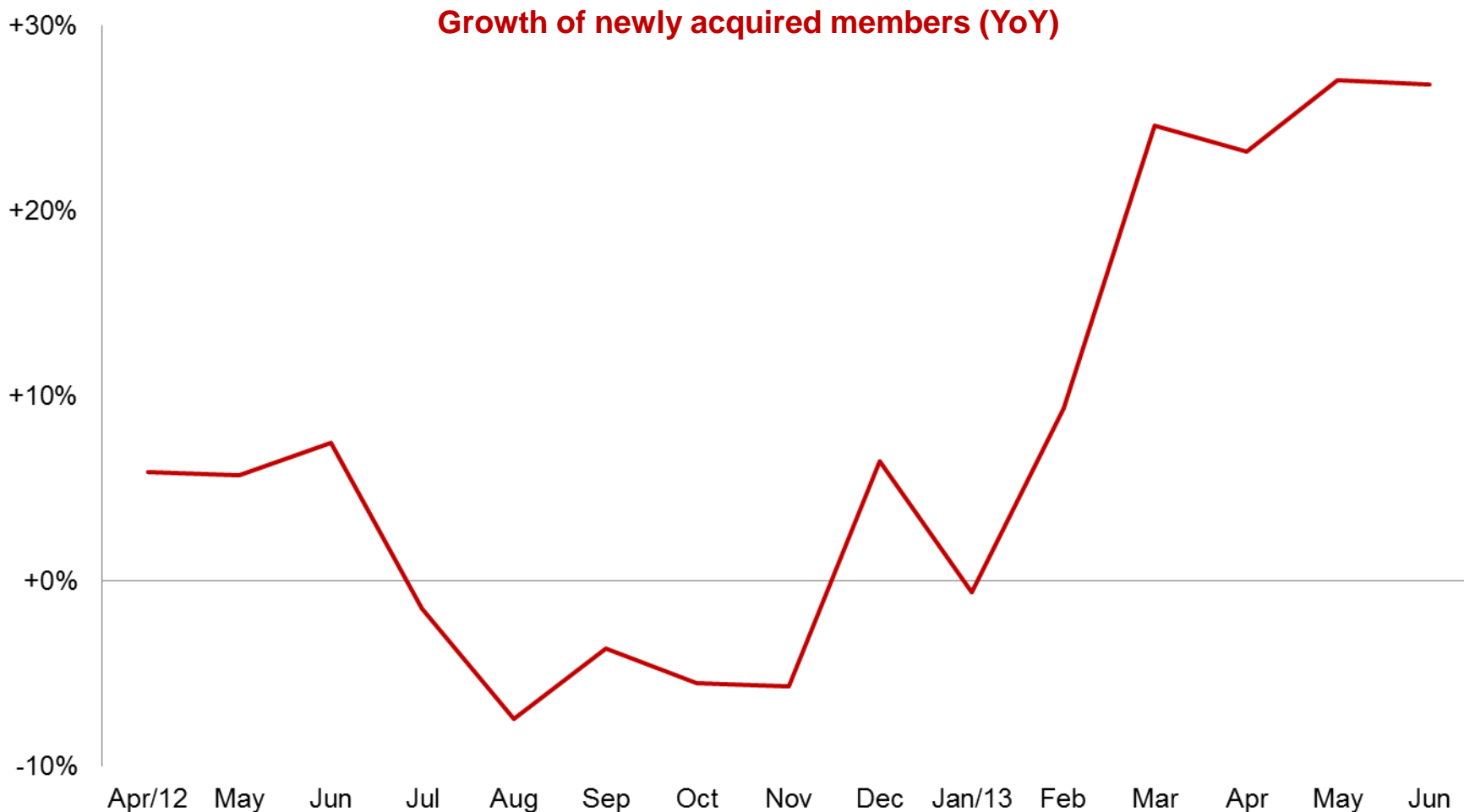
+15.2% YoY



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

Rakuten Member Acquisition via Ichiba

■ New Rakuten member acquisition accelerated



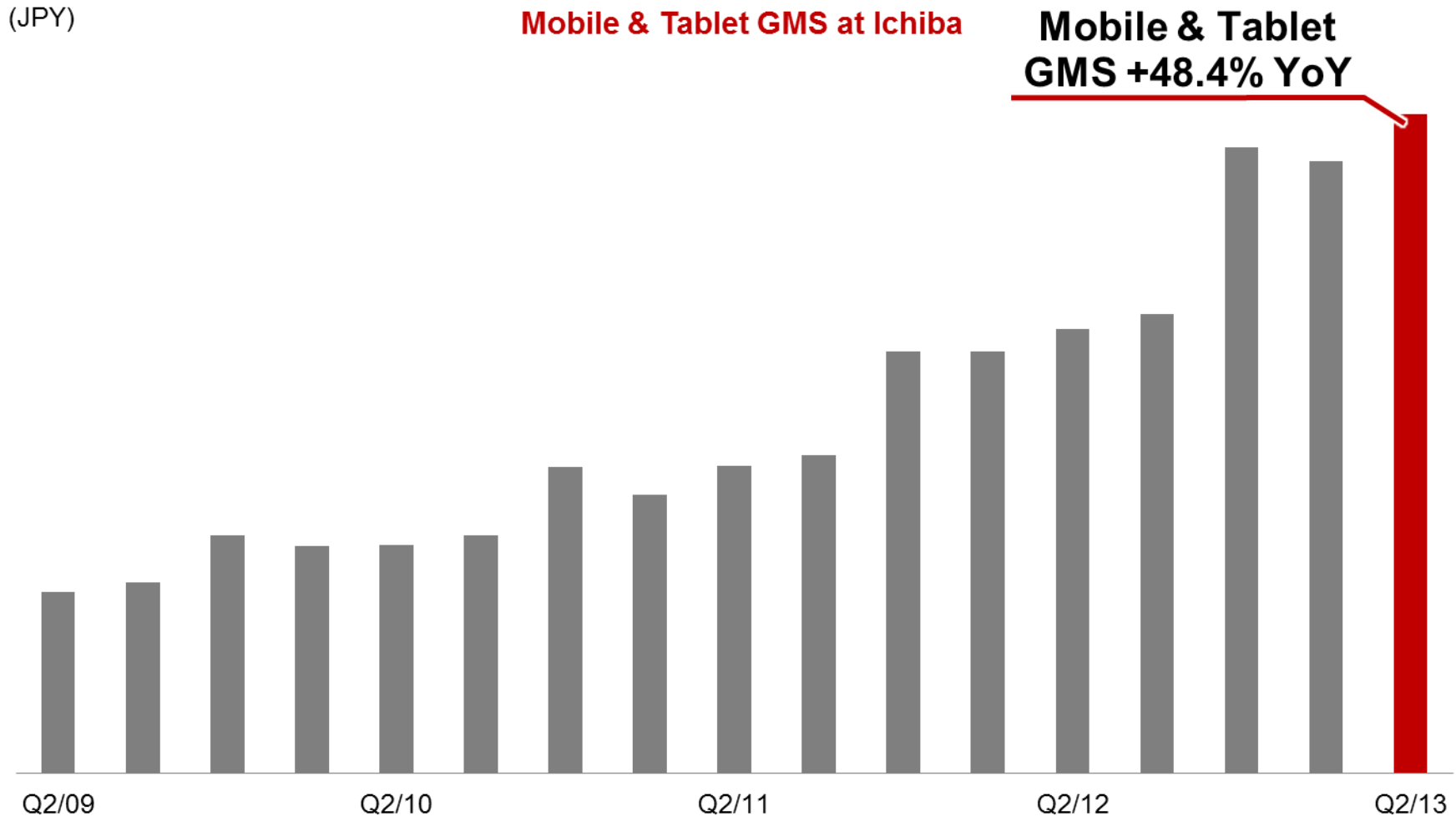
Change of Consumer Behavior

GMS Growth (YoY) of over JPY100,000 items



Ichiba Mobile & Tablet GMS Expanding

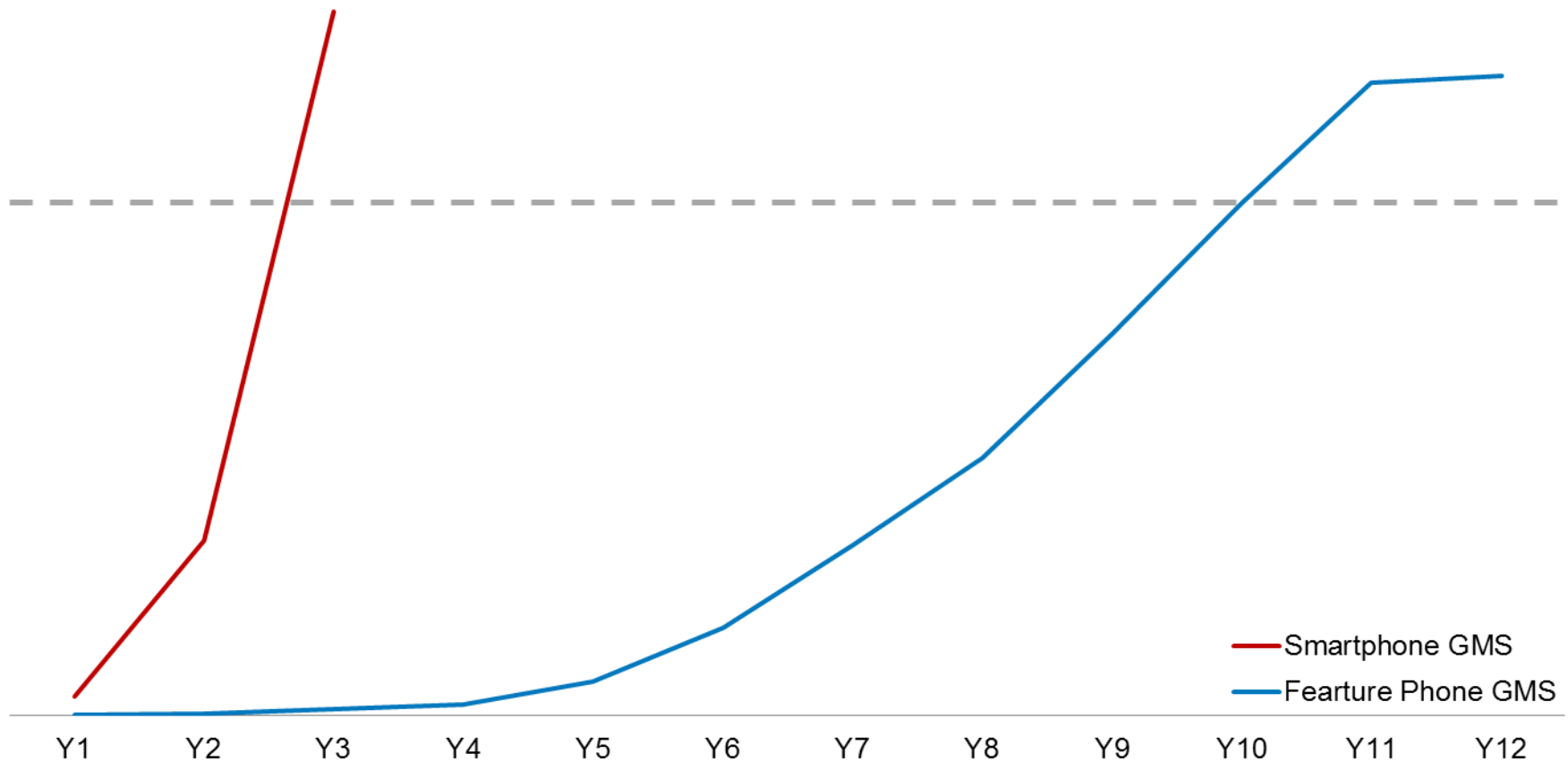
- E-commerce through smart devices penetrating in Japan



Rapid Growth of Smartphones

- In only 3 years, GMS through smartphones surpassed the level of GMS through feature phones achieved in 10 years

(JPY)



Top 5 Smartphone Reach Ranking in Japan

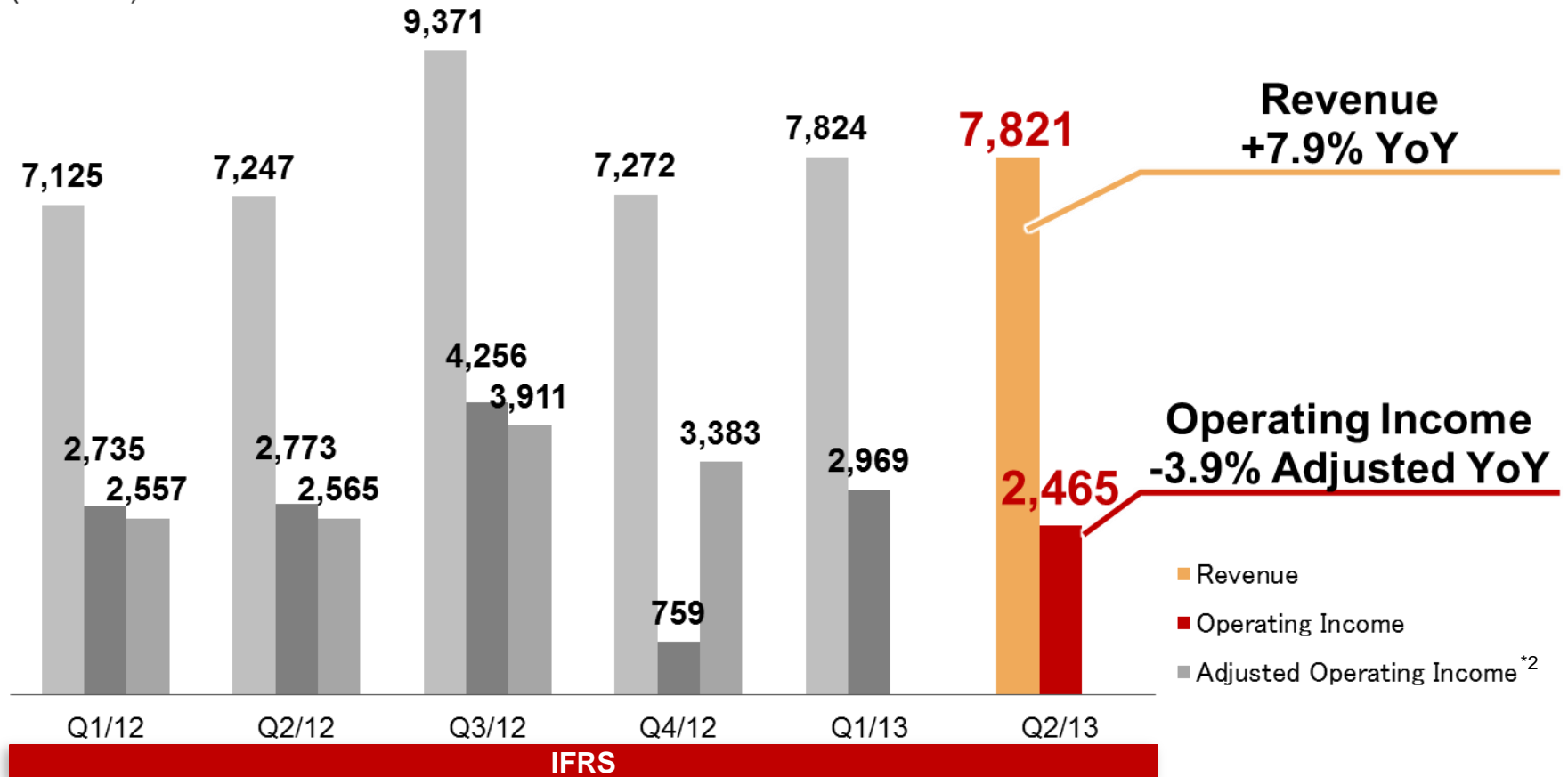
	Male	Female
1	Google Search	Google Search
2	Google Map	LINE
3	Google Play	Rakuten Ichiba
4	Rakuten Ichiba	Google Map
5	LINE	Google Play

* Source; Nielsen Mobile Net View, sum of apps and web browser, March 2013
http://www.netratings.co.jp/news_release/2013/05/20130528.html

Rakuten Travel Results*1

Travel Business Quarterly Results

(JPY mm)



*1: Disclosed figures are IFRS basis

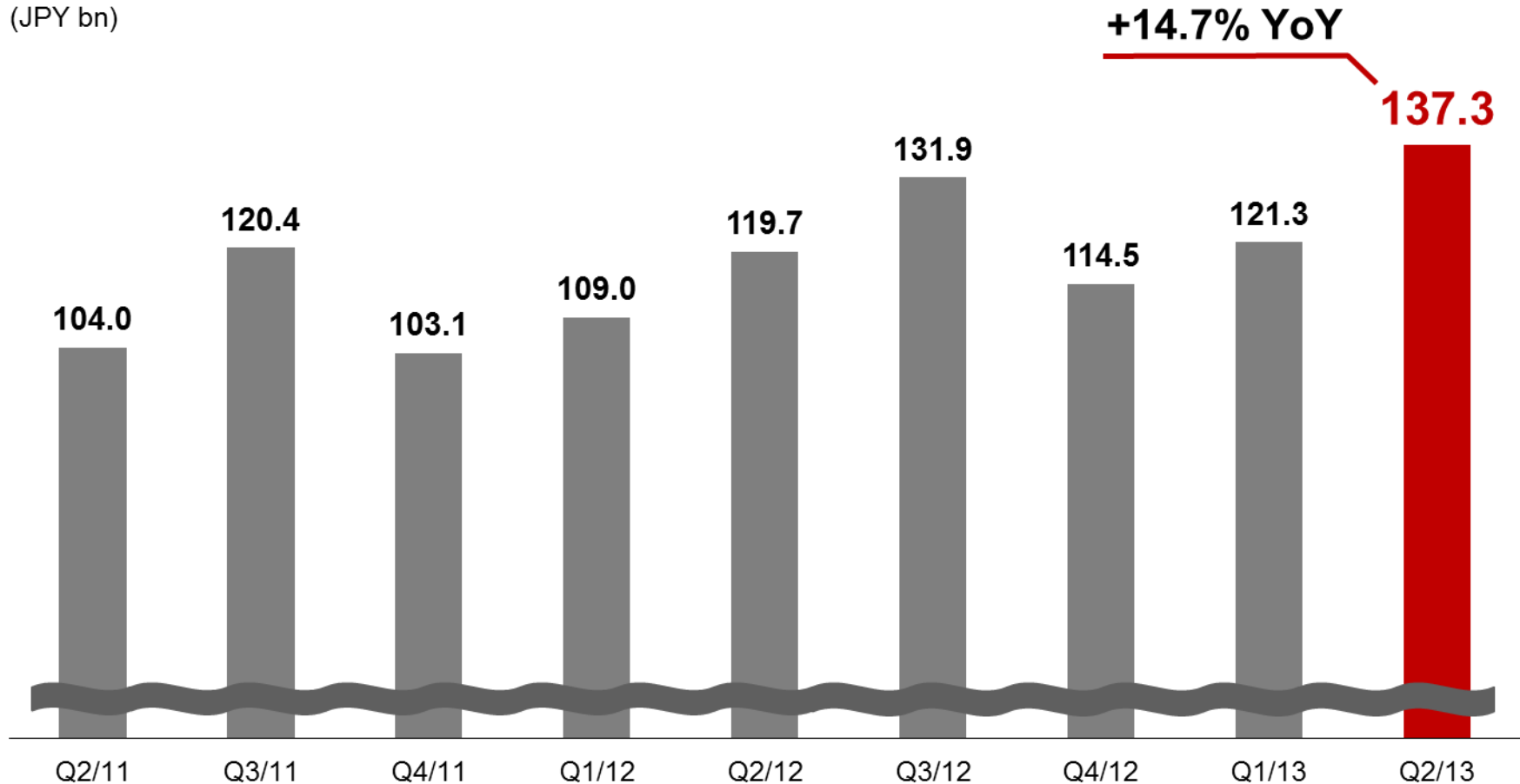
*2: Adjusted operating income: Adjusted for correction of costs recorded in Q4/12 regarding dynamic package transactions

Travel Business

Gross Booking Transaction Value

■ Gross bookings: +14.7% YoY

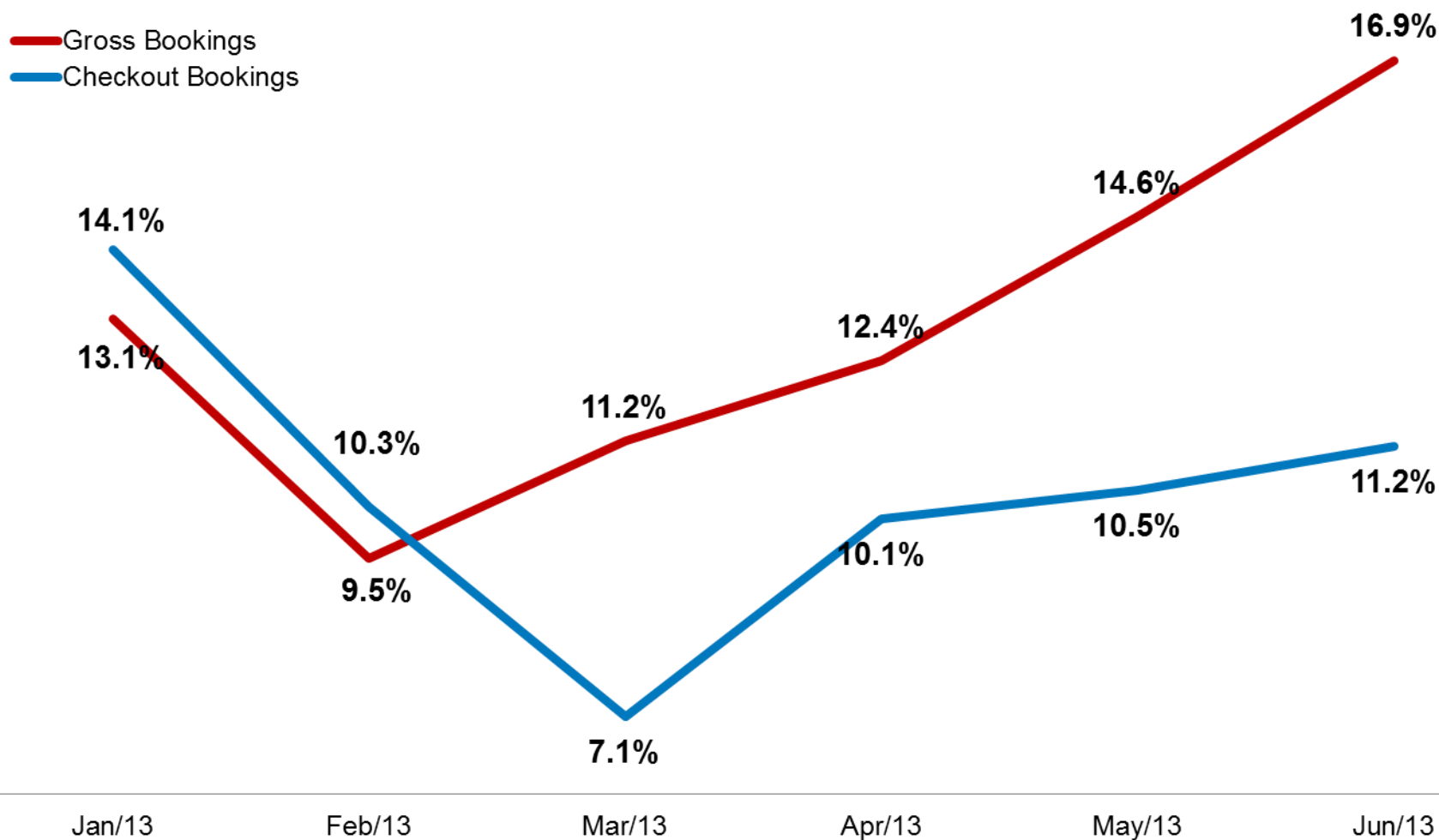
(JPY bn)



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

Travel Business

Gross Bookings and Checkout Bookings YoY



4 Kobo eBook Business

Kobo by the Numbers

- Kobo has 15 million readers worldwide

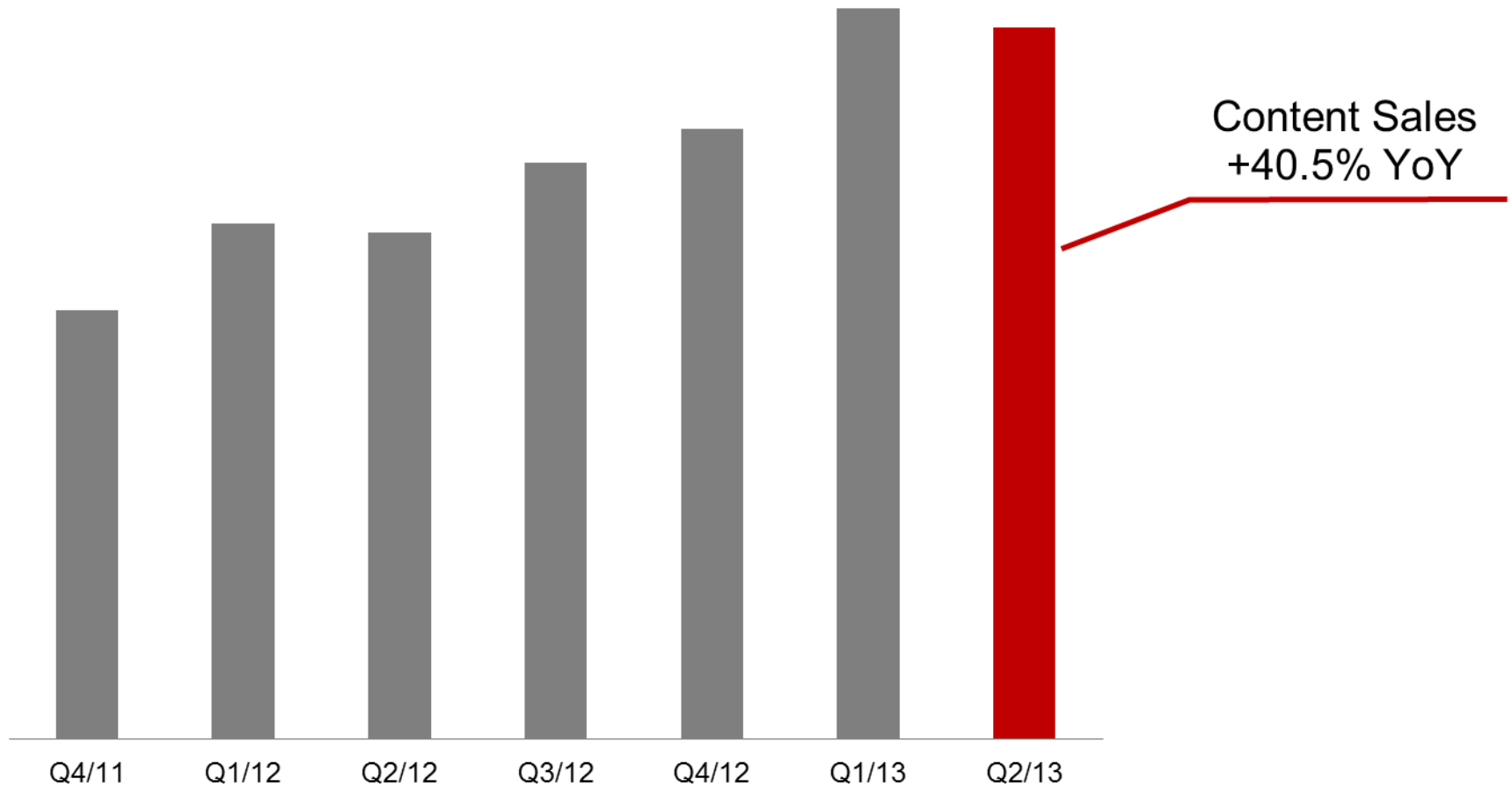
15,000,000+	Readers
3,500,000+	eBooks
190	Countries where Kobo is delivering eBooks
14	Countries with localized content

Source: Kobo Inc. Q2/13

Kobo Quarterly Content Revenue Growth

- Kobo's global revenue of content increasing rapidly

(Can \$)

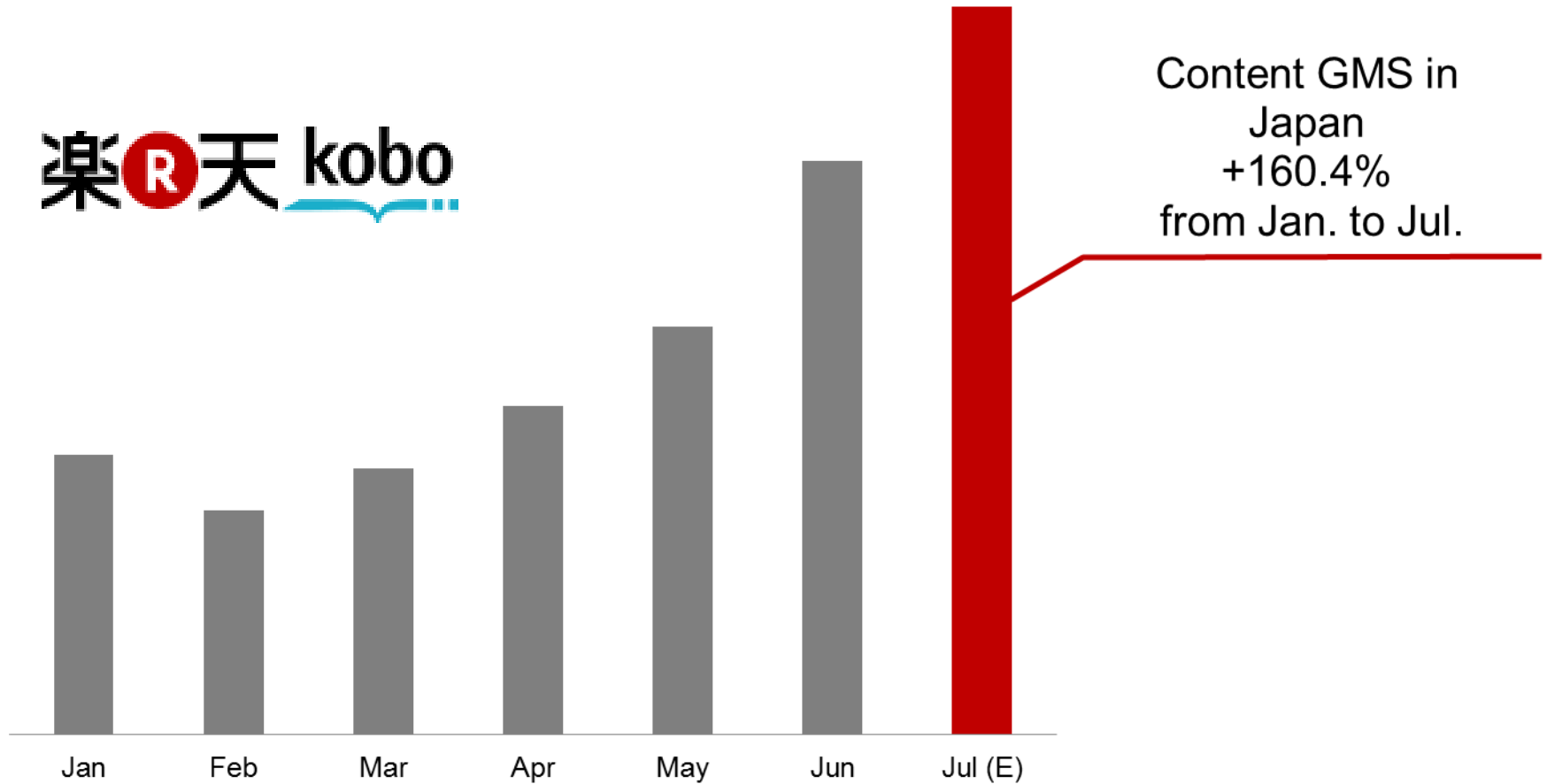


* Note: Kobo Inc. was consolidated from Q1/12

Japanese Content GMS Ramping Up

- Attracting users by having more popular titles and promotional campaigns

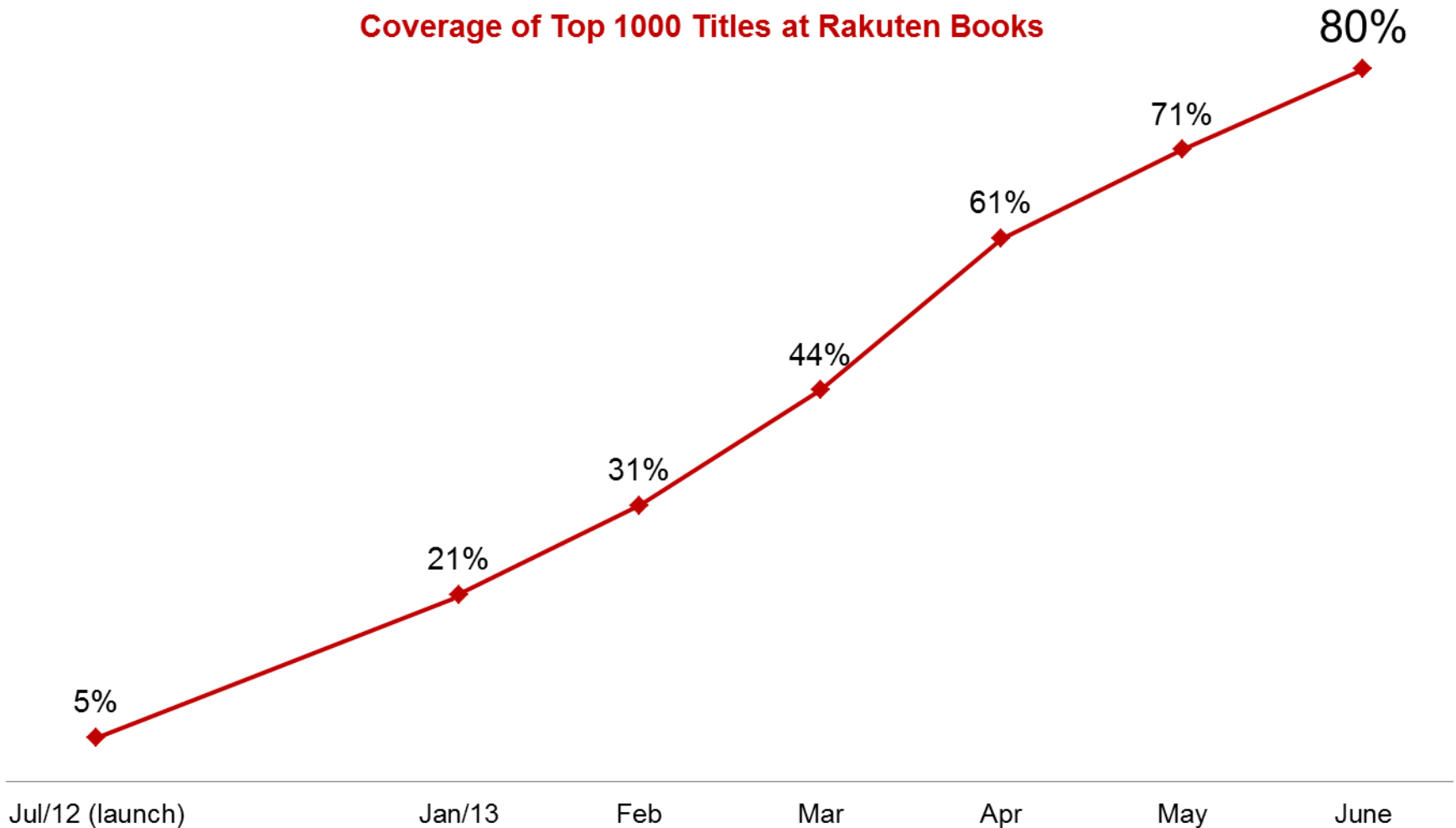
(JPY)



Increasing Popular Japanese Content

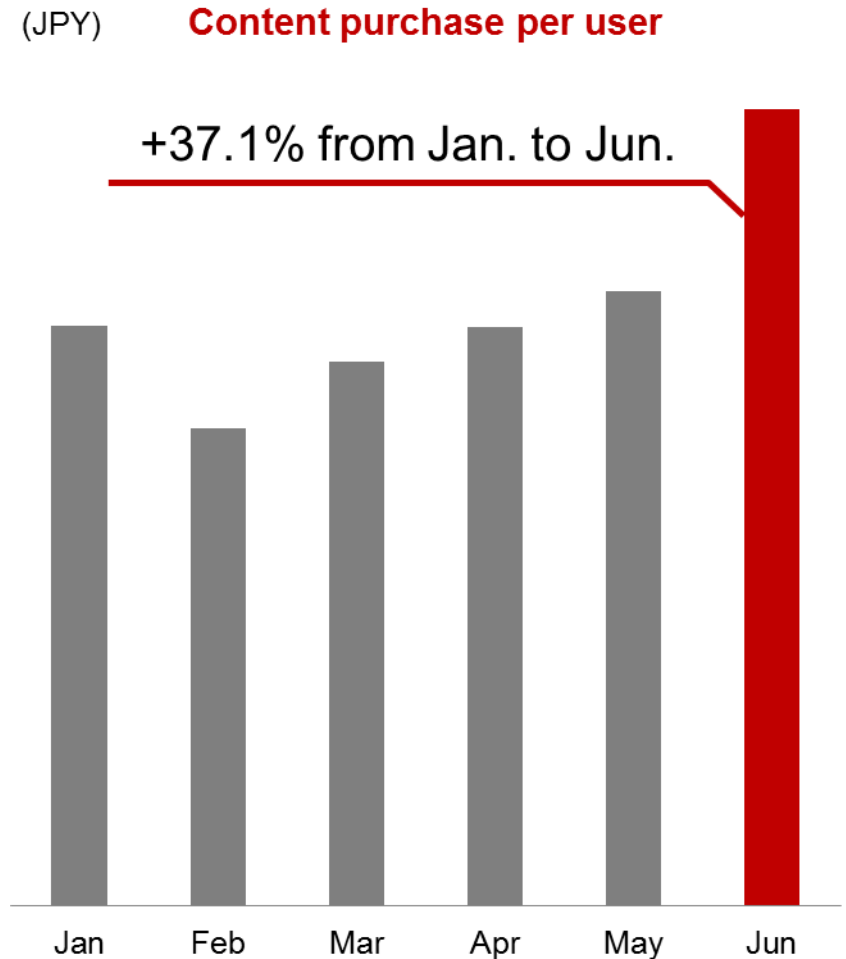
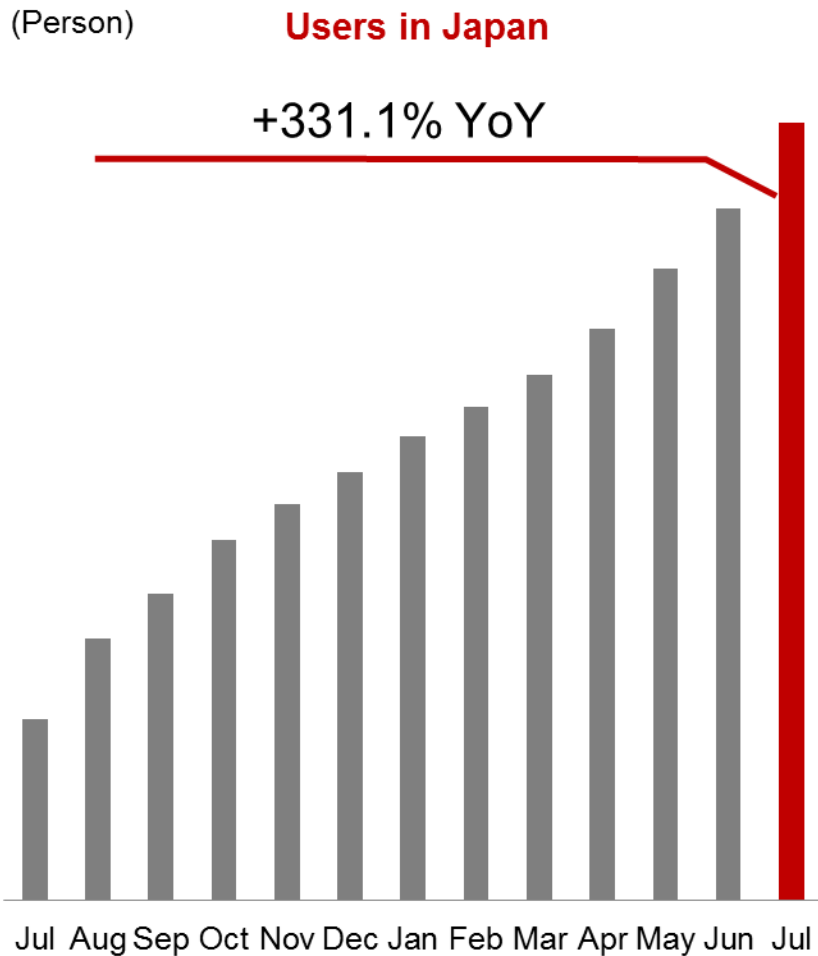
- In Japan, Kobo achieved target coverage of top 1,000 titles at Rakuten Books

Coverage of Top 1000 Titles at Rakuten Books



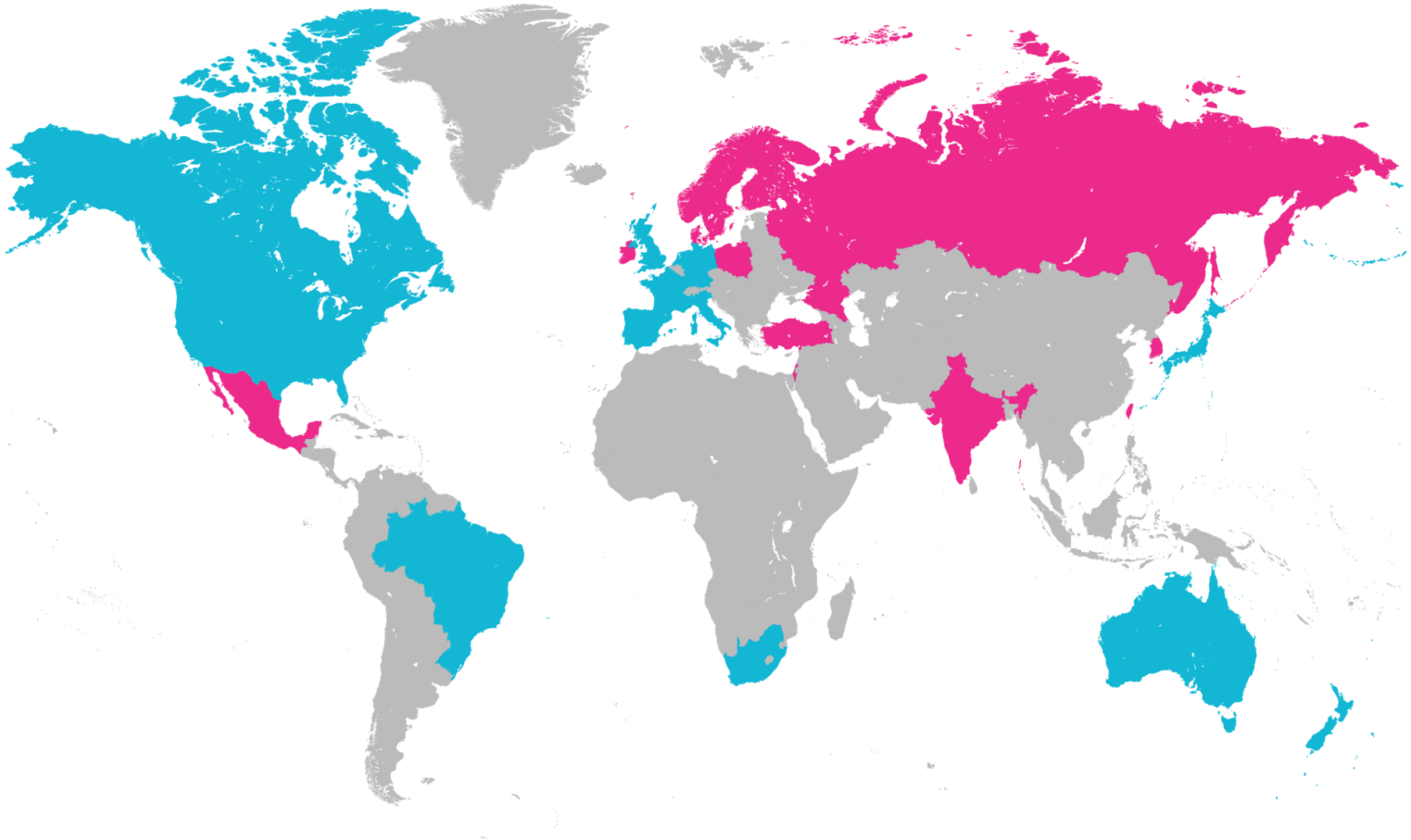
Users and ARPU Increase in Japan

- App users leading growth of user base



Kobo Continues to Expand

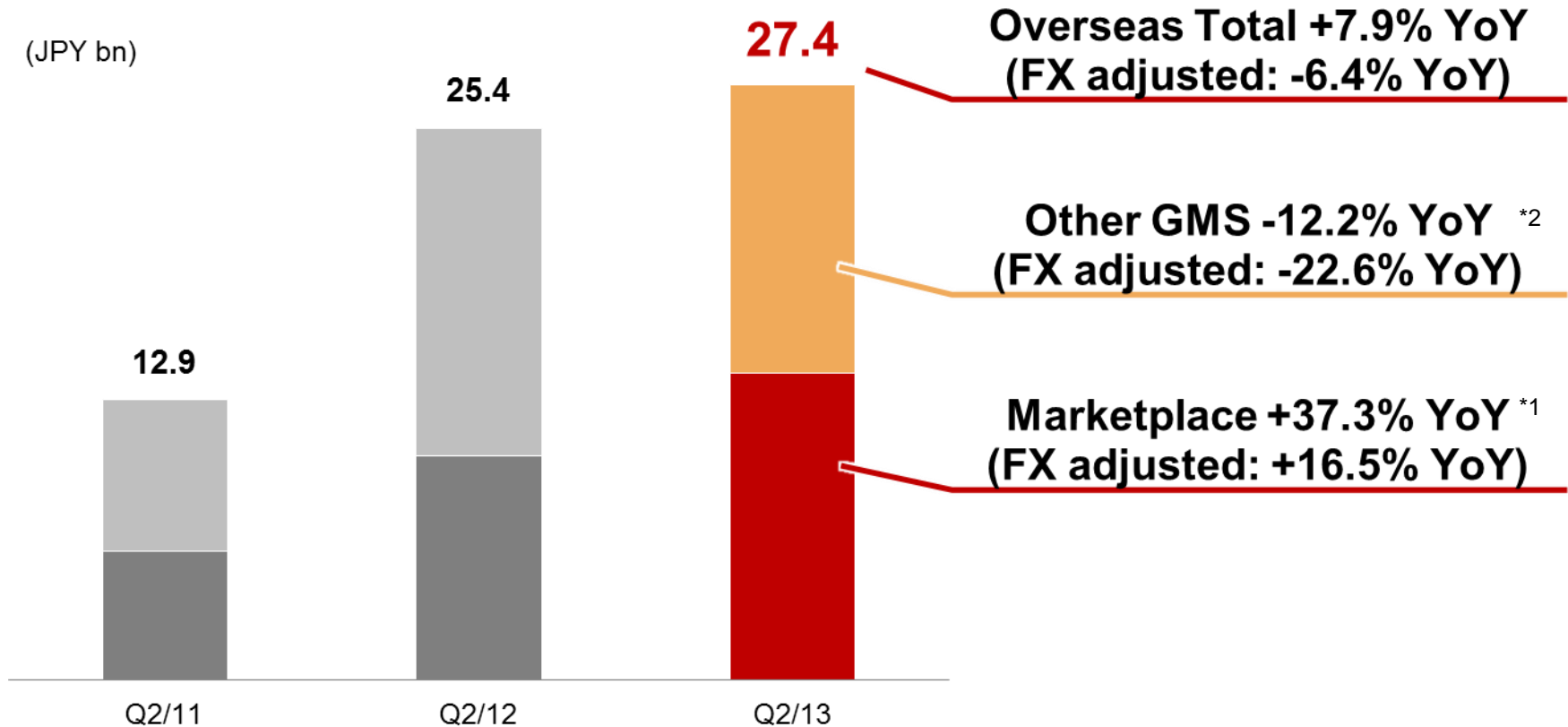
- Upcoming launch in India
- Consumers in India have a High Purchase Intent; 28% intend to purchase eBooks, 26% an eReader. 1-billion Reader opportunity



5 Progress in Globalization

GMS of Overseas Companies

- Marketplace GSM growth: +37.3% YoY (+16.5% YoY forex adjusted)
- First party sales greatly reduced on successful business model change



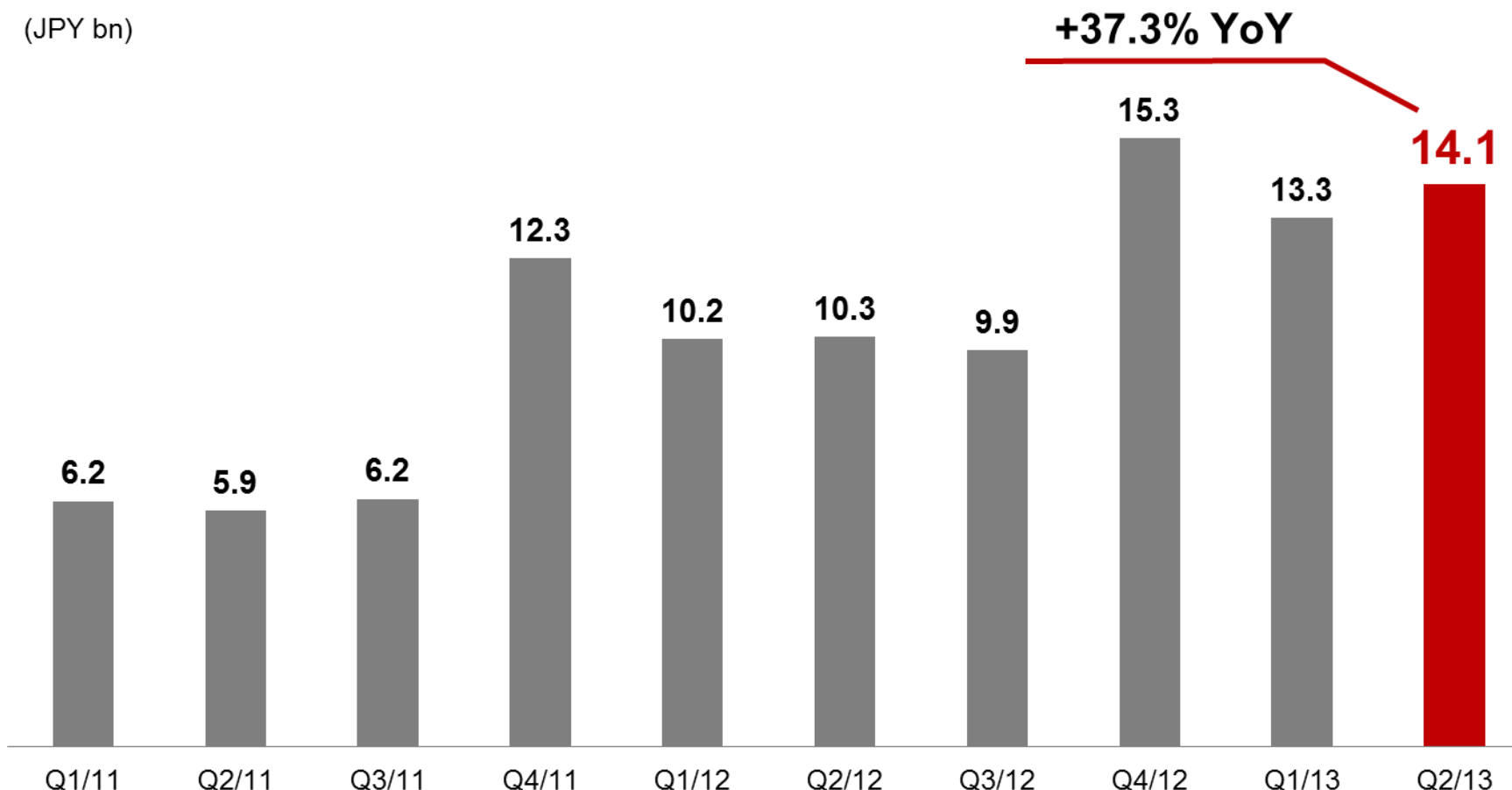
*1: Marketplace = Taiwan Rakuten Ichiba + Tarad Premium Mall + Lekutian + Buy.com marketplace + PriceMinister marketplace + Rakuten Belanja Online + Rakuten Deutschland + Play.com marketplace + Rakuten Brasil marketplace (from Q2/12).

*2: Other GSM = C2C, SaaS, White Label and First Party = PriceMinister C2C + Rakuten Brasil SaaS + Buy.com White Label + Buy.com First Party + Play.com First Party

Marketplace GMS Overseas Companies

■ Marketplace GMS growth: +37.3% YoY (+16.5% YoY forex adjusted)

(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).

Acquisition of Webgistix



- Acquired 100% of US-based logistics company, Webgistix
- Specialized in cloud-based fulfillment technology for e-commerce retailers
 - 1 day order processing
 - 1-2 days delivery for 98% of e-commerce customers in US
 - Lower shipping cost
- Set to transfer its technology and know-how to Rakuten Super Logistics in Japan and other regions

Initiatives for Overseas E-commerce

- Rakuten Model Integration progressing under Regional HQs
- Planning organic expansion in Europe and Asia
- Creating Rakuten Ecosystem globally with digital content, logistics and travel businesses

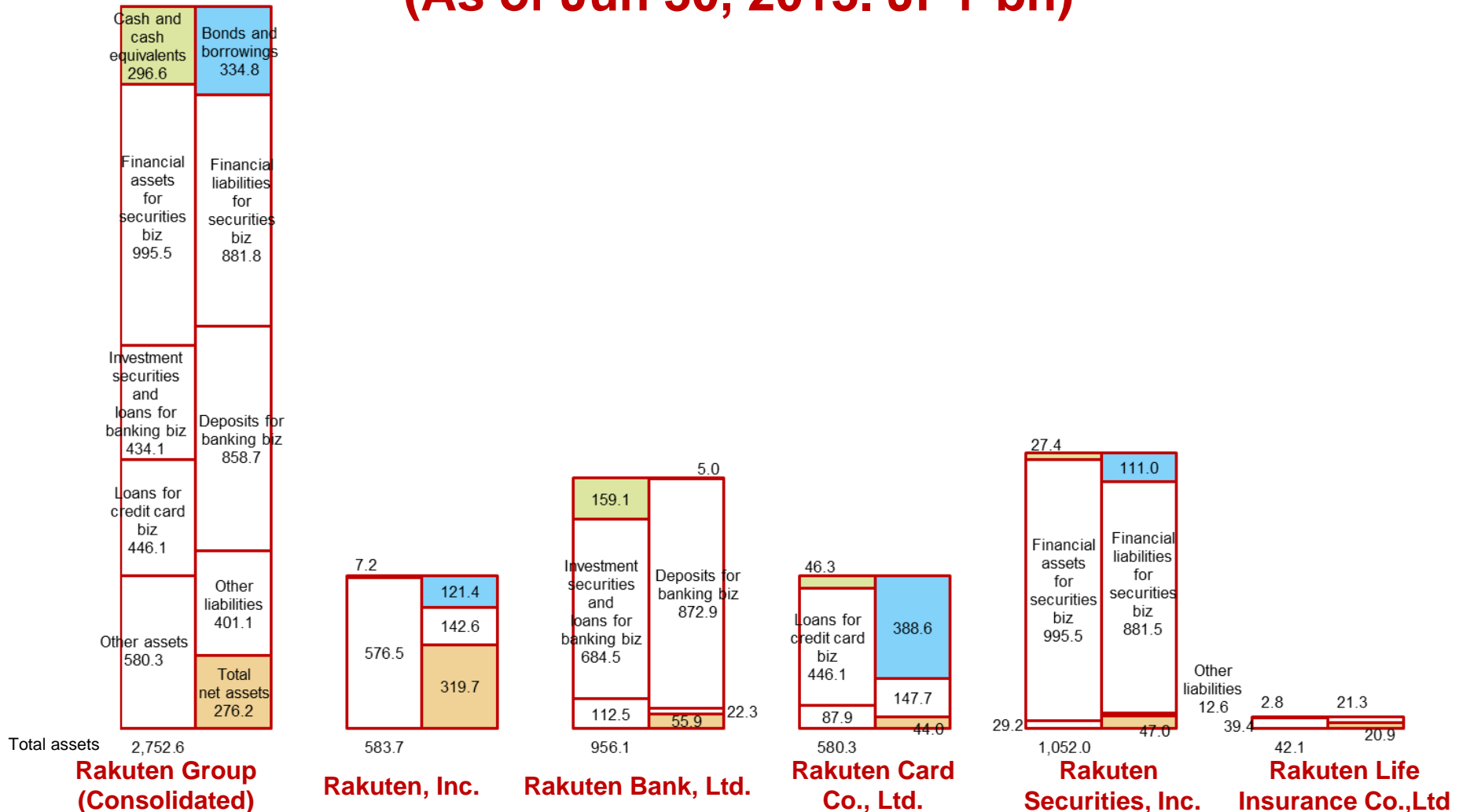
Empowering the World's People and Society through the Internet

Appendix

- Financial Condition
- Other Information

Financial Condition

Rakuten Group : Balance Sheets (As of Jun 30, 2013. JPY bn)

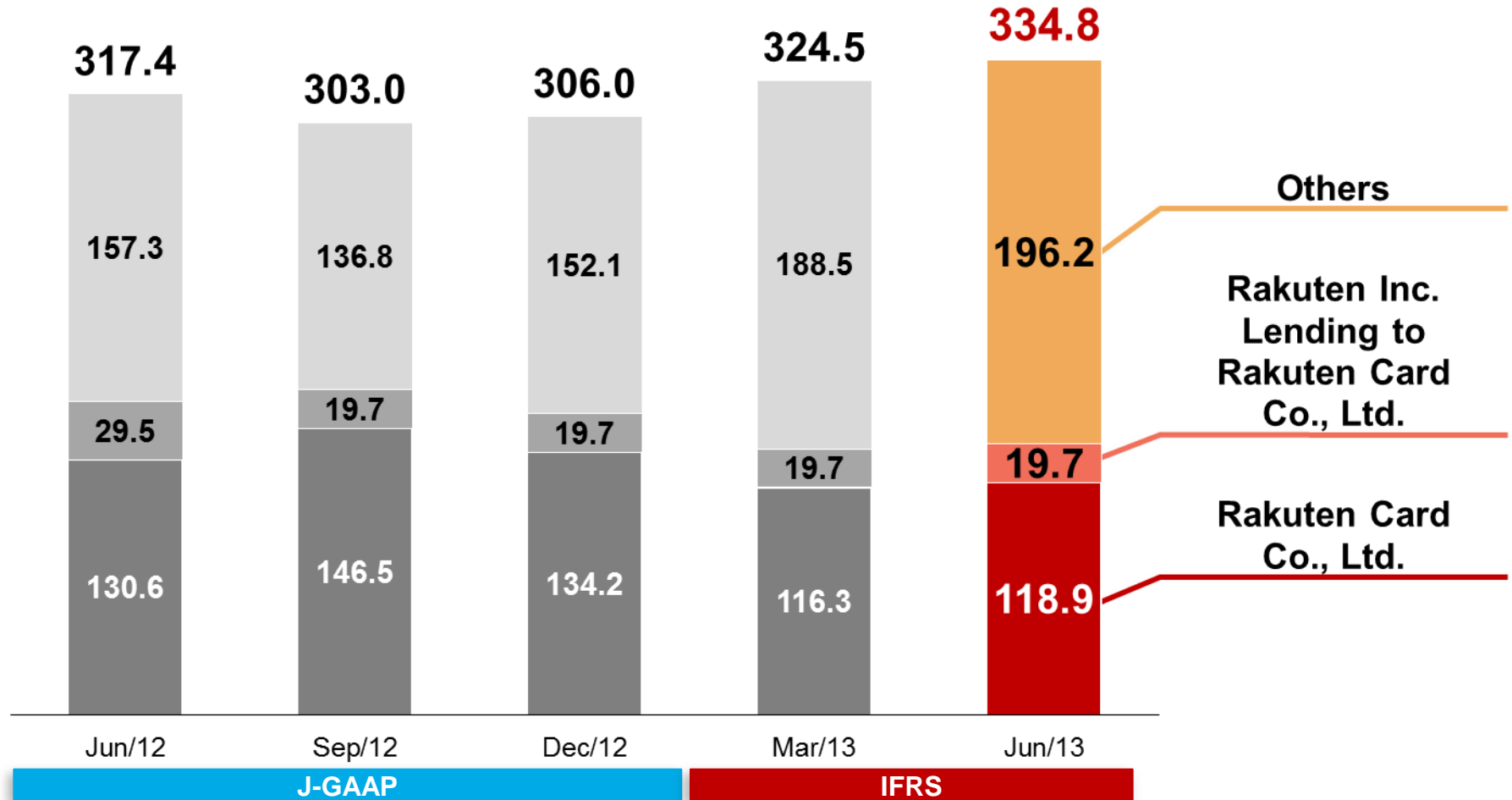


*1: Rakuten, Inc. , Rakuten Bank, Ltd. Rakuten Card Co., Ltd., Rakuten Securities, Inc. and Rakuten Life Insurance Co., Ltd are IFRS based non-consolidated balance sheet

*2: Debt = Corporate bonds + CP + Borrowings

Financial Institutions Debt* Trend

(JPY bn)



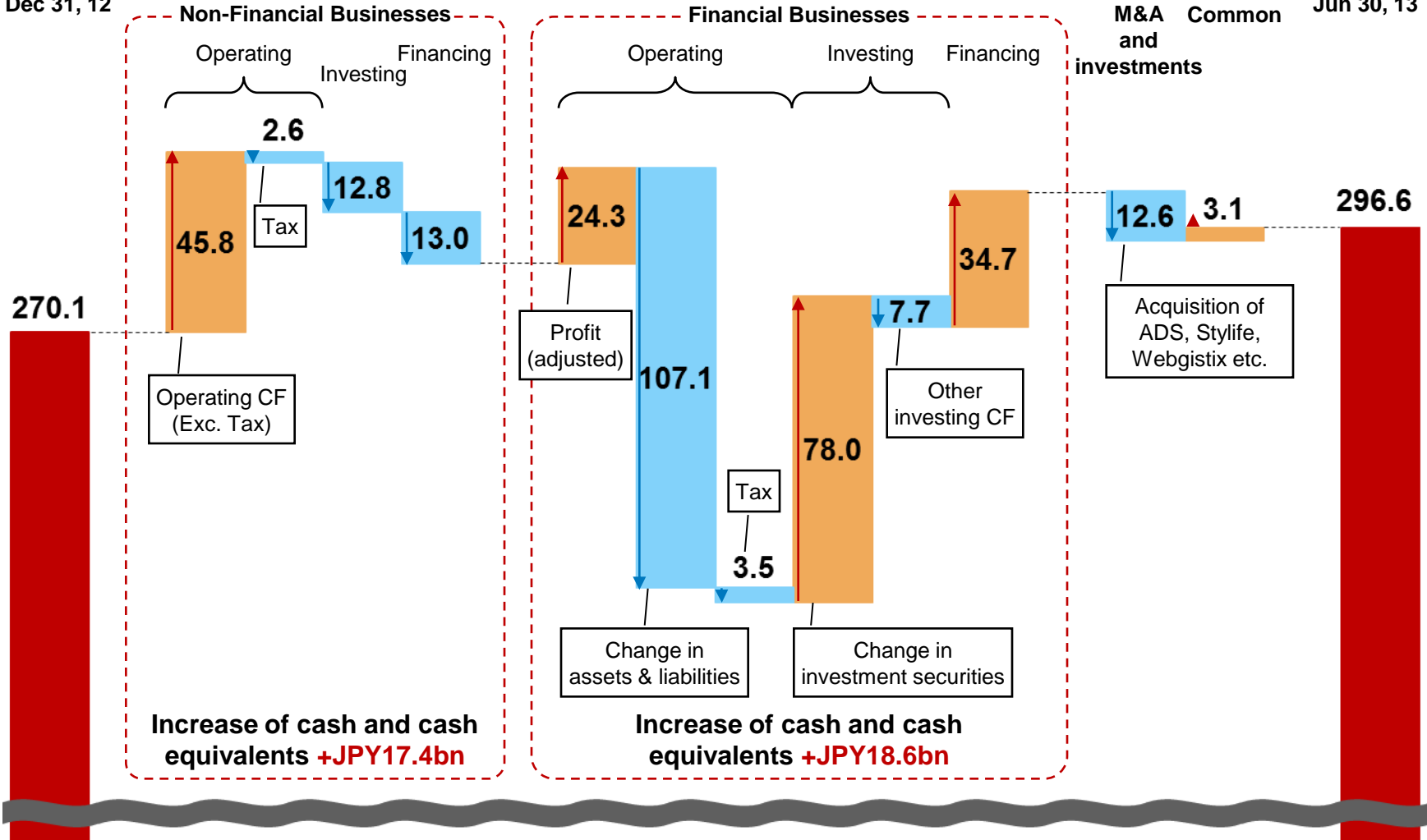
* Debt from outside financial institutions = Corporate Bonds + CP + Borrowings

Breakdown of Cash Flows: Jan - Jun 2013

(JPY bn)

Balance of cash
Dec 31, 12

Balance of cash
Jun 30, 13



Breakdown of Cash Flows by Financial Businesses and Non-financial Businesses: Jan - Jun 2013 (1)

(JPY bn)

Overview of cash flows for 1st half of 2013	Consolidated	Financial	Non-Financial	Common
Income before income tax	46.3	20.3	26.0	-
Depreciation and amortization	12.2	3.9	8.3	-
Other loss (profit)	(0.1)	-	-	(0.1)
Decrease (Increase) in operating receivables	9.9	0.0	9.9	-
Decrease (Increase) in loans for credit card biz	(43.6)	(43.6)	-	-
Increase (Decrease) in deposits for banking biz	49.1	49.1	-	-
Decrease (Increase) in call loans for banking biz	(32.0)	(32.0)	-	-
Decrease (Increase) in loans for banking biz	(24.6)	(24.6)	-	-
Increase (Decrease) in operating payables	(0.4)	2.9	(3.3)	-
Increase (Decrease) in accounts payable - other and accrued expenses	(2.5)	(2.8)	0.3	-
Decrease (Increase) in financial assets for securities biz	(379.8)	(379.8)	-	-
Increase (Decrease) in financial liabilities for securities biz	323.7	323.7	-	-
Others	4.6	(0.1)	4.6	-
Income tax paid	(7.4)	(3.5)	(3.8)	-
Income tax refund	1.2	-	1.2	-
Net cash flows from operating activities	(43.2)	(86.4)	43.2	(0.1)

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

Breakdown of Cash Flows by Financial Businesses and Non-financial Businesses: Jan - Jun 2013 (2)

(JPY bn)

Overview of cash flows for 1st half of 2013	Consolidated	Financial	Non-Financial	Common
Increase in time deposits	(5.1)	(4.8)	(0.3)	-
Decrease in time deposits	3.4	3.1	0.3	-
Purchase of property, plant and equipment	(4.4)	(1.0)	(3.5)	-
Purchase of intangible assets	(11.8)	(4.0)	(7.8)	-
Acquisition of subsidiaries	(12.6)	-	(12.6)	-
Purchase of investment securities for banking biz	(62.5)	(62.5)	-	-
Proceeds from sales and redemption of investment securities for banking biz	139.8	139.8	-	-
Purchase of investment securities for insurance biz	(4.2)	(4.2)	-	-
Proceeds from sales and redemption of investment securities for insurance biz	2.9	2.9	-	-
Purchase of investment securities	(2.3)	(2.3)	-	-
Proceeds from sales and redemption of investment securities	4.3	4.3	-	-
Other payments	(3.5)	(1.4)	(2.0)	-
Other proceeds	0.8	0.4	0.4	-
Net cash flows from investing activities	44.8	70.3	(25.5)	-
Net increase (decrease) in short-term borrowings	28.8	32.5	(3.7)	-
Increase (Decrease) in commercial papers	7.0	1.0	6.0	-
Proceeds from long-term debt	33.0	33.0	-	-
Repayment of long-term debt	(41.9)	(32.8)	(9.1)	-
Cash dividends paid	(4.0)	-	(4.0)	-
Others	(1.2)	0.9	(2.1)	-
Net cash flows from financing activities	21.7	34.7	(13.0)	-
Effect of change in exchange rates on cash and cash equivalents	3.2	-	-	3.2
Net increase (decrease) in cash and cash equivalents	26.5	18.6	4.8	3.1
Cash and cash equivalents at beginning of the year	270.1	-	-	-
Cash and cash equivalents at end of June 2013	296.6	-	-	-

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

Other Information

IFRS/J-GAAP differences in Q2/12

■ Revenue

(JPY bn)

	Internet Services	Internet Finance	Other	Adjustment	Consolidated
IFRS	59.1	29.4	9.2	-6.3	91.5
J-GAAP	62.5	37.5	9.2	-7.4	101.8
Major differences	<ul style="list-style-type: none"> Sales reporting of books business in Japan is on a net basis in IFRS, on a gross basis in J-GAAP. Point costs (J-GAAP) at books business are deducted from revenue in IFRS 	<ul style="list-style-type: none"> Sales reporting of a part of credit card business is on a net basis in IFRS, on a gross basis in J-GAAP. Point related promotion costs (J-GAAP) at credit card business are deducted from revenue in IFRS GAAP differs in gain from sale of floating JGB 			

■ Operating Income

(JPY bn)

	Internet Services	Internet Finance	Other	Adjustment	Consolidated
IFRS	14.2	4.1	1.3	-0.5	19.1
J-GAAP	14.6	5.8	1.0	-3.4	18.0
Major differences	<ul style="list-style-type: none"> GAAP differs in treatment of paid holidays 	<ul style="list-style-type: none"> GAAP differs in treatment of gains or loss from sale or evaluation of financial products, mainly floating JGB at banking business Other revenue and expenses, extraordinary loss at Rakuten Edy are included in Operating income in IFRS 	<ul style="list-style-type: none"> Other revenue and expenses are included in Operating income in IFRS 	<ul style="list-style-type: none"> Goodwill is amortized in J-GAAP on a straight-line method, not amortized in IFRS 	

Balance of Goodwill (as of end Jun 2013)

■ No impairment loss was recognized

(IFRS, JPY mm)

	December 31, 2012		June 30, 2013	
	Goodwill	Non-Amortizable intangible assets	Goodwill	Non-Amortizable intangible assets
Internet Services	58,736	5,871	73,979	6,577
PRICEMINISTER S.A.S.	12,273	5,110	13,752	5,726
Kobo Inc.	17,483	29	18,881	31
Others	28,980	732	41,346	820
Internet Finance	45,974	-	45,974	-
Rakuten Bank, Ltd.	34,386	-	32,886	-
Others	11,588	-	13,088	-
Others	3,186	-	3,228	-
Total	107,895	5,871	123,181	6,577

■ Major changes compared to end Dec 2012:

- Scope of consolidation (ADS, Webgistix, Stylife and others)
- Change of currency rates
- Goodwill associated with investment trust business was reclassified from Rakuten Bank to Rakuten Securities

Rakuten Group's CAPEX*

(JPY bn)

	FY2012 (J-GAAP)			
	Q1	Q2	Q3	Q4
Hardware	1.61	1.33	1.97	1.39
Software	4.25	5.49	5.22	4.83
Total	5.86	6.82	7.20	6.22

	FY2013 (IFRS)			
	Q1	Q2	Q3	Q4
Property, plant and equipment	1.89	2.92		
Intangible assets	5.55	6.56		
Total	7.44	9.48		

* Acquisition Basis

Rakuten, Inc. (Non-consolidated)

■ Balance Sheet

As of Jun 30, 2013

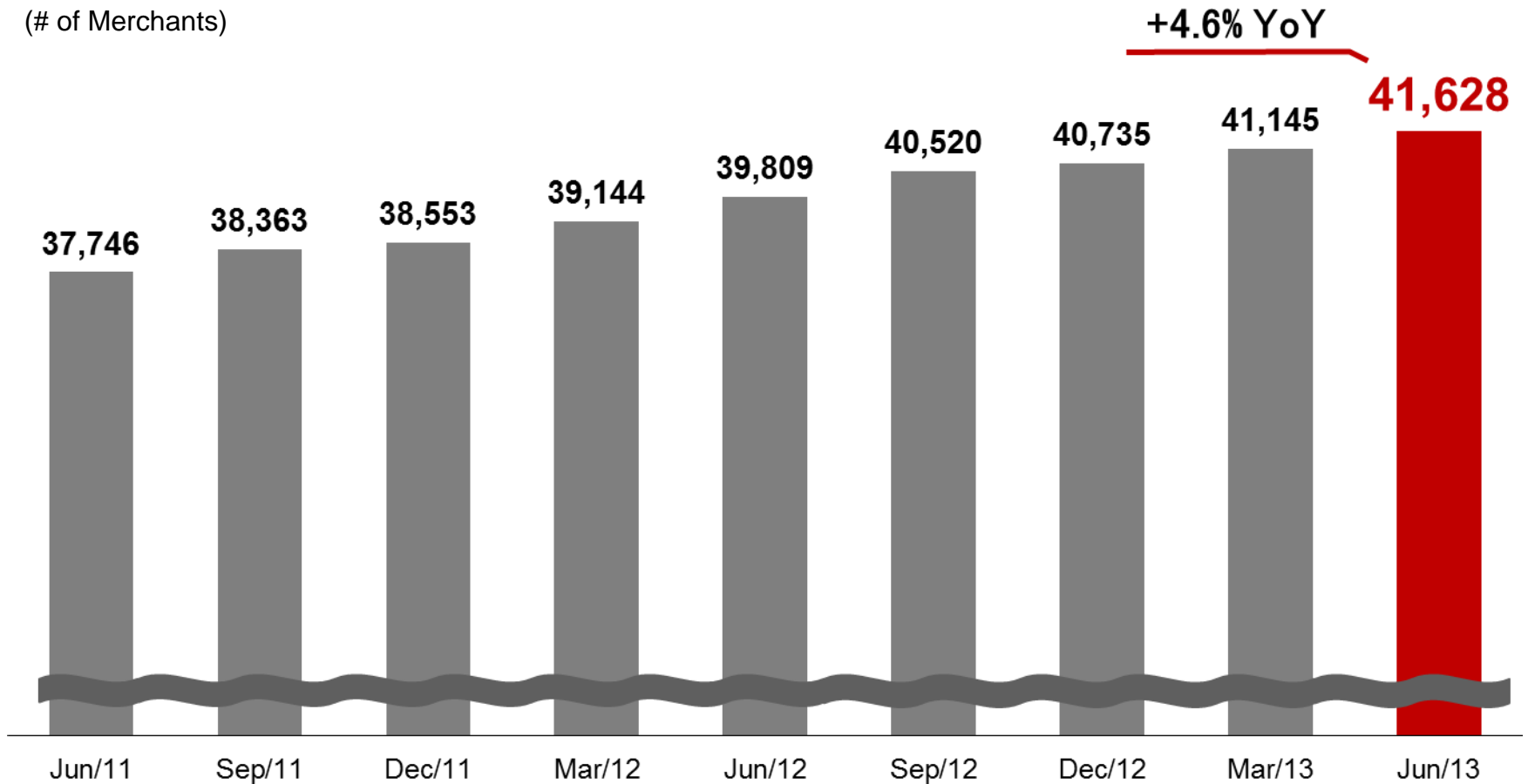
(JPY bn, IFRS)

Cash and cash equivalents	7.2	Accounts payable - trade	11.2
Accounts receivable - trade	41.4	Bonds and borrowings	171.6
Property, plant and equipment	7.1	Other liabilities	81.2
Intangible assets	19.0	TOTAL LIABILITIES	264.0
Investment securities and financial assets	488.1	Common stock	108.8
Other assets	20.9	Capital surplus	119.1
		Retained earnings	93.1
		Treasury stock	△3.6
		Other components of equity	2.3
		TOTAL NET ASSETS	319.7
TOTAL ASSETS	583.7	TOTAL LIABILITIES AND NET ASSETS	583.7

Rakuten Ichiba: Number of Merchants

■ Number of merchants: +4.6% YoY

(# of Merchants)



Credit Card Business: Revenues and Expenses

■ FY2012 J-GAAP and IFRS*

(JPY mm)

J-GAAP	Q1/12	Q2/12	Q3/12	Q4/12
Total revenues	18,232	19,846	20,709	23,374
General services	10,904	11,887	12,562	13,981
Card shopping	10,887	11,871	12,546	13,966
Others	17	16	16	16
Financing	901	1,025	1,115	1,254
Card cash advances	836	953	1,030	1,145
Loan card	38	44	57	80
Others	26	28	29	29
Credit guarantee (Rakuten Credit)	1,705	1,824	1,947	2,076
Others	4,722	5,109	5,084	6,063
Operating expenses	17,108	17,488	17,512	19,175
Personnel costs	1,288	1,196	1,323	1,307
General expenses	12,292	12,557	12,801	14,661
Interest expenses	1,282	1,024	978	831
Expenses related to doubtful accounts	2,245	2,711	2,410	2,376
Operating profit	1,124	2,358	3,197	4,200
IFRS*	Q1/12	Q2/12	Q3/12	Q4/12
Revenues	12,721	13,761	14,428	15,987
Operating income	1,249	2,278	3,123	4,259

■ FY2013 IFRS

(JPY mm)

	Q1/13	Q2/13
Total revenues	16,695	18,602
Shopping	9,825	10,770
Revolving	6,165	6,616
Others	3,660	4,154
Credit guarantee	2,287	2,491
Cash advances	1,262	1,492
Others	3,322	3,850
Total operating expenses	14,159	15,892
Personnel costs	1,315	1,373
General expenses	8,389	9,922
Interest expenses	1,414	1,487
Expenses related to doubtful accounts	3,005	3,069
Others	36	42
Operating income	2,536	2,710

* Definitive figures after IFRS introduction to managerial accounting. Figures may differ from previously disclosed preliminary data

Credit Card Business: Transaction Volume

■ Composition of Transaction Volume

(JPY mm)

	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13
General services	434,403	455,051	522,686	537,101	607,381
Card shopping	433,732	454,366	522,016	536,399	606,701
Others	672	685	670	702	680
Financing	13,800	15,383	16,940	17,260	19,228
Card cash advances	12,690	13,480	14,650	15,942	18,303
Loan cards	1,110	1,903	2,289	1,317	925
Others	4,969	4,851	4,732	4,655	4,925
Total transaction volume	453,173	475,286	544,358	559,016	631,534

Credit Card Business: Balance of Loan Receivables

(JPY mm)

	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13
General services	281,587	294,265	348,312	355,150	387,700
(Off-balance)	185,617	97,360	140,145	-	-
Card shopping	281,371	294,035	348,070	354,913	387,494
incl. Revolving balance (principal)	139,724	150,003	161,530	172,992	186,285
Others	216	230	242	237	206
Financing	64,275	65,443	66,050	67,626	68,793
Card cash advances	21,874	23,792	24,970	27,754	30,355
Loan cards	2,421	3,850	5,313	5,660	5,586
Others	39,979	37,801	35,767	34,211	32,852
Foreclosed credit guarantees	-	-	-	9,423	10,200
Installments	187	134	93	71	63
Others	24,017	23,167	22,083	-	-
(Off-balance)	22,034	21,287	20,301	-	-
Total balance (incl. off-balance)	370,065	383,009	436,537	-	-
Total balance (only on-balance)	162,415	264,361	276,091	-	-
Total balance (from 2013)	-	-	-	432,269	466,756
Differences between J-GAAP and IFRS	-	-	-	-346	-405
Amount reported in IFRS B/S*	-	-	-	431,923	466,351
Credit guarantee for Rakuten Bank super loan and etc	164,151	173,661	180,391	183,051	197,730
(Off-balance)	156,215	165,332	171,557	183,051	197,730

* Before deducting allowance for doubtful accounts

Credit Card Business: Allowance for Doubtful Accounts

(JPY mm)

	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13
Rakuten Card	305,656	321,707	378,362	388,216	423,410
Normal	300,311	316,110	372,671	382,384	417,258
Doubtful (4months-and-over-delinquent)	5,345	5,597	5,691	5,832	6,152
Others (incl. re-contract)	38,055	35,786	33,669	32,180	30,766
Normal	27,262	25,797	24,689	23,913	23,314
Doubtful (4months-and-over-delinquent)	10,792	9,989	8,979	8,266	7,452
Total balance	343,710	357,493	412,031	420,396	454,176
Normal	327,573	341,908	397,360	406,297	440,572
Doubtful (4months-and-over-delinquent)	16,137	15,586	14,670	14,098	13,604
% of doubtful accounts	4.70%	4.36%	3.56%	3.35%	3.00%
Secured	4,539	4,391	4,318	4,117	3,999
Total balance of loan receivables	348,250	361,884	416,348	424,512	458,175

Allowance for doubtful accounts	19,631	18,777	17,791	17,486	17,202
Allowance ratio	5.64%	5.19%	4.27%	4.12%	3.75%
Write-off for bad debt	3,049	2,609	2,910	2,455	2,304

Credit Guarantee Business: Allowance for Doubtful Accounts

(JPY mm)

	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13
Foreclosed credit guarantees	7,935	8,329	8,834	9,423	10,200
Allowance for doubtful accounts	2,440	2,595	2,745	2,838	3,083
Write-off for bad debt	507	522	615	734	778

Banking Business: Revenues and Expenses

(JPY mm)

		Q1/12	Q2/12	Q3/12	Q4/12	Q1/13 ^{*1}	Q2/13	YoY
Revenue (IFRS ^{*2})	(2)	9,238	8,963	9,292	9,650	11,071	10,334	+15.3%
Differences between J-GAAP and IFRS	(1-2)	-269	1,746	1,010	872	-1,371	230	
Ordinary income (J-GAAP ^{*3})	(1)	8,969	10,709	10,302	10,522	9,700	10,564	-1.4%
Interest income		5,044	5,206	5,482	5,804	5,911	6,383	+22.6%
Fees and commissions		3,268	3,670	3,463	3,484	3,234	3,623	-1.3%
Other ordinary income		648	1,787	1,377	1,219	537	557	-68.8%
Other income		9	47	-20	15	18	1	-98.5%
Ordinary expenses (J-GAAP ^{*3})		7,795	8,225	8,083	8,216	8,345	8,828	+7.3%
Interest expenses		571	531	542	475	491	470	-11.5%
Fees and commissions payments		2,948	3,158	3,219	3,426	3,433	3,777	+19.6%
Other ordinary expenses		36	220	0	0	42	0	-100.0%
General and administrative expenses		4,238	4,312	4,300	4,298	4,337	4,579	+6.2%
Other expenses		1	4	21	18	41	2	-34.7%
Ordinary income (J-GAAP ^{*3})	(3)	1,174	2,484	2,219	2,306	1,356	1,736	-30.1%
Differences between J-GAAP and IFRS	(3-4)	-317	1,134	807	637	-1,615	-38	
Operating Income (IFRS ^{*2})	(4)	1,491	1,350	1,412	1,669	2,970	1,713	+26.9%

*1: IFRS based operating income in Q1/13 includes transfer gain (JPY1.5bn) of investment trust business to Rakuten Securities.

Rakuten Bank recognizes transfer gain as extraordinary profit under J-GAAP, while consolidated Rakuten Group eliminates it in "Adjustments" as a group transaction.

*2: Definitive figures for Rakuten Bank (non-consolidated) after having introduced managerial accounting to IFRS.

*3: Consolidated figures for Rakuten Bank up to Q1/13. From Q2/13, non-consolidated figures of Rakuten Bank.

Banking Business: Invested Assets and Deposits

■ Balance of Assets

(JPY mm)

	Jun/13
Invested assets	748,183
Securitized loan receivables	294,007
Rakuten Card securitized assets ^{*1}	249,966
Others	44,042
Securities	176,001
JGB	43,376
Local government bonds	5,500
Corporate bonds	17,623
Stocks	1
Others	109,502
Loan Receivables	215,044
Rakuten Bank Super Loan	200,527
Others	14,517
Others	63,130
Other assets	208,295
Total assets	956,478

*1: Intercompany elimination at IFRS consolidation

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

■ Balance of Deposits (Liabilities)

(JPY mm)

	Jun/13
Deposit Balance	871,836
Ordinary Deposits	476,115
Time Deposits	329,713
Other Deposits ^{*2}	66,009

Life Insurance Business*1: Quarterly results and Major Indices

■ Rakuten Life Insurance Co., Ltd. quarterly results*2

(JPY mm)

	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13
Revenue				6,716	6,786
Operating Income before PPA*3				319	70
Operating Income (Loss)				110	-139

■ Rakuten Life Insurance Co., Ltd. Major indices

(# of contracts, JPY mm)

	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13*6
No. of New Policy	13,725	11,563	13,882	28,157	16,947
Annualized Insurance Premiums	431	363	435	849	548
No. of Policies*4	652,072	650,262	649,449	659,710	658,836
Annualized Insurance Premiums*4	26,955	26,881	26,854	27,154	27,180
Solvency Margin	916.4%	978.5%	1,023.2%	1,076.6%	928.3%
MCEV*5					38,595
Adjusted Net Assets					4,289
Value of In-Force Contracts					34,306

*1: Rakuten Life Insurance Co., Ltd. was consolidated from the end of October, 2012

*2: Definitive figures after IFRS introduction to managerial accounting

*3: Depreciation of intangible assets by PPA (Purchase Price Allocation) through acquisition is adjusted

*4: Including policies of succeeded mutual aid association business

*5: Simplified calculation methodology

*6: Results of Q2/13 are preliminary

Others Q2/13 Highlights

Fusion Communications (Telecom)



- Achieved JPY 617mm* operating income, a record-high for Q2
- “SMARTalk”, a phone app, was successfully released on June 13

Rakuten Baseball



- Annual season tickets sales (excluding wholesale) reached a record high
- Broadcasting sales staying in good shape
- Average attendants per home game +3% YoY

* Managerial accounting base (IFRS). Figure is not consistent with previously disclosed data.

Rakuten Membership

(Million persons)

	12/Jun	13/Mar	13/Jun	YoY
Rakuten members	78.34	83.57	85.51	+9.2%
Log-in members[*]	51.73	56.86	58.81	+13.7%

* Rakuten Members excluding non-active users who never use any Rakuten services, and excluding members who logged but later withdrew their membership within a month

 **Rakuten**