

Fiscal Year 2013 Third Quarter Consolidated Financial Results

November 7, 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.

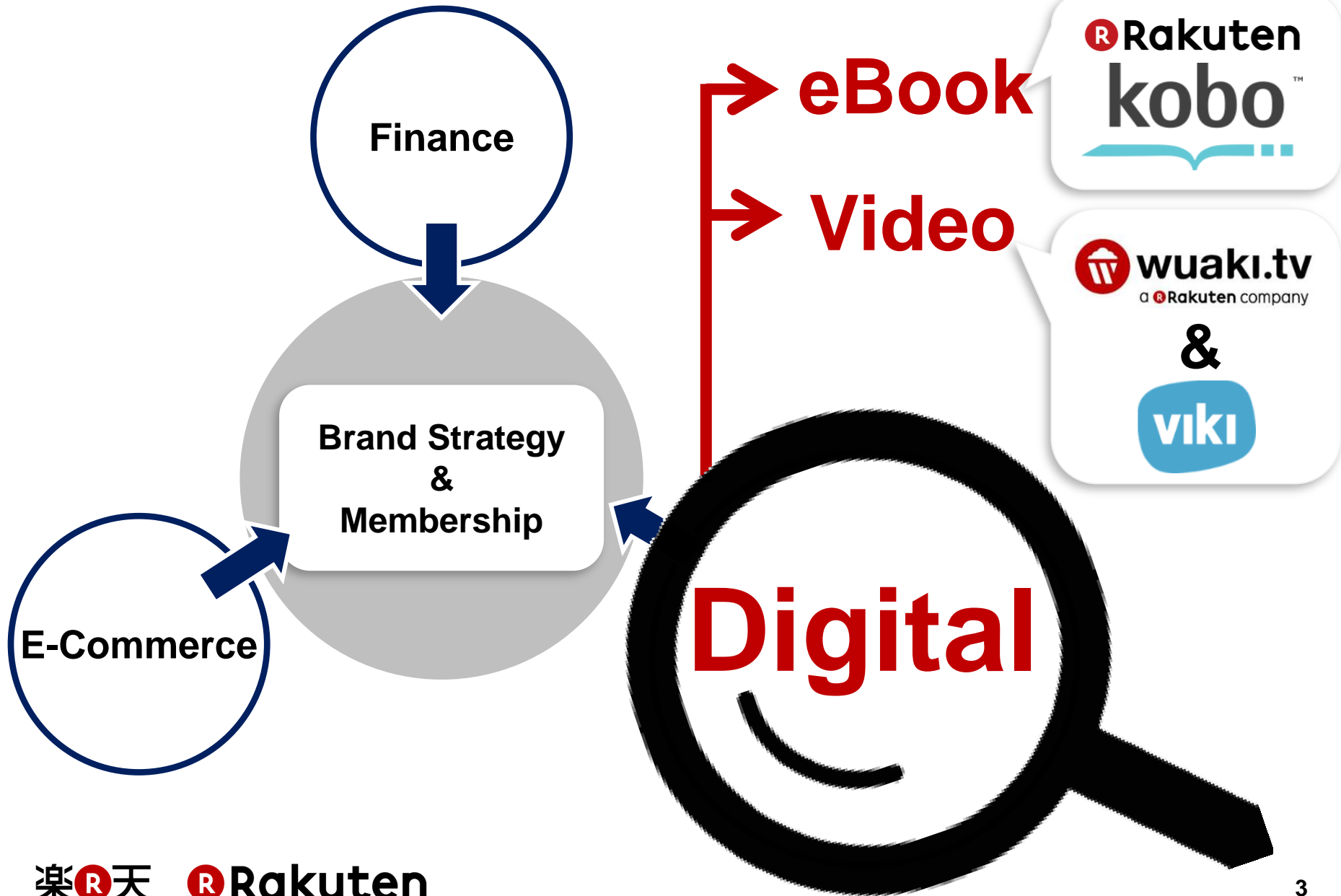
[Note] "Credit Guarantee Business: Allowance for Doubtful Accounts" on page 65 was amended on November 11, 2013
Adjusted Q4/12 revenue of "Rakuten Travel Results" on page 31 and 60 was amended on January 8, 2014

Rakuten Eagles won its first Japan Series championship

Thank you everyone!



Rakuten Ecosystem



Q3/13 Highlights

- **Tohoku Rakuten Golden Eagles won its first Japan Series championship**
 - **Victory sale boosted growth significantly**
- **Domestic e-commerce GMS growth accelerated: +23.2% YoY**
- **Revenue robust growth: +30.7% YoY**
- **Operating Income growth: +17.1% YoY**
- **Financial business profit surged: +113.0% YoY**
 - **Securities business profit exploded 19 times YoY**

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.

Q3/13 Results Summary

(JPY bn, IFRS)

	Q3/13	YoY	Margin
Revenue	128.8	+30.7%	-
Operating Income before Additional Line Items	23.4	+17.1%	18.2%
Operating Income	23.4	+17.1%	18.2%
Net Income Attributable to Owners of the parent company	10.7	+1.0%	8.3%

Q3/13 Business Summary

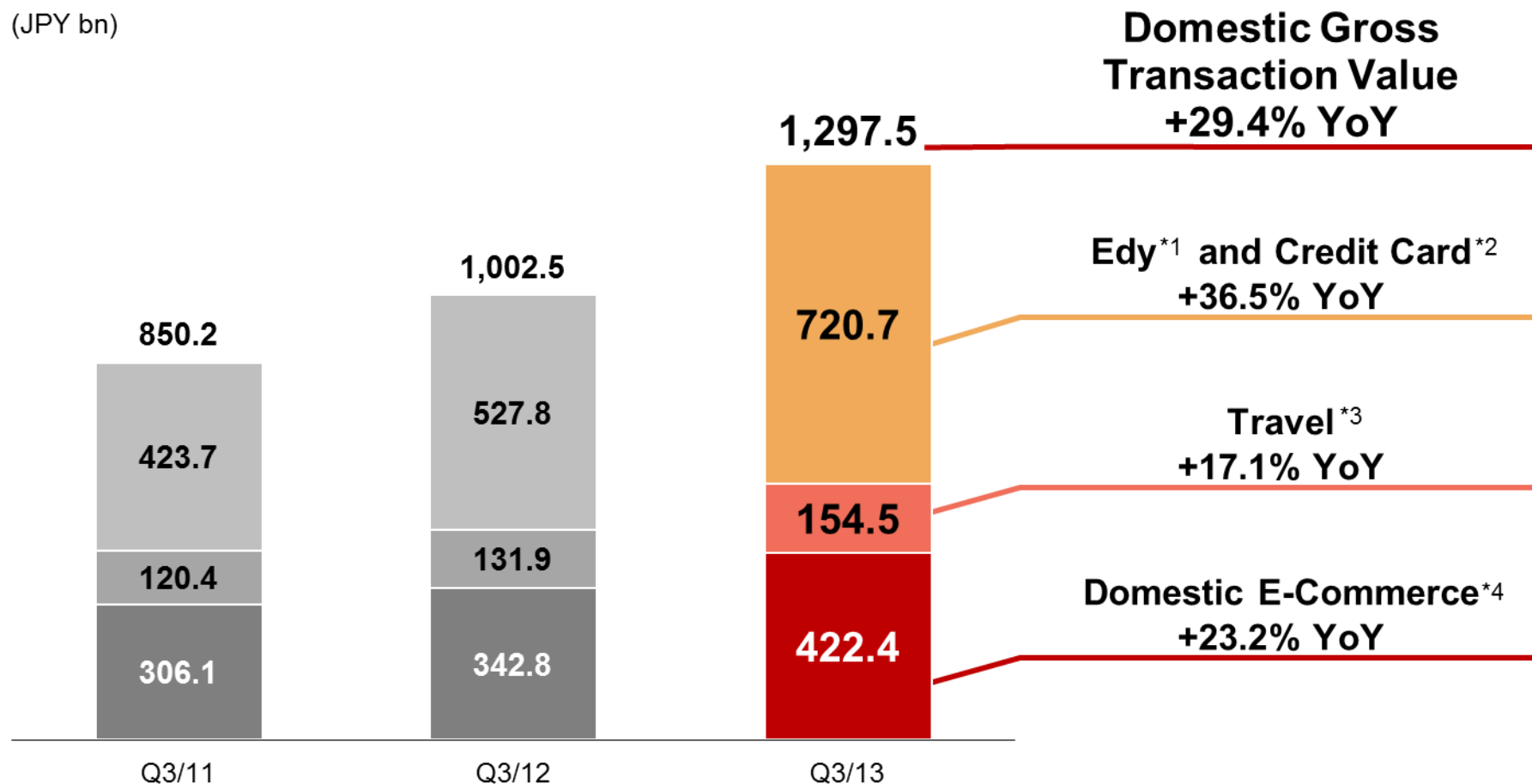
- In 'Other Internet Services', advance investments continued in strategic areas such as Wuaki's UK launch

(JPY bn, IFRS)

	Q3/13	YoY	Margin
Rakuten Ichiba and Rakuten Travel			
Revenue	44.0	+20.1%	-
Operating Income	21.4	+11.4%	48.7%
Other Internet Services			
Revenue	34.4	+11.6%	-
Operating Income (Loss)	-9.5	-	-27.6%
Internet Finance Segment			
Revenue	49.9	+65.6%	-
Operating Income	10.4	+113.0%	20.9%
Others Segment			
Revenue	9.9	+4.3%	-
Operating Income	2.2	+54.9%	22.7%
Adjustments			
Revenue	-9.3	-	-
Operating Income (Loss)	-1.2	-	-
Consolidated			
Revenue	128.8	+30.7%	-
Operating Income	23.4	+17.1%	18.2%

Domestic Gross Transaction Value

(JPY bn)



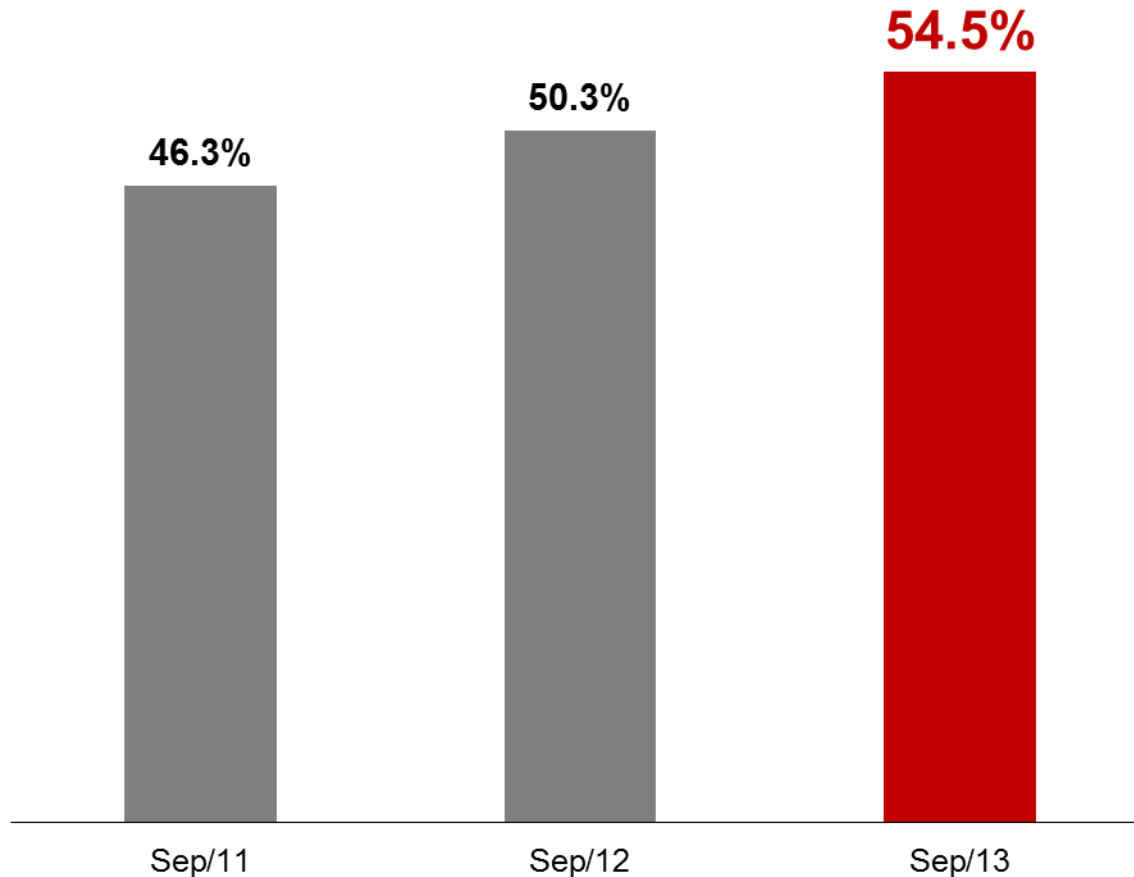
*1: Edy Transaction Value = Amount settled by E-Money "Rakuten Edy" (including mobile and cards)

*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, Kenko.com and Solar (added from Q3/12), Stylife (added from Q2/13)

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.

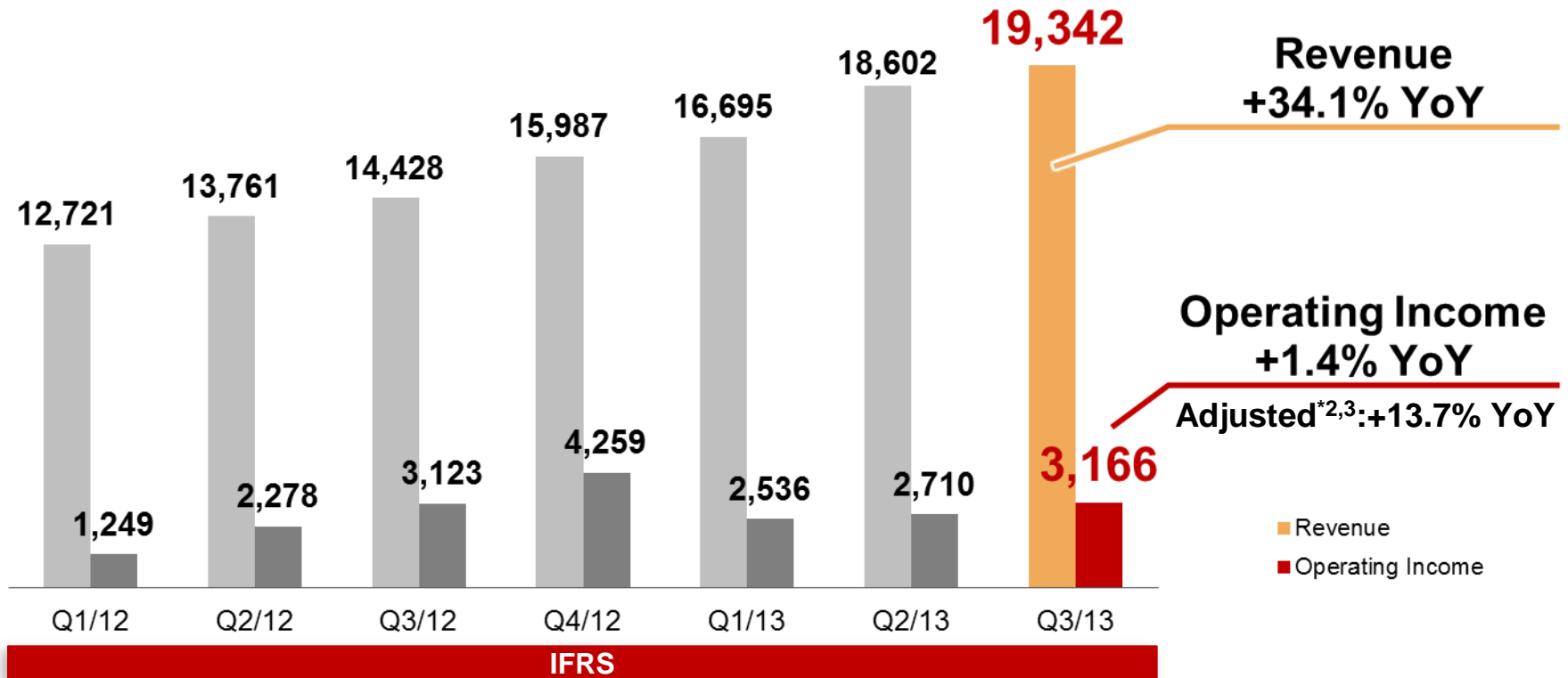
2 Internet Finance

Rakuten Card Results

■ Adjusting for changes in reserves: Operating income +13.7% YoY

Credit Card Business Quarterly Results

(JPY mm)



*1: Managerial accounting base (IFRS)

*2: Reversal of earthquake disaster reserve (decrease in expense): Q3/12 JPY 249 mm, Q4/12 JPY 340 mm

*3: Q3/13 JPY102 mm additional provision to reserve for retirement benefits due to the termination of the plan (increase in expense)

Acceleration in Cardholder Acquisition

Net increase in
Rakuten Card
holders
(Persons)

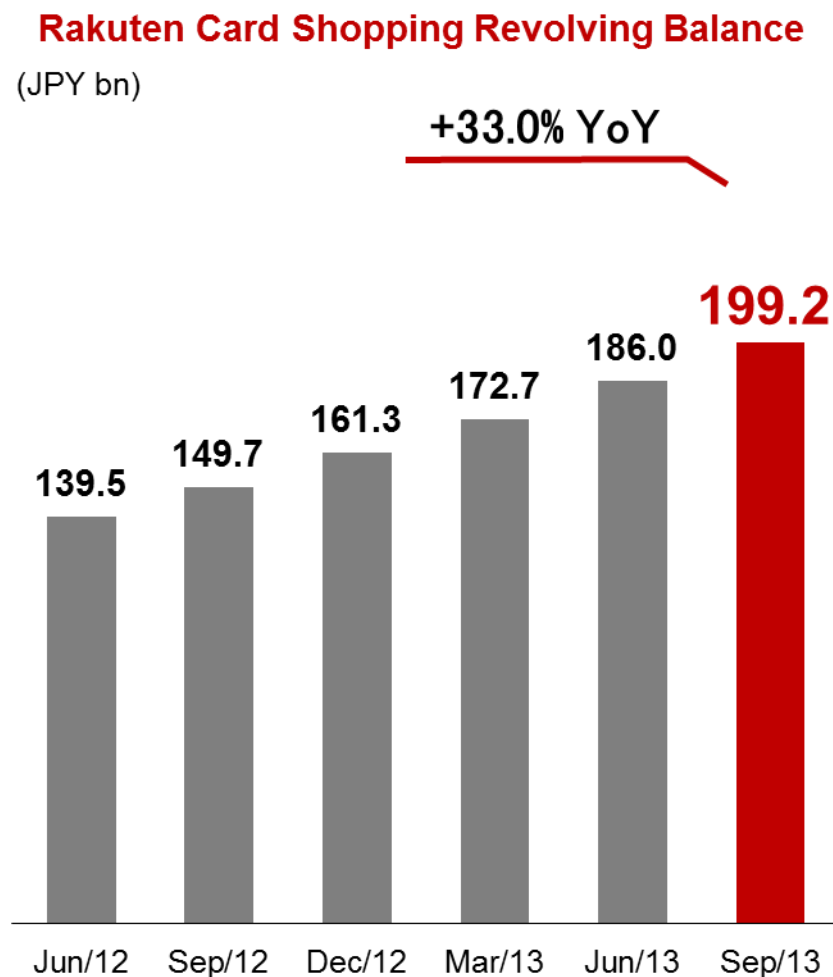
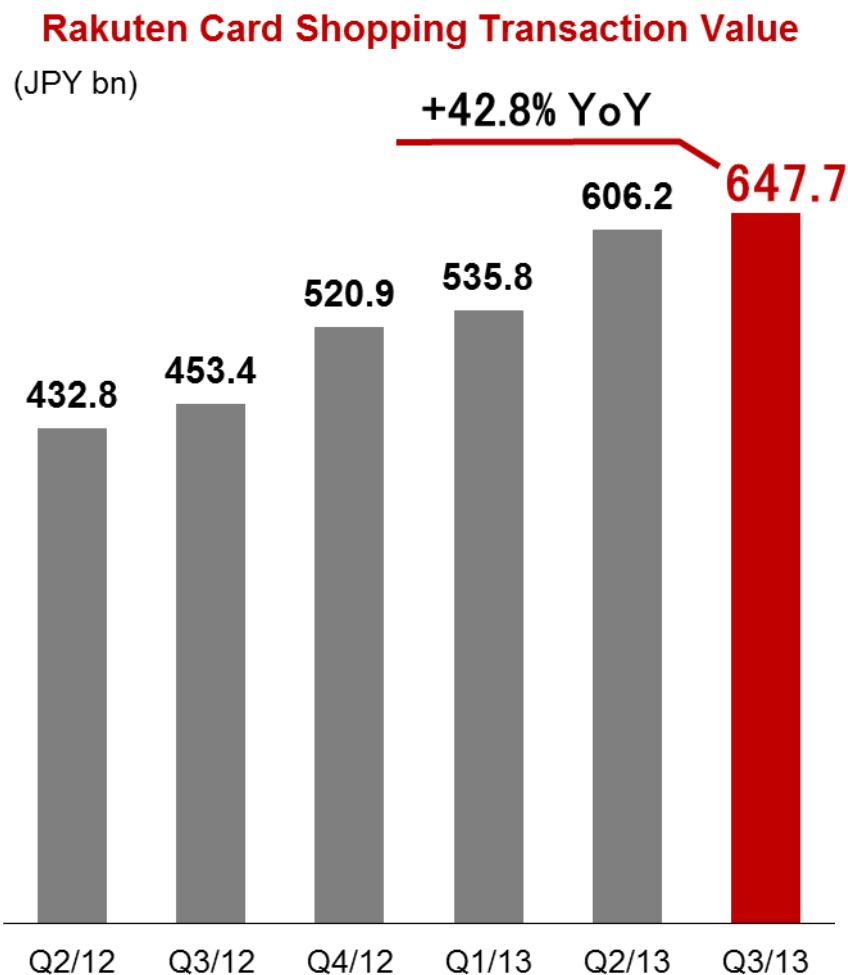
+54.5% YoY



Q3/12

Q3/13

Rakuten Card Shopping Transaction Value and Shopping Revolving Balance*



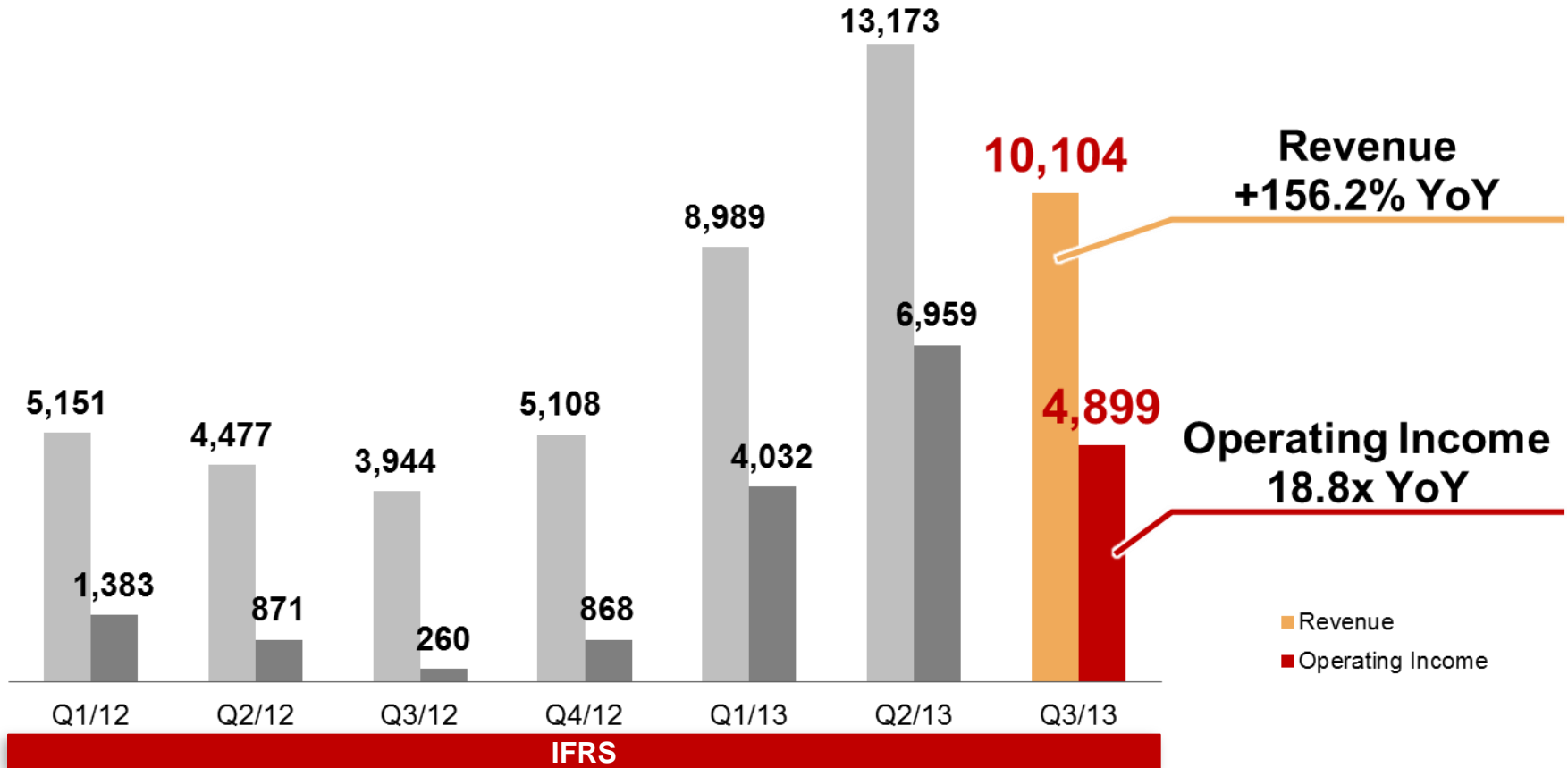
* Total credit card data are shown in Appendix

Rakuten Securities Results*

- Operating income 18.8x YoY based on active trading by customers

(JPY mm)

Securities Business Quarterly Results

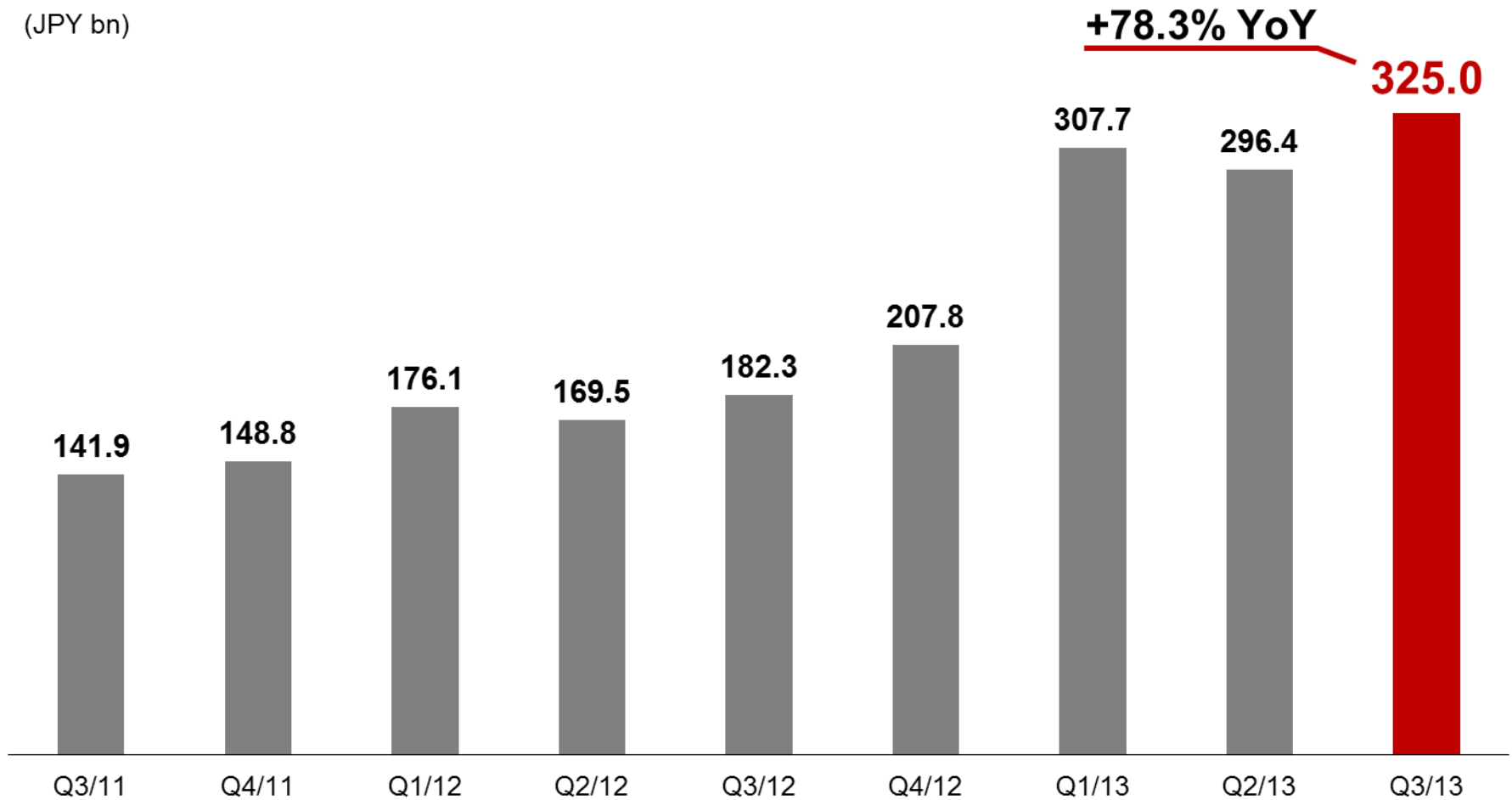


* Disclosed figures are IFRS basis

Rakuten Securities Investment Trust Asset Balance

■ Net asset balance of Investment Trusts hit a record high

(JPY bn)

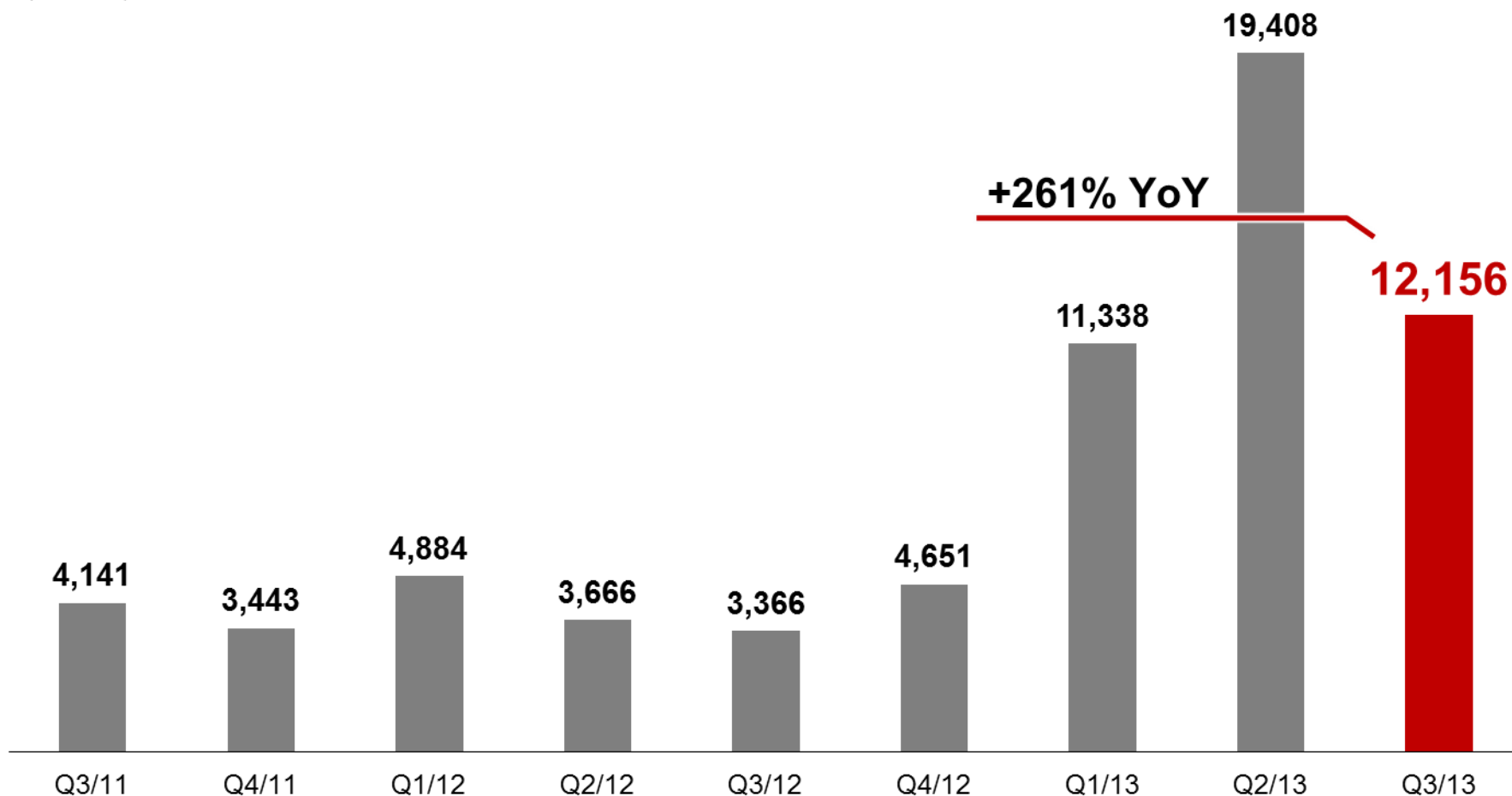


Rakuten Securities

Stock Brokerage Trading Value

- Domestic stock trading value maintained high level with active stock market

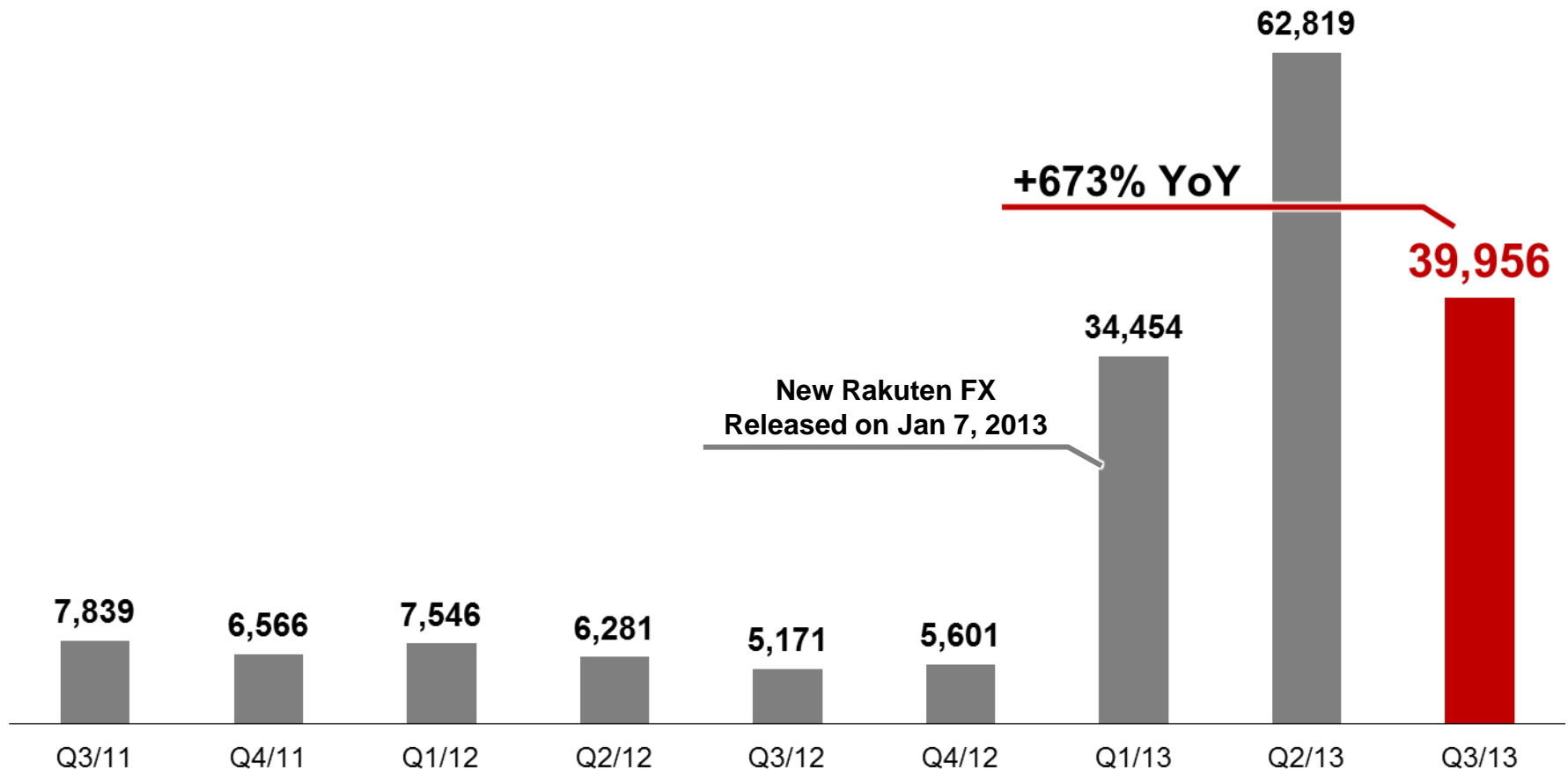
(JPY bn)



Rakuten Securities FX Trading Value

- Transaction amount greatly increased after release of New Rakuten FX service
- Ranking in Over-the-counter FX industry (by trading value) jumped up from 13th (Q3/12) to 7th (Q3/13)

(JPY bn)

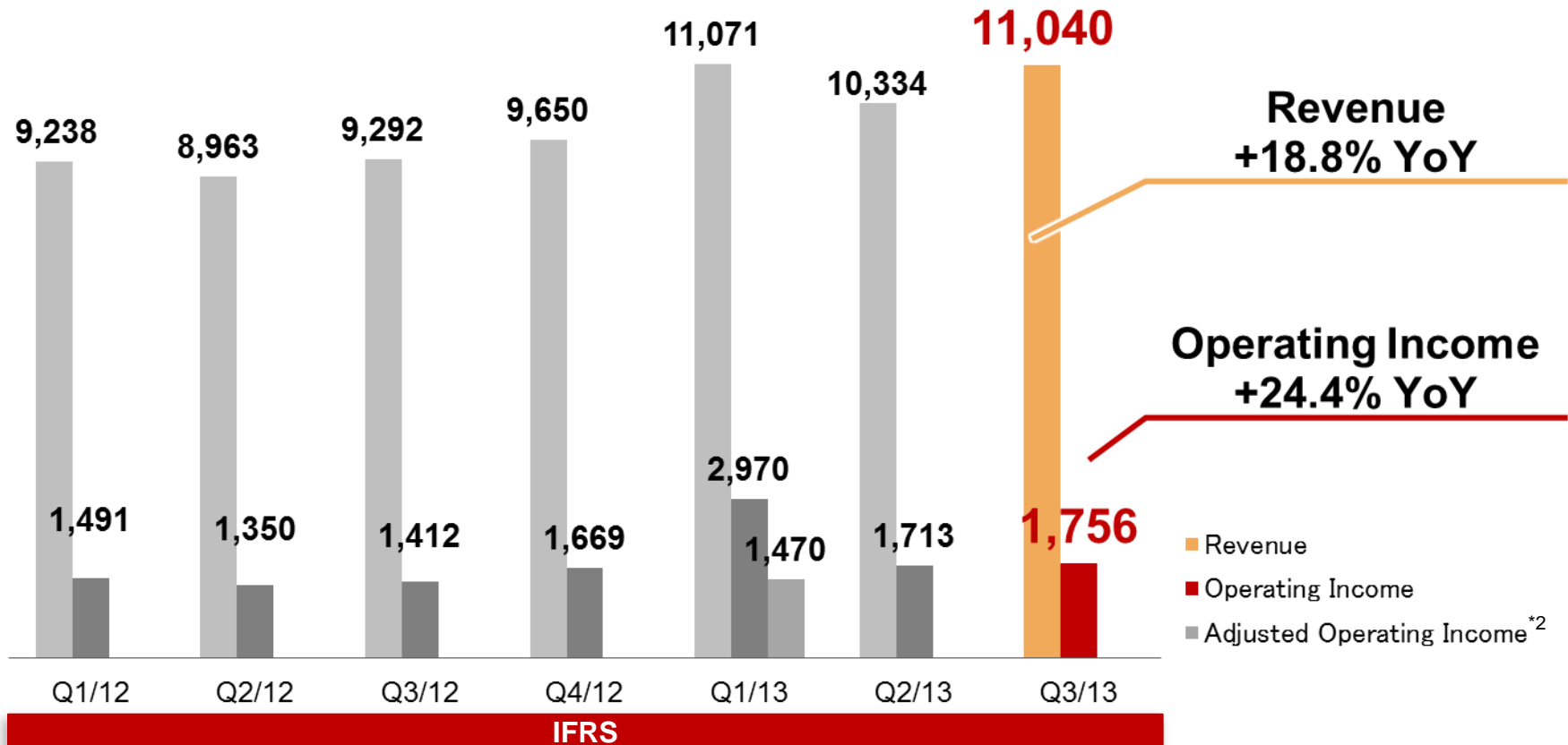


Rakuten Bank Results*1

■ Operating Income +24.4% YoY thanks to Rakuten Bank Super Loans growth

Banking Business Quarterly Results

(JPY mm)



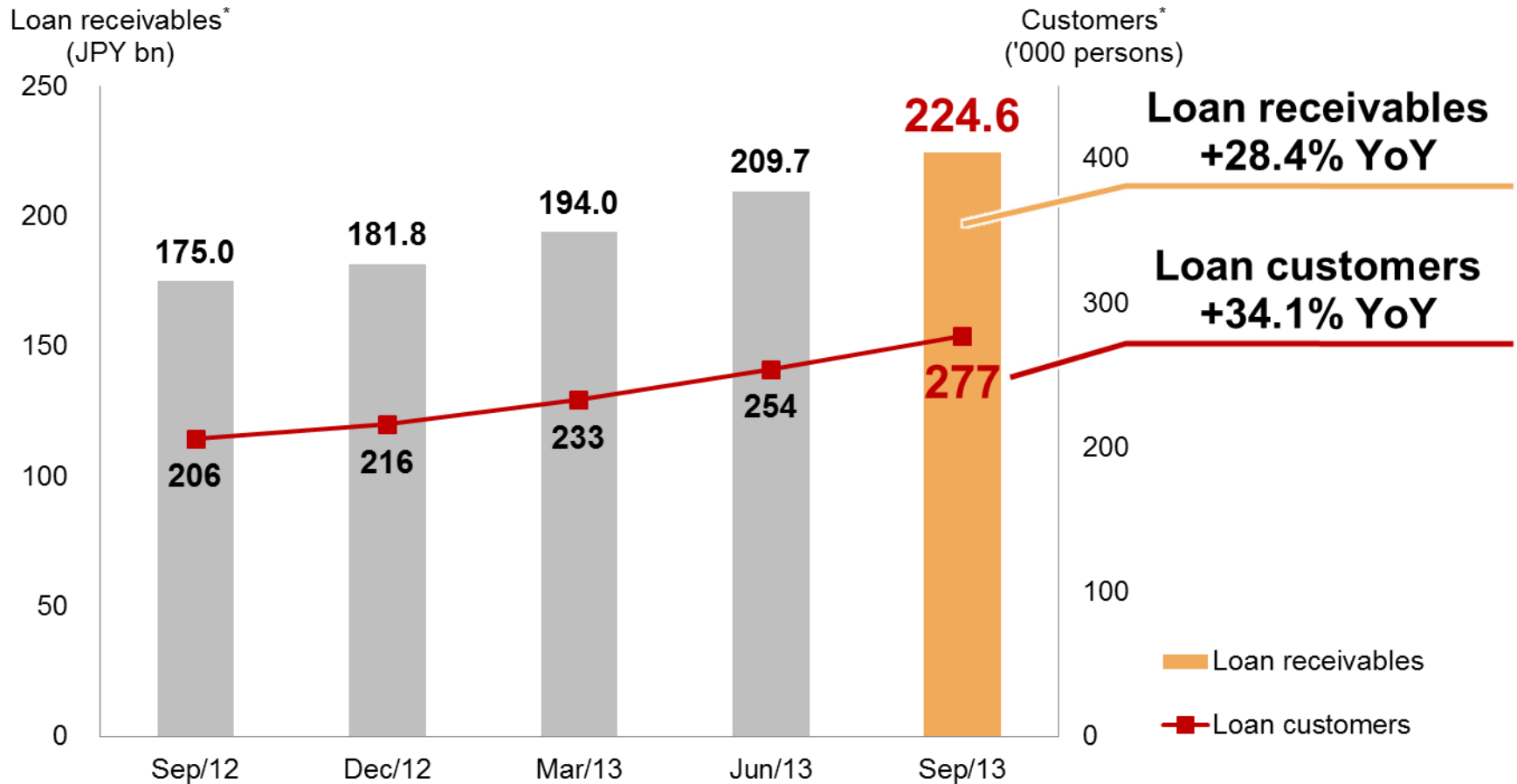
*1: Definitive figures after IFRS introduction to managerial accounting

*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

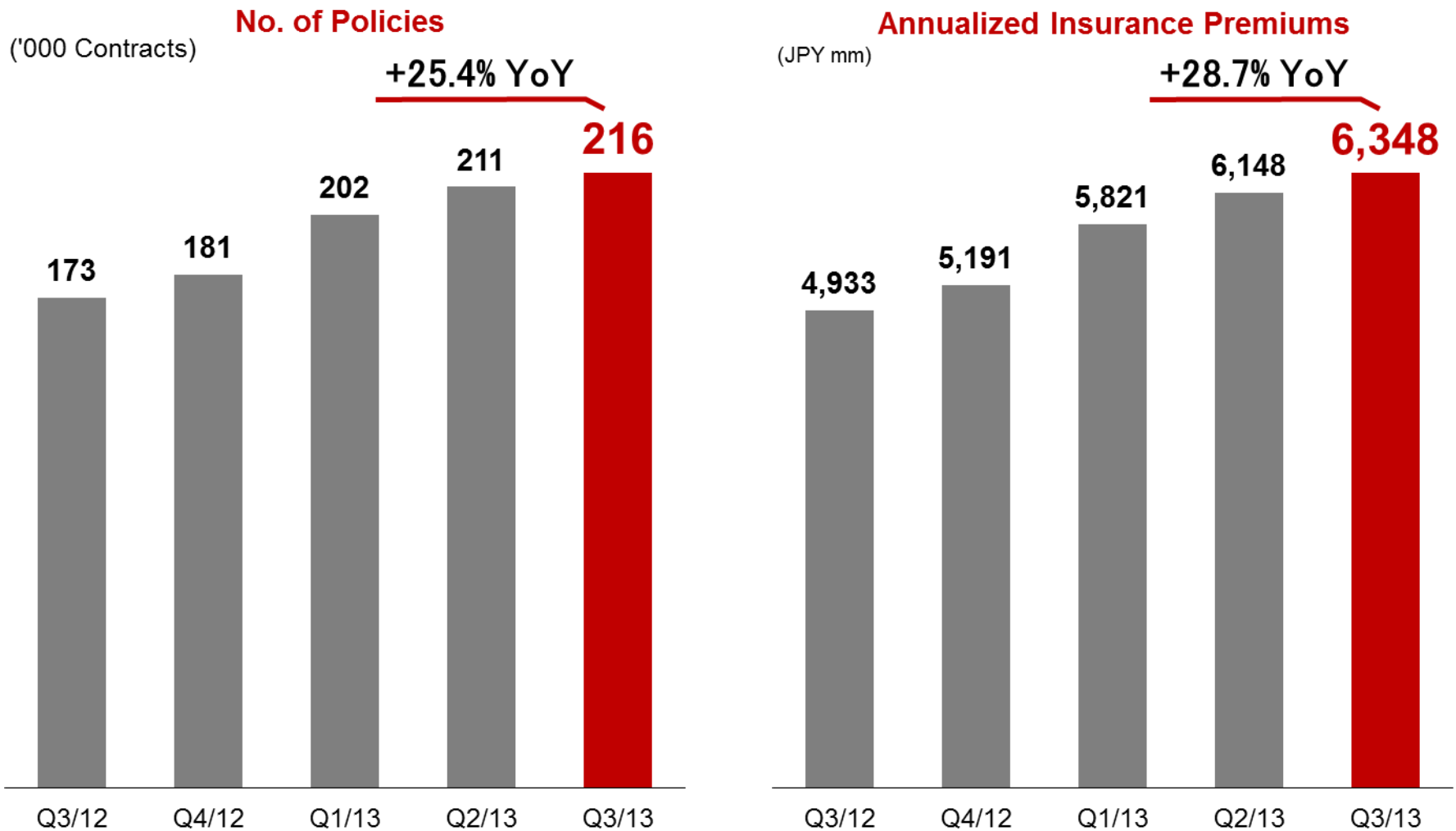
■ Achieved high growth of loan receivables



* 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

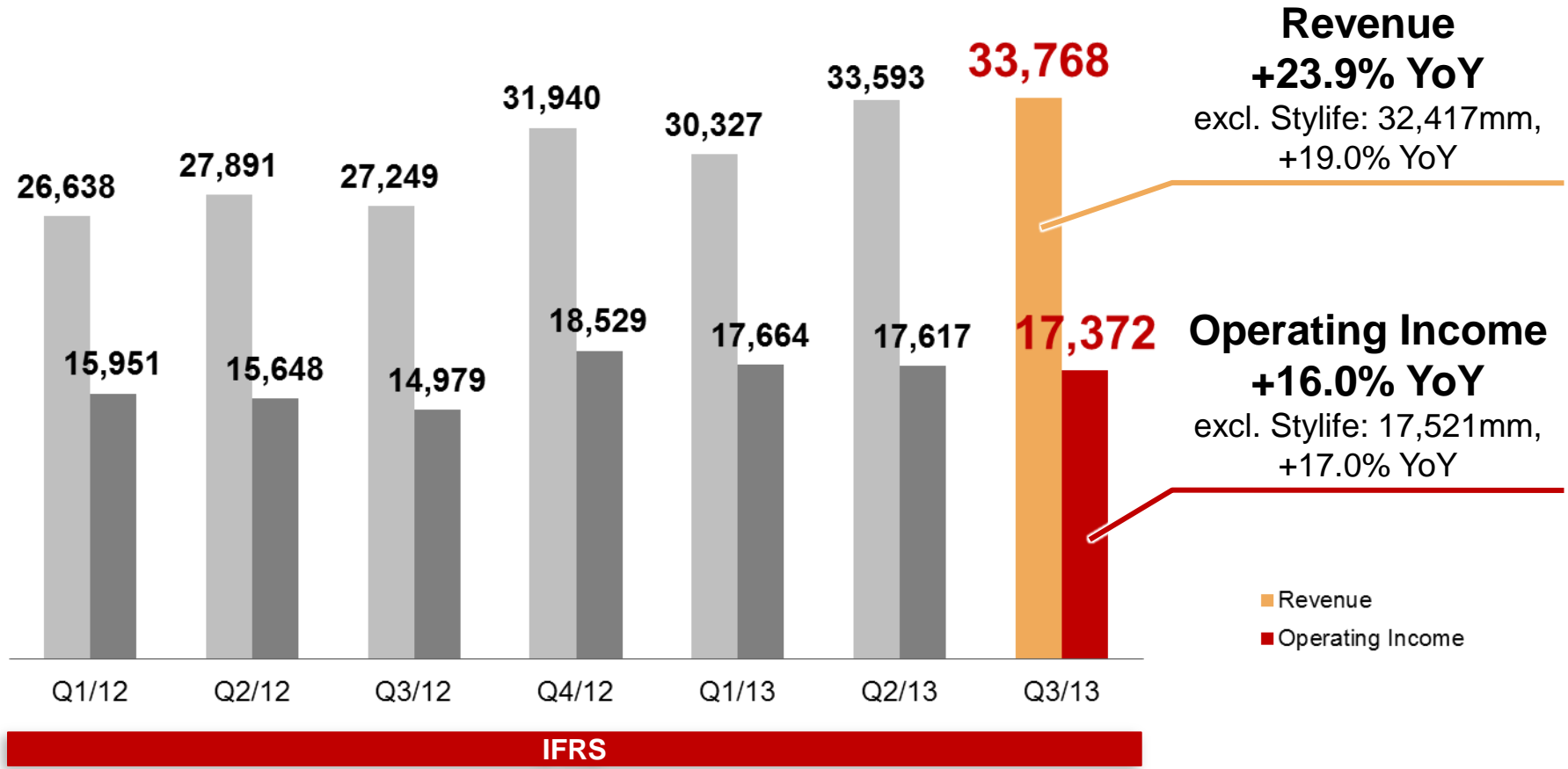
3 Internet Services

Rakuten Ichiba Results*

■ OP margin excluding Stylife, consolidated from Q2/13: 54.0%

(JPY mm)

Ichiba Business Quarterly Results



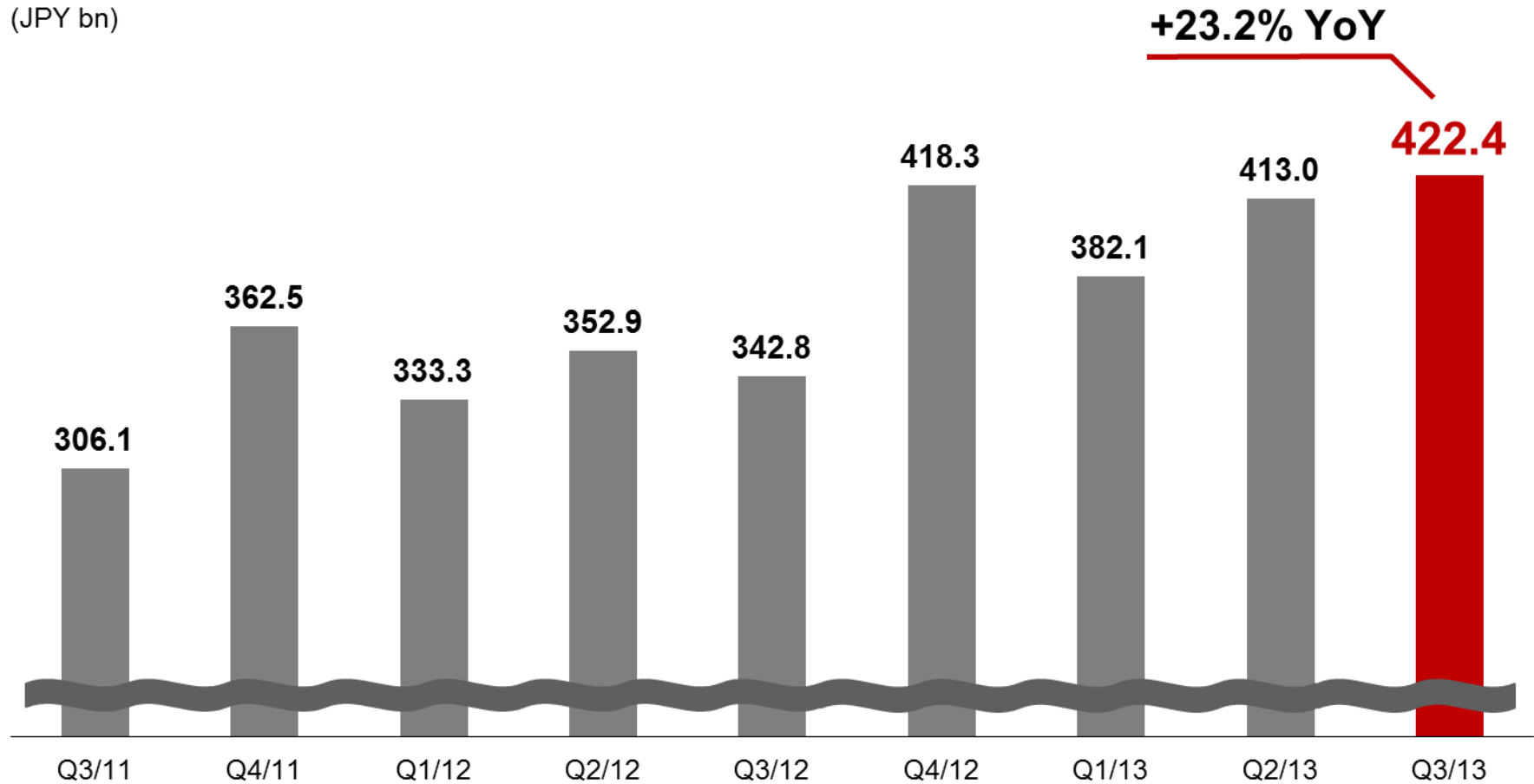
* Disclosed figures are IFRS basis

Domestic E-Commerce GMS

■ Domestic E-Commerce GMS: +23.2% YoY

■ September Growth YoY: Domestic E-commerce +38.6%, Ichiba +42.4%

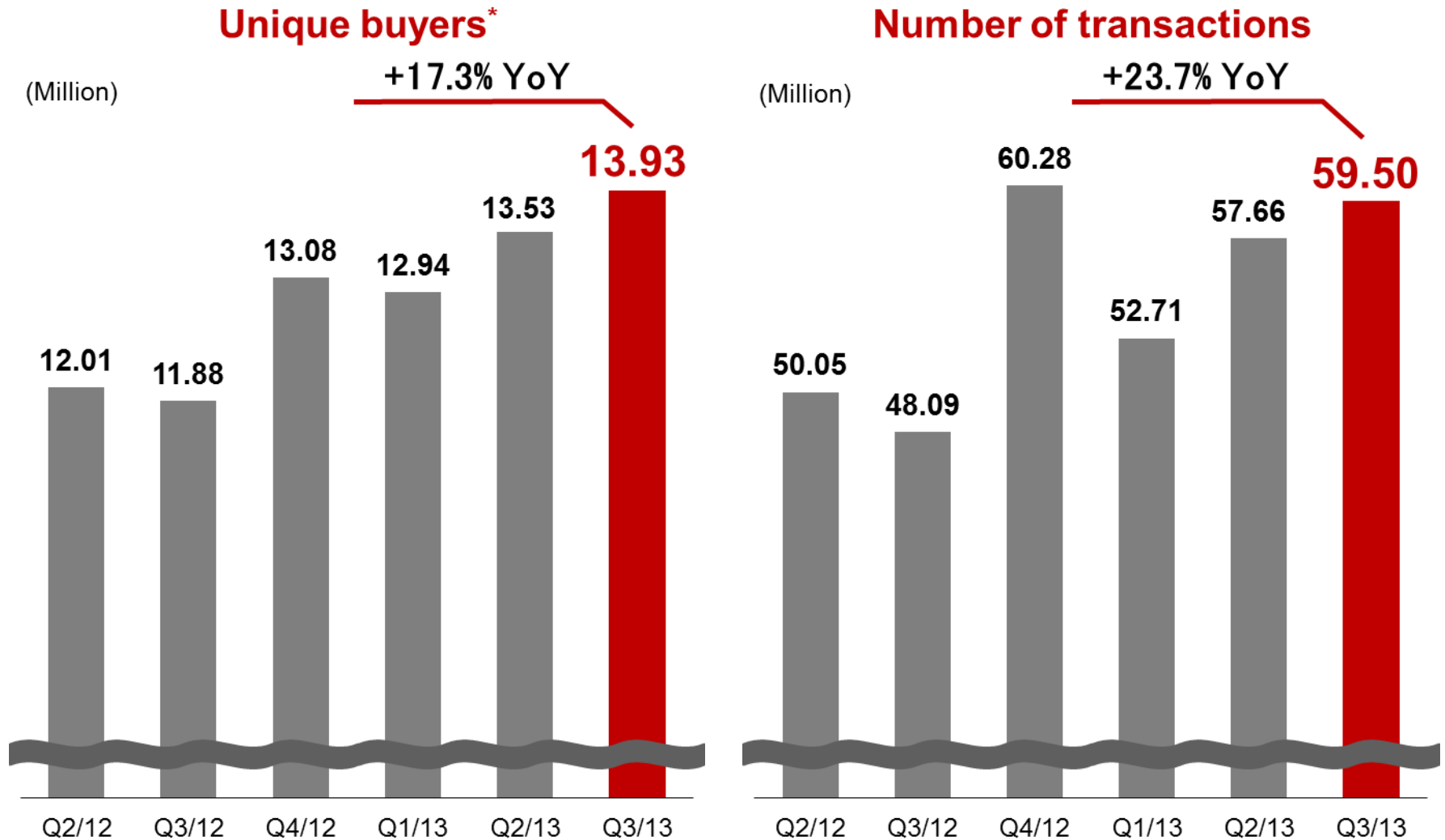
(JPY bn)



* 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, Kenko.com and Solar (added from Q3/12), Stylife (added from Q2/13)

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.

Rakuten Member Acquisition via Ichiba

■ New Rakuten member acquisition accelerated further

Growth of newly acquired members (YoY)

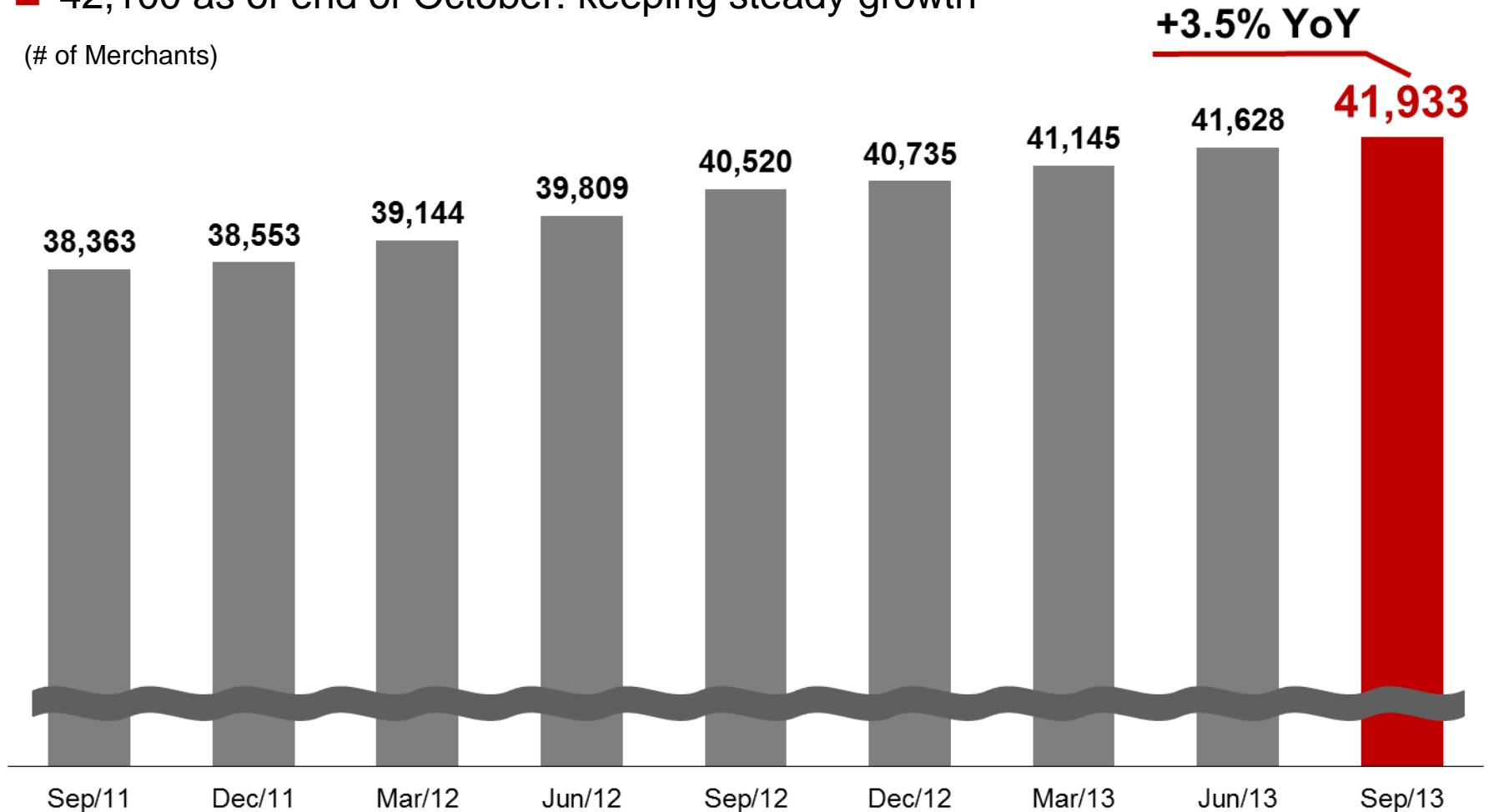
Super Sale,
Pacific League Victory Sale



Rakuten Ichiba: Number of Merchants

- Number of merchants: +3.5% YoY
- 42,100 as of end of October: keeping steady growth

(# of Merchants)



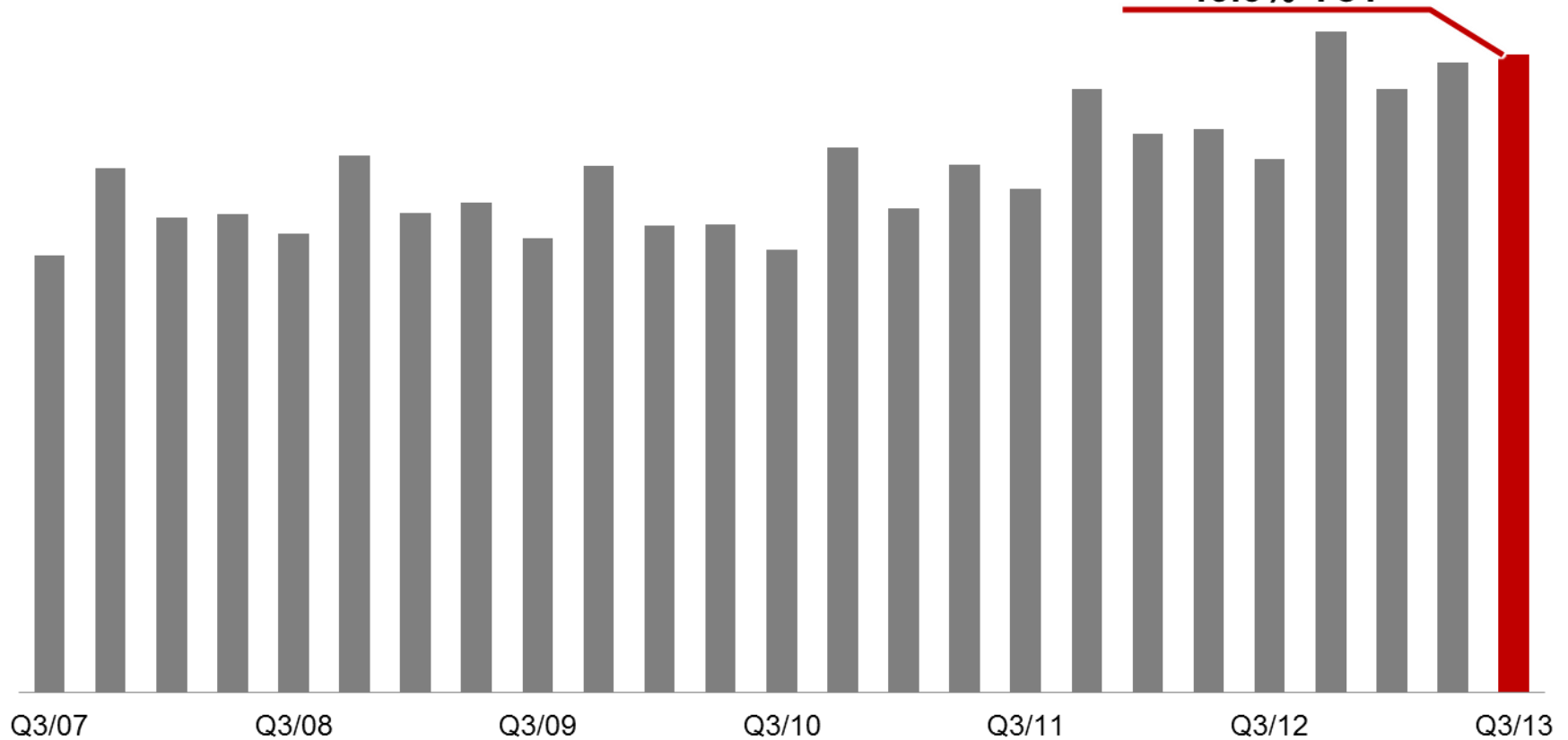
Rakuten Ichiba: GMS per Merchant

■ Rakuten nurturing merchants successfully

(JPY)

Ichiba GMS per merchant

Ichiba GMS
per merchant*
+19.6% YoY



* No. of merchants is average of two most recent quarter ends

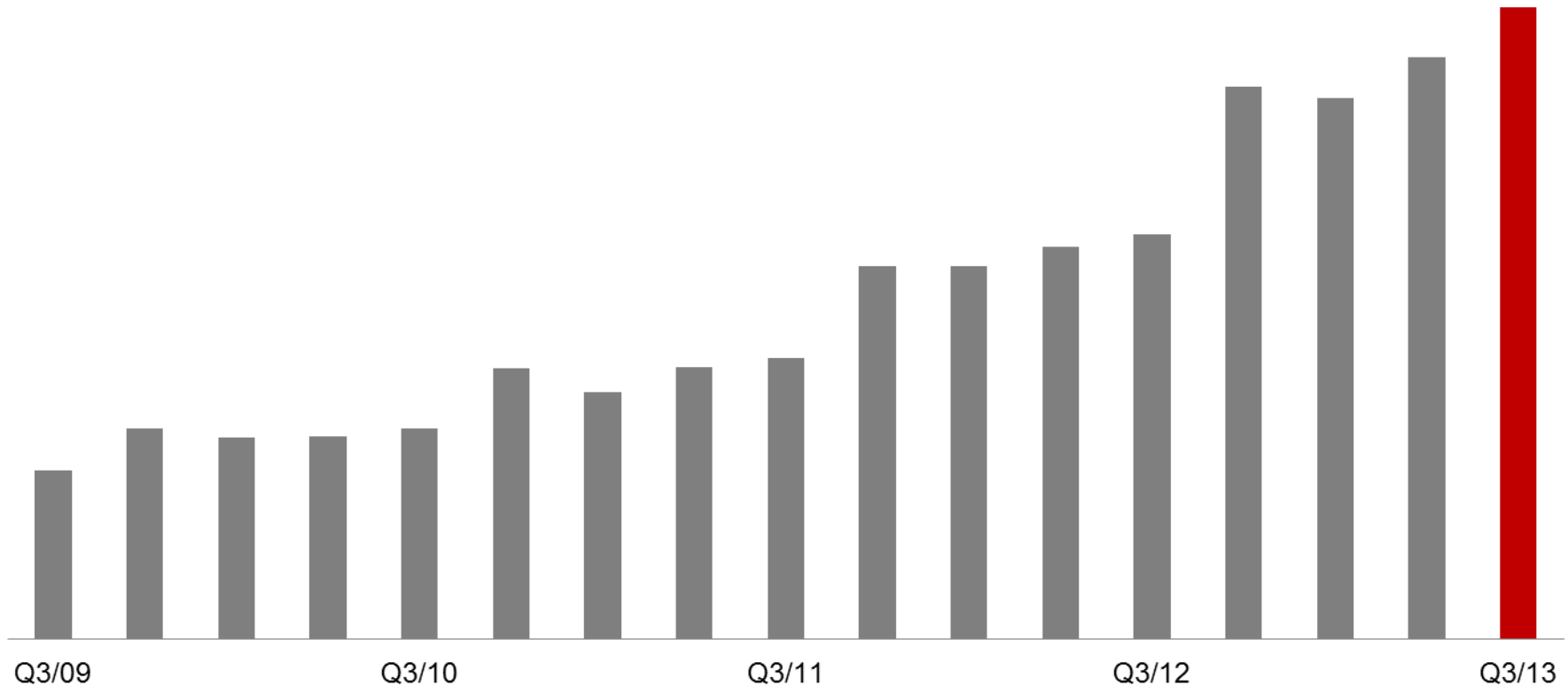
Ichiba Mobile & Tablet GMS Expanding

- E-commerce through smart devices increasing penetration in Japan

(JPY)

Mobile & Tablet GMS at Ichiba

Mobile & Tablet
GMS +55.9% YoY



Expansion of Fulfillment Centers

- RFC (Rakuten Fulfillment Center) Kashiwa started operation in October

Chukyo (Planning)

Kawanishi (Under Construction)



Tohoku (Planning)

Ichikawa (I, II), Kashiwa (New)
Ichikawa (III) (Under Construction)

Kyushu (Planning)



Smapo: O2O Service

- Acquired Spotlight Inc., provider of “Smapo” to strengthen the O2O business
- Japan’s first redeemable point service that detects users’ visits to off-line stores using a smartphone app
- Participant stores: about 700 stores with 90 brands



Getting points



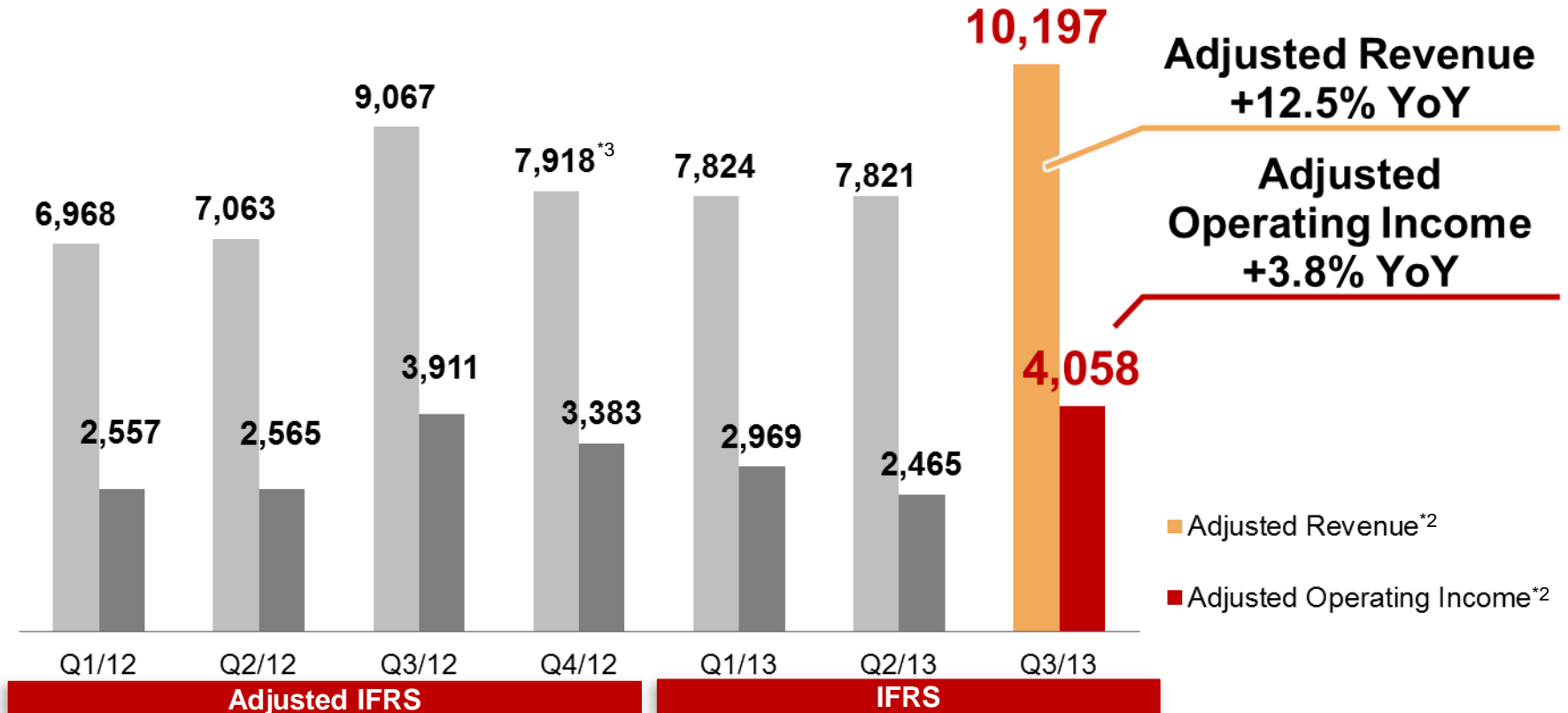
Smapo device

Rakuten Travel Results*1

- Profit growth: +3.8%, despite intensive marketing for acceleration of bookings and server disposal costs due to renewal of IT system.

(JPY mm)

Travel Business Adjusted Quarterly Results*2



*1: Disclosed figures are IFRS basis

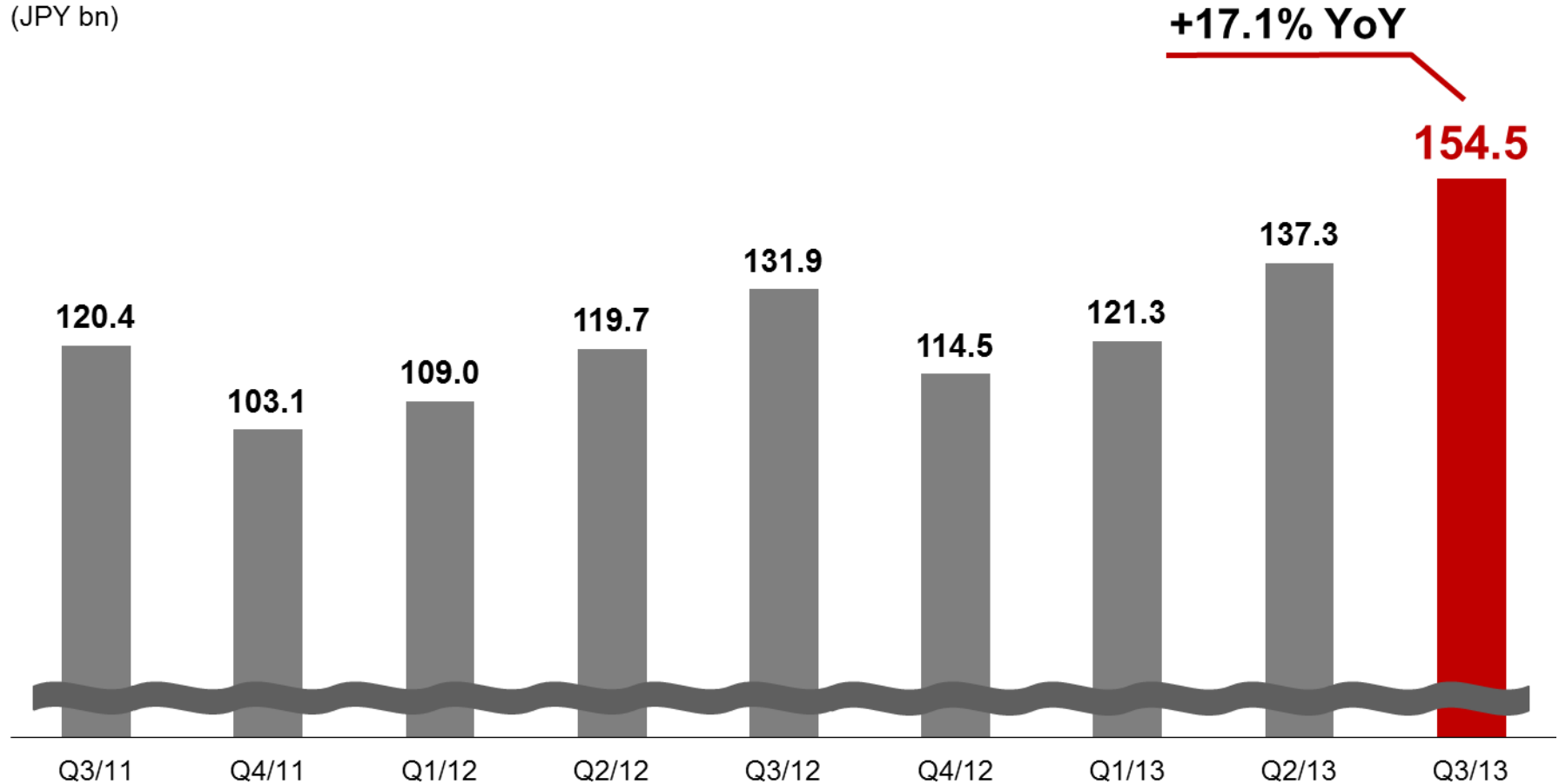
*2: Adjusted revenue and operating income: Adjusted for correction of costs recorded in Q4/12 regarding dynamic package transactions

*3: Adjusted Q4/12 revenue was amended on January 8, 2014

Travel Business Gross Booking Transaction Value

■ Gross bookings: +17.1% YoY

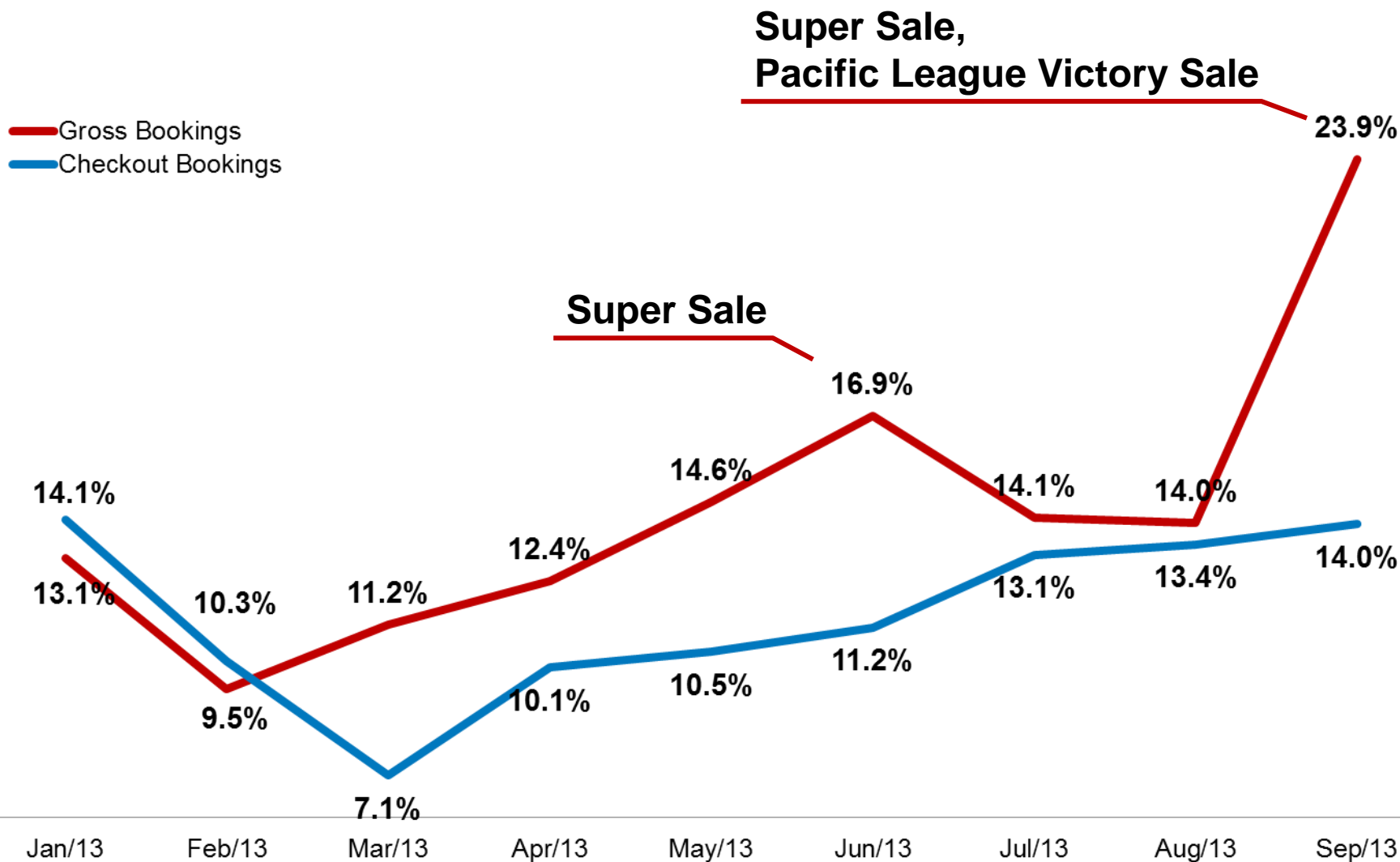
(JPY bn)



* 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

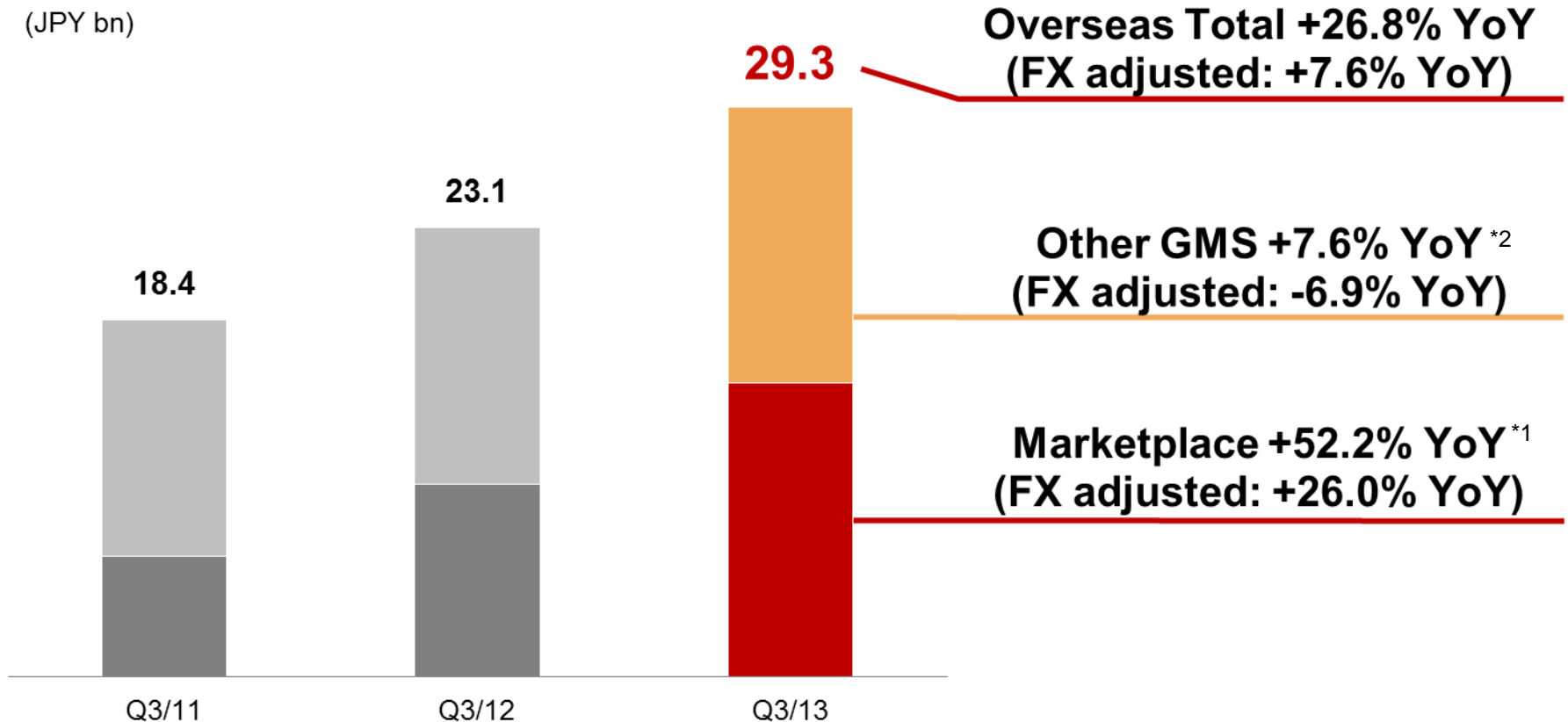
Gross Bookings and Checkout Bookings YoY



GMS of Overseas Companies

- Marketplace GMS growth: +52.2% YoY (+26.0% YoY forex adjusted)
- First party sales greatly reduced on successful business model change

(JPY bn)



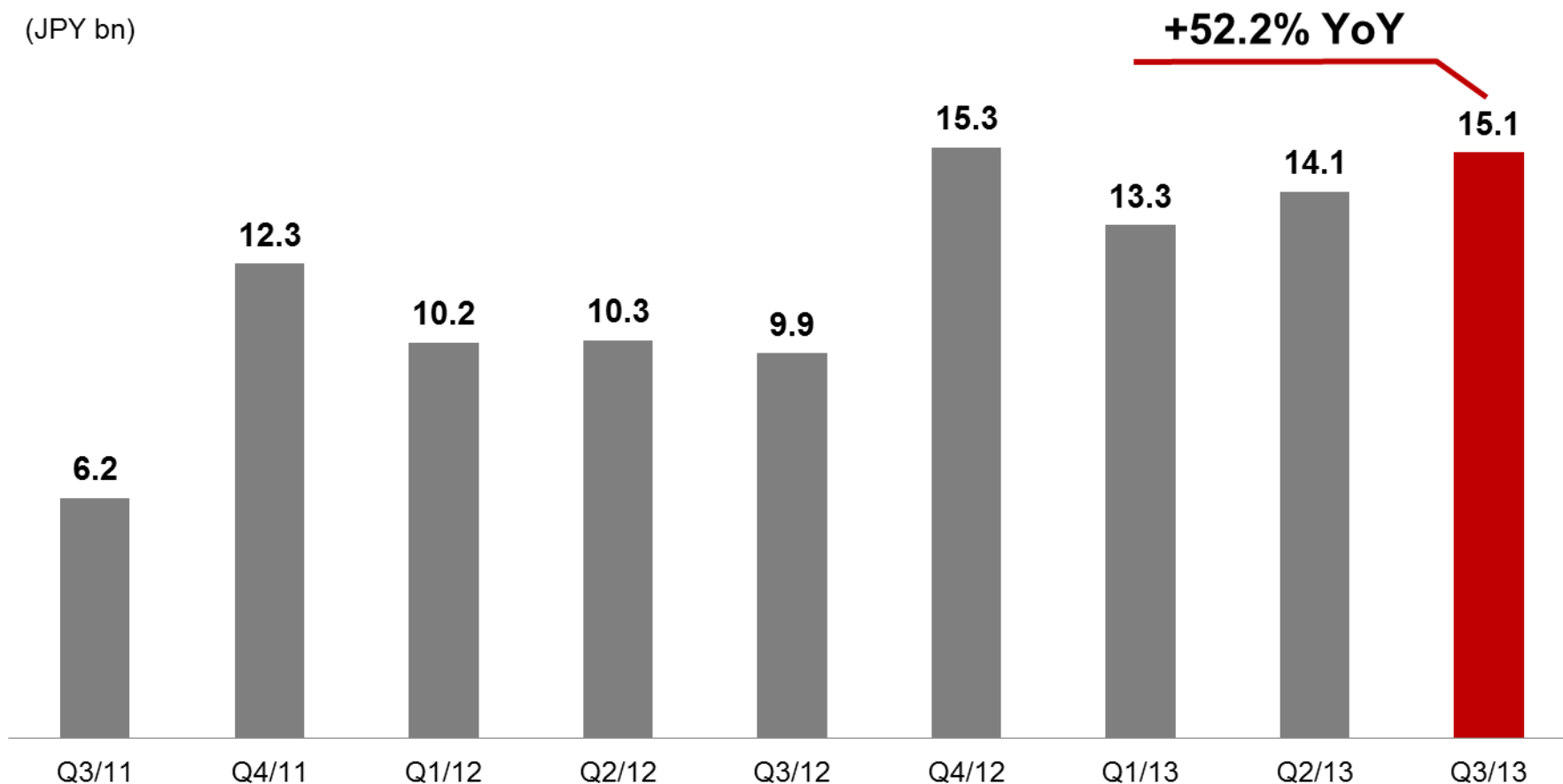
*1: Marketplace = Taiwan Rakuten Ichiba + Tarad Premium Mall + Lekutian + Buy.com marketplace + PriceMinister marketplace + Rakuten Belanja Online + Rakuten Deutschland + Play.com marketplace + Rakuten Brasil marketplace + Rakuten Malaysia

*2: Other GMS = 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: +52.2% YoY (+26.0% 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 + Rakuten Malaysia.

4 Content Business

Viki Joins Rakuten Group

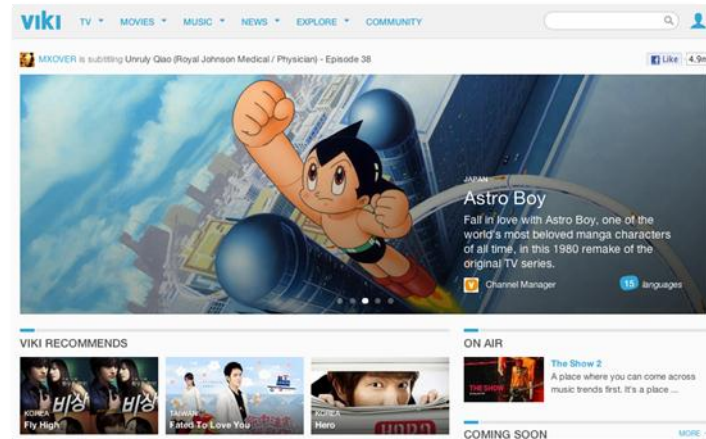


VIDEO + WIKIPEDIA

**Global TV Platform
by fan community**

* Viki Inc. was consolidated from the end of September, 2013

Overview of Viki



- Distributes global prime time TV shows, Movies & Music Videos
- Subtitles created by fans for free (Max 163 languages)
- 24mm monthly active users
- Advertising & Syndication revenue streams

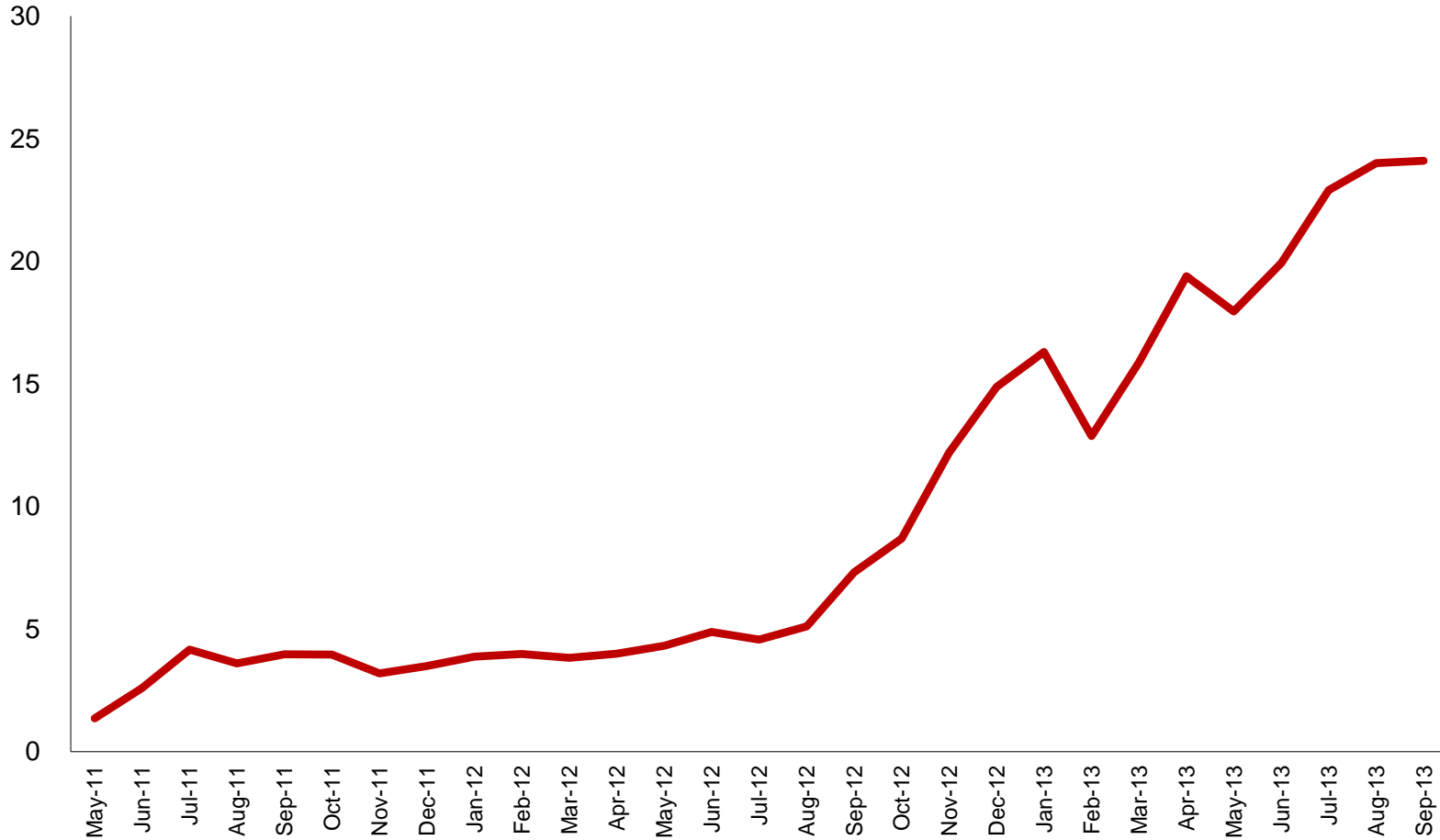


Viki User Growth

Monthly
Active Users
(Million)

UV = Monthly Active Users (MM)

24mm



Wuaki.tv - Film Store at Home



wuaki.tv
a Rakuten company

Content in the cloud

Videoclub (Spain) / Film store (UK) at home with multiplatform service

E-Commerce meets Digital Content

- Wuaki successfully launched in the UK with Play.com.



The screenshot shows the Rakuten Play.com website interface. At the top left is the Rakuten Play.com logo. The navigation bar includes links for 'Welcome to Play.com', 'Sign in | Create an account', 'Save with SuperPoints', 'Your account | Help', and currency options (GBP, EUR). A search bar is present with a dropdown menu set to 'All' and a 'SEARCH' button. Below the navigation bar is a category menu with options: DVD, Blu-ray, Music, Video Games, Books, Clothing, Sports & Outdoors, Electronics, Computing & Office, Mobile, Gifts & Gadgets, and Toys & Baby. A promotional banner for Wuaki.tv is the central focus, featuring a 'NEW from Rakuten' badge, the Wuaki.tv logo, and the text 'your online video service'. A large red circular callout on the right offers a 'Limited Offer' of 'Instant Streaming All content in the cloud' for 'HALF PRICE' at 'only £2.99* a month' for 'For Life!'. Below this, a green button says 'Find Out More...'. The banner also displays movie covers for 'TUDORS', 'LEGEND', 'HAPPY FEET', and 'SAVING PRIVATE RYAN'. At the bottom of the banner, there are small icons numbered 1, 2, and 3.

Content Acquisition: Positioning of Wuaki & Viki

wuaki.tv
Tu videoclub en casa

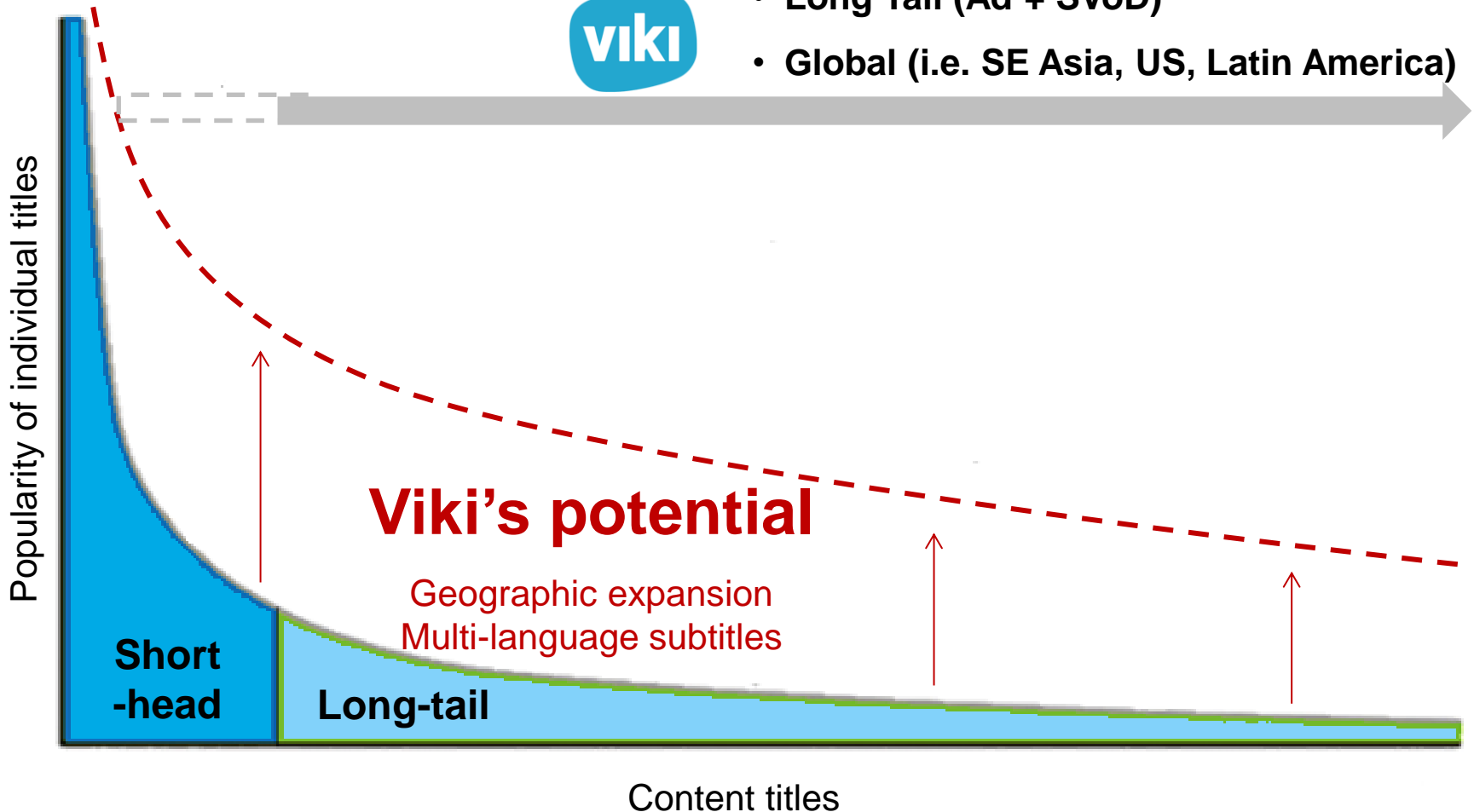
• Mainstream (TVoD + SVoD)

• In Europe



• Long Tail (Ad + SVoD)

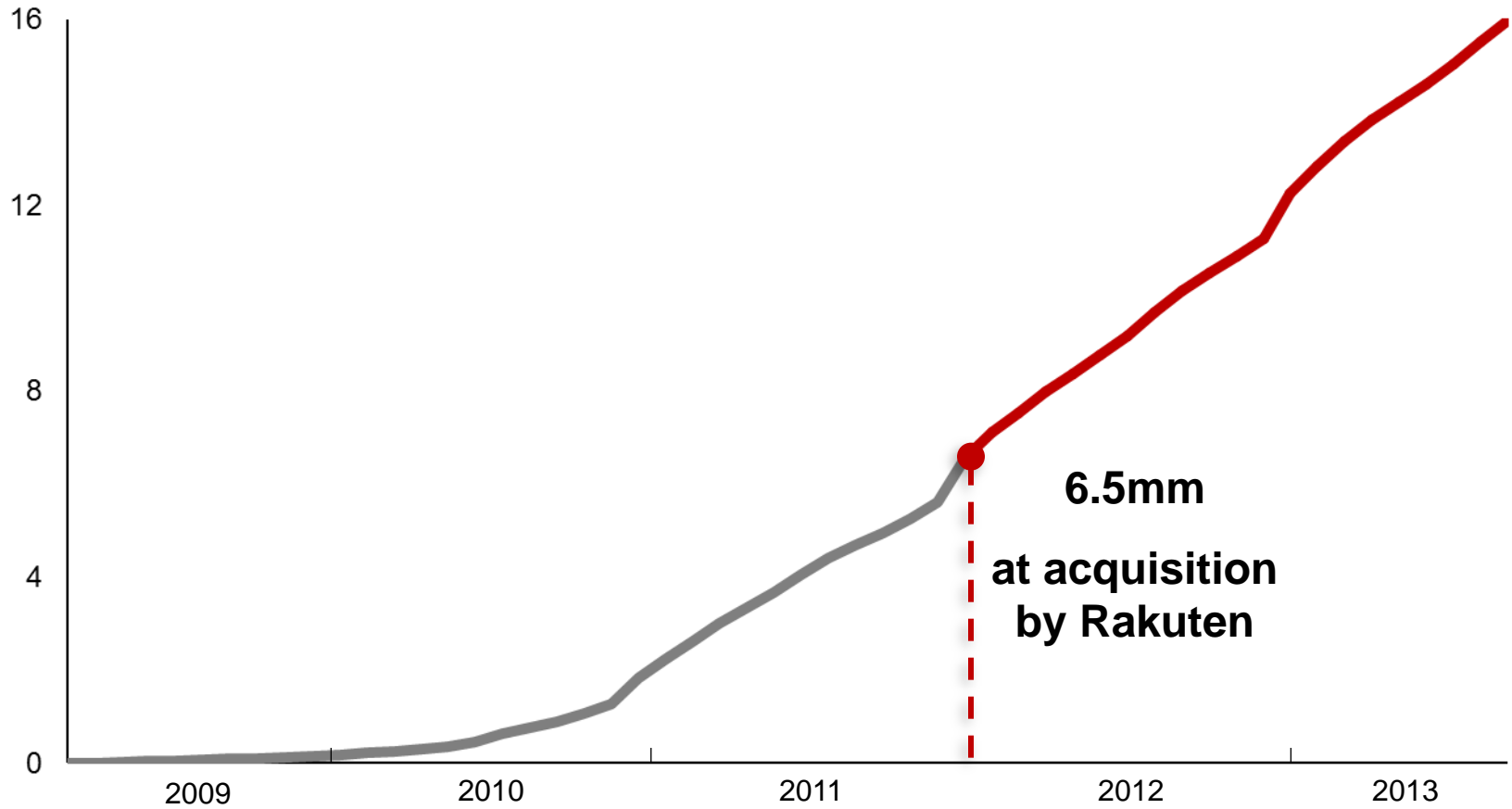
• Global (i.e. SE Asia, US, Latin America)



Kobo User Growth

Cumulative
Registered Users
(Million)

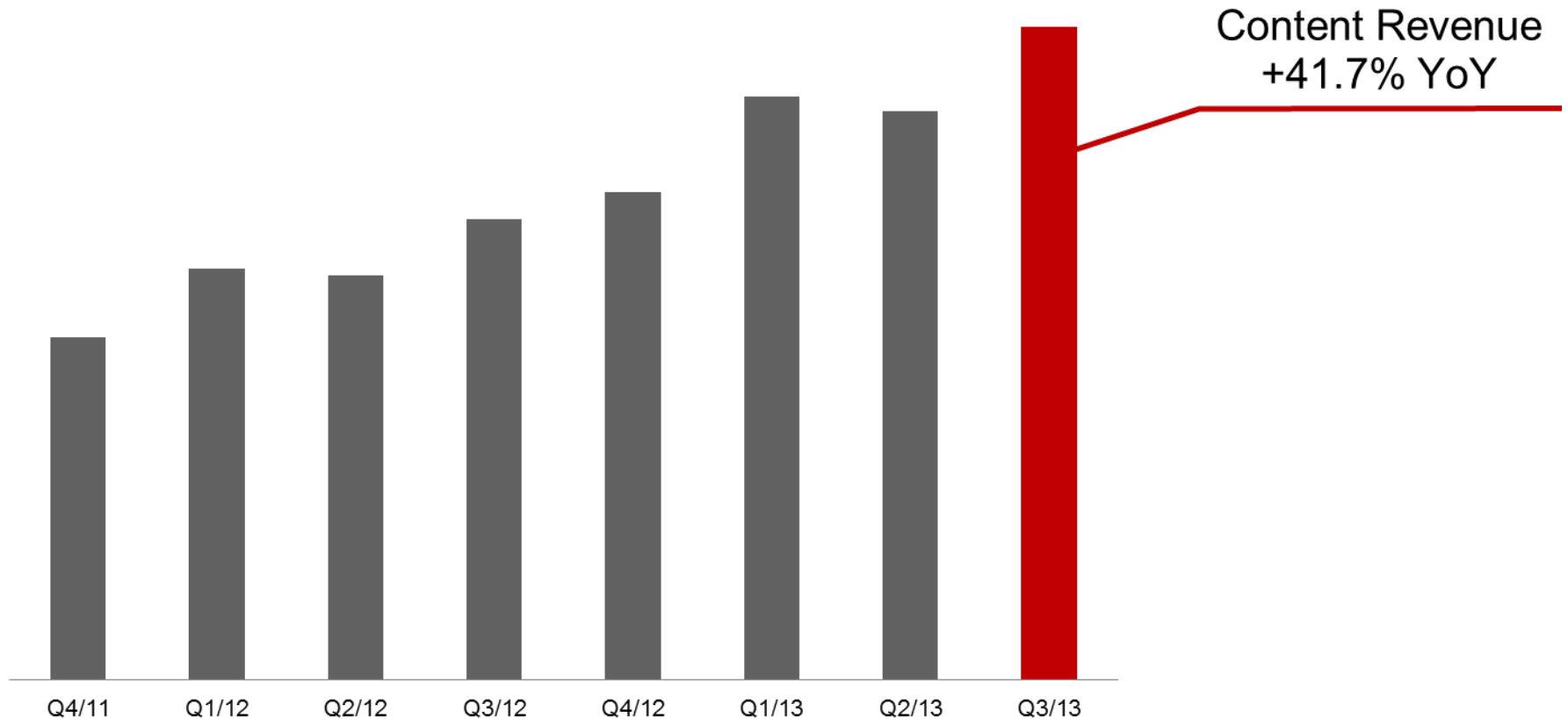
16mm



Kobo Quarterly Content Revenue Growth

■ Kobo's global content revenue increasing rapidly

(Can \$)



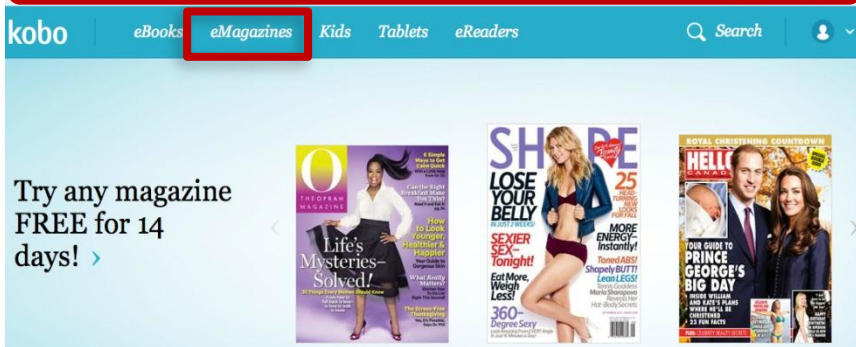
* Note: Kobo Inc. was consolidated from Q1/12

Kobo: New Store (“One Store”)

- Kobo becomes “beyond book” – Magazine and Kids are now live at “One Store” in Canada and US

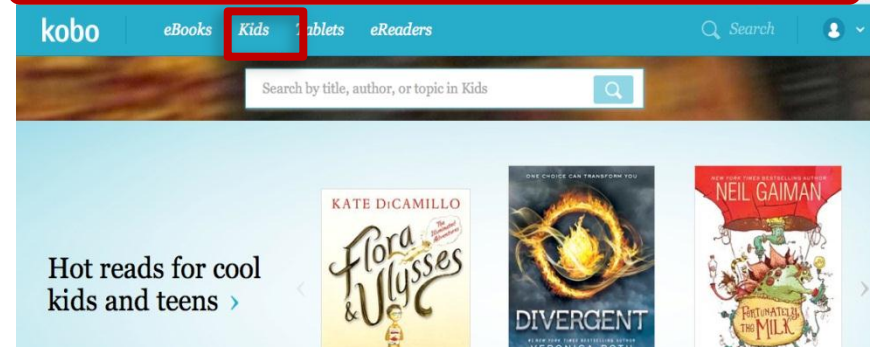
Book Store

Magazine Store



The screenshot shows the Kobo Magazine Store interface. The top navigation bar includes 'eBooks', 'eMagazines' (highlighted with a red box), 'Kids', 'Tablets', and 'eReaders'. A search bar is present. The main content area features a promotional banner: 'Try any magazine FREE for 14 days!'. Below this, there are three featured magazine covers: 'Life's Mysteries Solved!', 'LOSE YOUR BELLY', and 'HELLLO'. A grid of category-specific magazine covers is shown below, including 'POPULAR PHOTOGRAPHY', 'european car', 'DESTINATION WEDDINGS', 'Small Business OPPORTUNITIES', 'FOOD & WINE', and 'Country'. At the bottom, there are two promotional banners: one for reading magazines on mobile devices and another for a 14-day free trial of any magazine.

Kids Store



The screenshot shows the Kobo Kids Store interface. The top navigation bar includes 'eBooks', 'Kids' (highlighted with a red box), 'Tablets', and 'eReaders'. A search bar is present. The main content area features a promotional banner: 'Hot reads for cool kids and teens'. Below this, there are three featured book covers: 'Flora & Ulysses', 'DIVERGENT', and 'NEIL GAIMAN'. At the bottom, there are two promotional banners: one for sharing the love of reading with kids and another for getting started today with a Kids Account.

Age Teens Read-along Popular Series Popular Characters

Kobo: New Partners

- Newly entered into partnerships with top booksellers in Philippines, Spain, India and Ireland



- Launched with National Book Store, Philippines' **largest office supply / bookstore chain**, started on Sep 20



- Launch with La Central, an **indie bookseller** based in Barcelona and Madrid, planning to start on Nov 12



- Launched with 3 different partners in India, including Crossword, **the largest bookstore chain in India**



- Launched with Eason, **the largest and oldest standing bookseller in Ireland**

Kobo New Devices

- Launched Kobo Aura (new eReader), Arc 7, 7HD and 10HD (new tablets)



kobo aura

kobo arc7

kobo arc10^{HD}

kobo arc7^{HD}

Appendix

- Financial Condition
- Other Information

Financial Condition

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

Cash and cash equivalents 345.2	Bonds and borrowings 357.6
Financial assets for securities biz 1,017.0	Financial liabilities for securities biz 920.6
Investment securities and loans for banking biz 450.6	Deposits for banking biz 909.3
Loans for credit card biz 465.7	
Other assets 605.2	Other liabilities 407.2
	Total net assets 289.1

Total Asset 2,883.7

**Rakuten Group
(Consolidated)**

Cash and cash equivalents 8.3	134.7
619.7	163.2
	330.1

Total Asset 628.0

Rakuten, Inc.

189.6	Bonds and borrowings 5.0
Investment securities and loans for banking biz 743.1	Deposits for banking biz 929.5
108.8	49.3
	57.7

Total Asset 1,041.5

Rakuten Bank, Ltd.

48.9	418.9
Loans for credit card biz 465.7	141.1
91.2	45.8

Total Asset 605.9

**Rakuten Card
Co., Ltd.**

49.0	110.1
Financial assets for securities biz 1,017.0	Financial liabilities for securities biz 920.6
28.7	50.1
	14.0
	3.9
	22.2
	39.4
	21.0

Total Asset 1,094.7

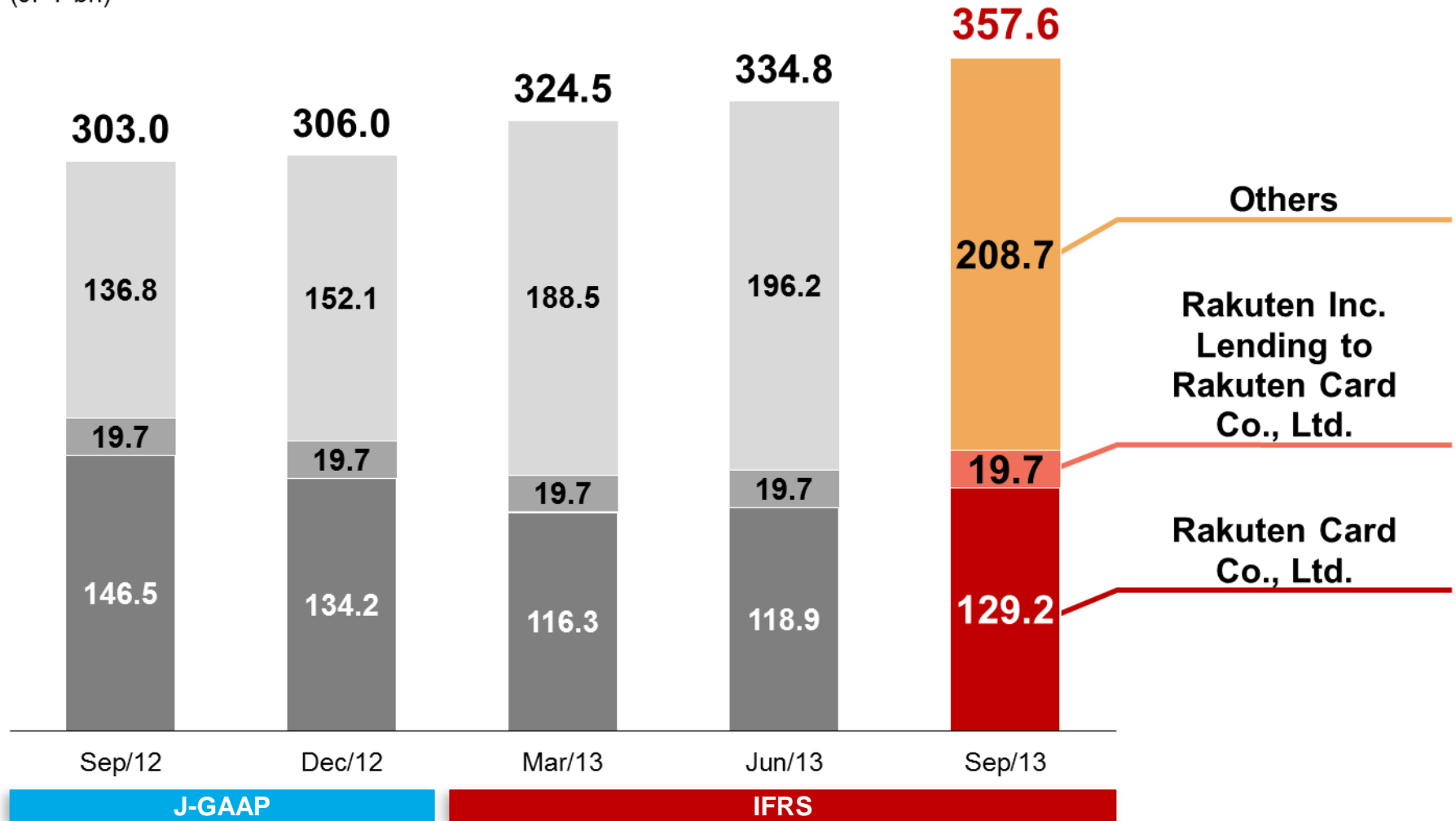
**Rakuten
Securities, Inc. Rakuten Life
Insurance Co.,Ltd**

*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)



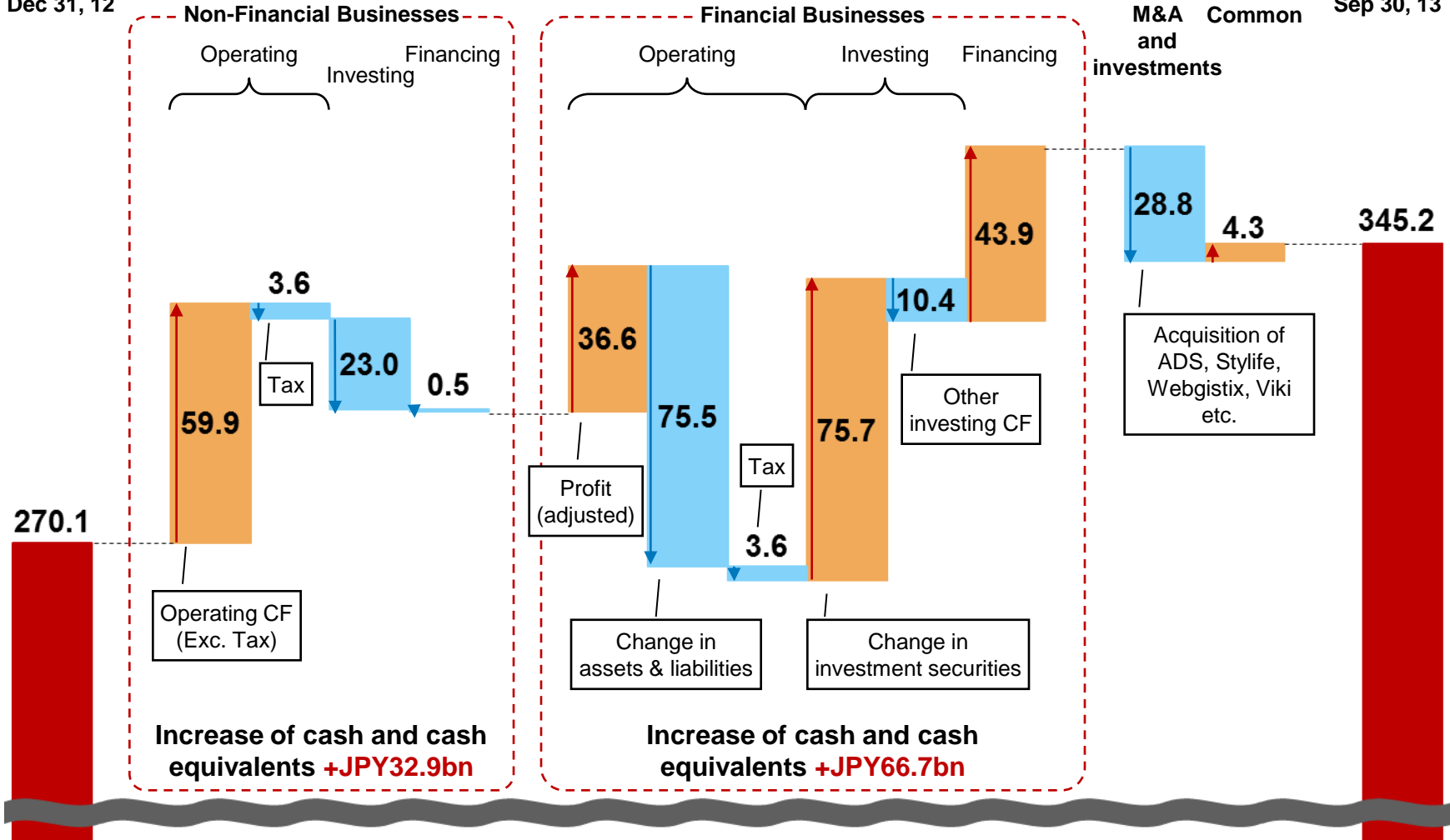
* Debt from outside financial institutions = Corporate Bonds + CP + Borrowings

Breakdown of Cash Flows: Jan - Sep 2013

(JPY bn)

Balance of cash
Dec 31, 12

Balance of cash
Sep 30, 13



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

(JPY bn)

Overview of cash flows for nine months ended September 30, 2013	Consolidated	Financial	Non-Financial	Common
Income before income tax	69.6	30.6	39.0	-
Depreciation and amortization	18.9	6.0	12.9	-
Other loss (profit)	0.5	-	-	0.5
Decrease (Increase) in operating receivables	7.9	(0.0)	8.0	-
Decrease (Increase) in loans for credit card biz	(63.3)	(63.3)	-	-
Increase (Decrease) in deposits for banking biz	99.8	99.8	-	-
Decrease (Increase) in call loans for banking biz	(32.0)	(32.0)	-	-
Decrease (Increase) in loans for banking biz	(38.4)	(38.4)	-	-
Increase (Decrease) in operating payables	(4.8)	(4.1)	(0.7)	-
Increase (Decrease) in accounts payable - other and accrued expenses	(6.3)	(5.5)	(0.8)	-
Decrease (Increase) in financial assets for securities biz	(401.3)	(401.3)	-	-
Increase (Decrease) in financial liabilities for securities biz	362.5	362.5	-	-
Others	8.4	6.8	1.6	-
Income tax paid	(8.4)	(3.6)	(4.9)	-
Income tax refund	1.2	-	1.2	-
Net cash flows from operating activities	14.3	(42.5)	56.3	0.5

* 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 - Sep 2013 (2)

(JPY bn)

Overview of cash flows for nine months ended September 30, 2013	Consolidated	Financial	Non-Financial	Common
Increase in time deposits	(5.9)	(5.8)	(0.1)	-
Decrease in time deposits	3.9	3.4	0.5	-
Purchase of property, plant and equipment	(6.2)	(1.2)	(5.0)	-
Purchase of intangible assets	(17.0)	(6.0)	(11.0)	-
Acquisition of subsidiaries	(28.8)	(0.3)	(28.5)	-
Purchase of investment securities for banking biz	(118.5)	(118.5)	-	-
Proceeds from sales and redemption of investment securities for banking biz	193.2	193.2	-	-
Purchase of investment securities for insurance biz	(4.8)	(4.8)	-	-
Proceeds from sales and redemption of investment securities for insurance biz	3.8	3.8	-	-
Purchase of investment securities	(4.2)	(3.1)	(1.1)	-
Proceeds from sales and redemption of investment securities	5.2	5.2	-	-
Other payments	(8.2)	(1.3)	(6.9)	-
Other proceeds	1.0	0.4	0.6	-
Net cash flows from investing activities	13.5	65.0	(51.5)	-
Net increase (decrease) in short-term borrowings	28.3	31.6	(3.3)	-
Increase (Decrease) in commercial papers	24.5	1.0	23.5	-
Proceeds from long-term debt	54.0	54.0	-	-
Repayment of long-term debt	(57.0)	(43.3)	(13.7)	-
Cash dividends paid	(4.0)	-	(4.0)	-
Others	(2.4)	0.6	(3.0)	-
Net cash flows from financing activities	43.4	43.9	(0.5)	-
Effect of change in exchange rates on cash and cash equivalents	3.8	-	-	3.8
Net increase (decrease) in cash and cash equivalents	75.1	66.4	4.4	4.3
Cash and cash equivalents at beginning of the year	270.1	-	-	-
Cash and cash equivalents at end of September 2013	345.2	-	-	-

* 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 Q3/12

■ Revenue

(JPY bn)

	Internet Services	Internet Finance	Other	Adjustment	Consolidated
IFRS	67.4	30.1	9.5	-8.5	98.6
J-GAAP	71.0	38.0	9.5	-9.4	109.1
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	13.8	4.9	1.5	-0.1	20.0
J-GAAP	14.3	6.0	1.2	-2.9	18.6
Major differences	<ul style="list-style-type: none"> Extraordinary loss at Rakuten, Inc. is included in operating income in IFRS 	<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 Securities are included in Operating income in IFRS 	<ul style="list-style-type: none"> Other revenue, expenses and extraordinary gain(s) 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 Sep 2013)

■ No impairment loss was recognized

(IFRS, JPY mm)

	December 31, 2012		September 30, 2013	
	Goodwill	Non-Amortizable intangible assets	Goodwill	Non-Amortizable intangible assets
Internet Services	58,736	5,871	92,374	6,747
PRICEMINISTER S.A.S.	12,273	5,110	14,109	5,875
Kobo Inc.	17,483	29	19,045	31
Others	28,980	732	59,220	841
Internet Finance	45,974	-	46,617	-
Rakuten Bank, Ltd.	34,386	-	32,886	-
Others	11,588	-	13,731	-
Others	3,186	-	3,226	-
Total	107,895	5,871	142,216	6,747

■ Major changes compared to end Dec 2012:

- Scope of consolidation (Viki, ADS, Webgistic, 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	2.73	
Intangible assets	5.55	6.56	4.78	
Total	7.44	9.48	7.51	

* Acquisition Basis

Rakuten, Inc. (Non-consolidated)

■ Balance Sheet

As of Sep 30, 2013

(JPY bn, IFRS)

Cash and cash equivalents	8.3	Accounts payable - trade	3.2
Accounts receivable - trade	47.0	Bonds and borrowings	187.7
Property, plant and equipment	7.1	Other liabilities	106.9
Intangible assets	19.6	TOTAL LIABILITIES	297.8
Investment securities and financial assets	525.5	Common stock	109.2
Other assets	20.5	Capital surplus	119.8
		Retained earnings	102.9
		Treasury stock	△3.6
		Other components of equity	2.0
		TOTAL NET ASSETS	330.1
TOTAL ASSETS	628.0	TOTAL LIABILITIES AND NET ASSETS	628.0

Rakuten Travel: Accounting Adjustments

(JPY mm)

	Q1/12	Q2/12	Q3/12	Q4/12 ^{*2}	Q1/13	Q2/13	Q3/13
Revenue (Accounting)	7,125	7,247	9,371	7,272	7,824	7,821	10,197
Adjusted Revenue ^{*1}	6,968	7,063	9,067	7,918			
Operating Income (Accounting)	2,735	2,773	4,256	759	2,969	2,465	4,058
Adjusted Operating Income ^{*1}	2,557	2,565	3,911	3,383			

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

*2: Adjusted Q4/12 revenue was amended on January 8, 2014

Credit Card Business: Revenues and Expenses

■ FY2012 J-GAAP and IFRS*

J-GAAP	Q3/12	Q4/12
Total revenues	20,709	23,374
General services	12,562	13,981
Card shopping	12,546	13,966
Others	16	16
Financing	1,115	1,254
Card cash advances	1,030	1,145
Loan card	57	80
Others	29	29
Credit guarantee (Rakuten Credit)	1,947	2,076
Others	5,084	6,063
Operating expenses	17,512	19,175
Personnel costs	1,323	1,307
General expenses	12,801	14,661
Interest expenses	978	831
Expenses related to doubtful accounts	2,410	2,376
Operating profit	3,197	4,200
IFRS*	Q3/12	Q4/12
Revenues	14,428	15,987
Operating income	3,123	4,259

■ FY2013 IFRS

(JPY mm)

	Q1/13	Q2/13	Q3/13
Total revenues	16,695	18,602	19,342
Shopping	9,825	10,770	11,585
Revolving	6,165	6,616	7,100
Others	3,660	4,154	4,485
Credit guarantee	2,287	2,491	2,681
Cash advances	1,262	1,492	1,617
Others	3,322	3,850	3,459
Total operating expenses	14,159	15,892	16,176
Personnel costs	1,315	1,373	1,725
General expenses	8,389	9,922	9,601
Interest expenses	1,414	1,487	1,601
Expenses related to doubtful accounts	3,005	3,069	3,202
Others	36	42	47
Operating income	2,536	2,710	3,166

*1: Managerial accounting base (IFRS)

*2: Reversal of earthquake disaster reserve (decrease in expense): Q3/12 JPY 249 million, Q4/12 JPY 340 million

*3: Q3/13 JPY 102 million additional provision to reserve for retirement benefit due to the termination of the plan (increase in expense)

Credit Card Business: Transaction Volume

■ Composition of Transaction Volume

(JPY mm)

	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13
General services	455,051	522,686	537,101	607,381	648,923
Card shopping	454,366	522,016	536,399	606,701	648,177
Others	685	670	702	680	746
Financing	15,383	16,940	17,260	19,228	19,783
Card cash advances	13,480	14,650	15,942	18,303	18,905
Loan cards	1,903	2,289	1,317	925	878
Others	4,851	4,732	4,655	4,925	5,250
Total transaction volume	475,286	544,358	559,016	631,534	673,956

Credit Card Business: Balance of Loan Receivables

(JPY mm)

	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13
General services	294,265	348,312	355,150	387,700	405,638
(Off-balance)	97,360	140,145	-	-	-
Card shopping	294,035	348,070	354,913	387,494	405,405
incl. Revolving balance (principal)	150,003	161,530	172,992	186,285	199,467
Others	230	242	237	206	234
Financing	65,443	66,050	67,626	68,793	69,856
Card cash advances	23,792	24,970	27,754	30,355	32,701
Loan cards	3,850	5,313	5,660	5,586	5,545
Others	37,801	35,767	34,211	32,852	31,610
Foreclosed credit guarantees	-	-	9,423	10,200	10,949
Installments	134	93	71	63	43
Others	23,167	22,083	-	-	-
(Off-balance)	21,287	20,301	-	-	-
Total balance (incl. off-balance)	383,009	436,537	-	-	-
Total balance (only on-balance)	264,361	276,091	-	-	-
Total balance (from 2013)	-	-	432,269	466,756	486,487
Differences between J-GAAP and IFRS	-	-	-346	-405	-497
Amount reported in IFRS B/S*	-	-	431,923	466,351	485,990
Credit guarantee for Rakuten Bank super loan and etc	173,661	180,391	183,051	197,730	211,097
(Off-balance)	165,332	171,557	183,051	197,730	211,097

* Before deducting allowance for doubtful accounts

Credit Card Business: Allowance for Doubtful Accounts

(JPY mm)

	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13
Rakuten Card	321,707	378,362	388,216	423,410	444,541
Normal	316,110	372,671	382,384	417,258	437,912
Doubtful (4months-and-over-delinquent)	5,597	5,691	5,832	6,152	6,629
Others (incl. re-contract)	35,786	33,669	32,180	30,766	29,549
Normal	25,797	24,689	23,913	23,314	22,888
Doubtful (4months-and-over-delinquent)	9,989	8,979	8,266	7,452	6,661
Total balance	357,493	412,031	420,396	454,176	474,090
Normal	341,908	397,360	406,297	440,572	460,800
Doubtful (4months-and-over-delinquent)	15,586	14,670	14,098	13,604	13,290
% of doubtful accounts	4.36%	3.56%	3.35%	3.00%	2.80%
Secured	4,391	4,318	4,117	3,999	3,922
Total balance of loan receivables	361,884	416,348	424,512	458,175	478,012

Allowance for doubtful accounts	18,777	17,791	17,486	17,202	16,987
Allowance ratio	5.19%	4.27%	4.12%	3.75%	3.55%
Write-off for bad debt	2,609	2,910	2,455	2,304	2,305

Credit Guarantee Business: Allowance for Doubtful Accounts

(JPY mm)

	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13
Foreclosed credit guarantees	8,329	8,834	9,423	10,200	10,949
Allowance for doubtful accounts	2,595	2,745	2,838	3,083	3,323
Write-off for bad debt	522	615	734	778	836

* This figure was amended on November 11, 2013

Banking Business: Revenues and Expenses

(JPY mm)

		Q1/12	Q2/12	Q3/12	Q4/12	Q1/13 ^{*1}	Q2/13	Q3/13	YoY
Revenue (IFRS ^{*2})	(2)	9,238	8,963	9,292	9,650	11,071	10,334	11,040	+18.8%
Differences between J-GAAP and IFRS	(1-2)	-269	1,746	1,010	872	-1,371	230	98	
Ordinary income (J-GAAP ^{*3})	(1)	8,969	10,709	10,302	10,522	9,700	10,564	11,139	+8.1%
Interest income		5,044	5,206	5,482	5,804	5,911	6,383	6,935	+26.5%
Fees and commissions		3,268	3,670	3,463	3,484	3,234	3,623	3,483	+0.6%
Other ordinary income		648	1,787	1,377	1,219	537	557	623	-54.7%
Other income		9	47	-20	15	18	1	97	-580.5%
Ordinary expenses (J-GAAP ^{*3})		7,795	8,225	8,083	8,216	8,345	8,828	9,431	+16.7%
Interest expenses		571	531	542	475	491	470	551	+1.7%
Fees and commissions payments		2,948	3,158	3,219	3,426	3,433	3,777	3,972	+23.4%
Other ordinary expenses		36	220	-	-	42	-	-	-
General and administrative expenses		4,238	4,312	4,300	4,298	4,337	4,579	4,814	+12.0%
Other expenses		1	4	21	18	41	2	94	+336.4%
Ordinary income (J-GAAP ^{*3})	(3)	1,174	2,484	2,219	2,306	1,356	1,736	1,708	-23.0%
Differences between J-GAAP and IFRS	(3-4)	-317	1,134	807	637	-1,615	23	-48	
Operating Income (IFRS ^{*2})	(4)	1,491	1,350	1,412	1,669	2,970	1,713	1,756	+24.4%

*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)

	Sep/13
Invested assets	806,646
Securitized loan receivables	323,880
Rakuten Card securitized assets ^{*1}	291,006
Others	32,873
Securities	190,880
JGB	52,399
Local Government bonds	-
Corporate bonds	29,650
Stocks	1
Others	108,831
Loan Receivables	228,831
Rakuten Bank Super Loan	214,749
Others	14,082
Others	63,055
Other assets	234,931
Total assets	1,041,577

*1: Intercompany elimination at IFRS consolidation

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

■ Balance of Deposits (Liabilities)

(JPY mm)

	Sep/13
Deposit Balance	927,865
Ordinary Deposits	490,551
Time Deposits	373,177
Other Deposits ^{*2}	64,137

Life Insurance Business*1: Quarterly results and Major Indices

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

(JPY mm)

	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13
Revenue			6,716	6,786	6,717
Operating Income before PPA*3			319	70	695
Operating Income (Loss)			110	-139	486

■ Rakuten Life Insurance Co., Ltd. Major indices

(No. of contracts, JPY mm)

	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13*6
No. of New Policies	11,563	13,882	28,157	16,947	12,244
Annualized Insurance Premiums	363	435	849	548	425
No. of Policies*4	650,262	649,449	659,710	658,836	654,293
Annualized Insurance Premiums*4	26,881	26,854	27,154	27,180	27,157
Solvency Margin	978.5%	1,023.2%	1,076.6%	917.1%	865.7%
MCEV*5					38,176
Adjusted Net Assets					4,150
Value of In-Force Contracts					34,026

*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 Q3/13 are preliminary

Others Q3/13 Highlights

Fusion Communications (Telecom)



- Achieved JPY 646mm* operating income, a record high
- Applications for “SMARTalk”, a phone app, staying in good shape

Rakuten Baseball



- Eagles captured first Pacific League pennant, nine years after the team was founded.
- Average attendees per home game: +8% YoY

* Managerial accounting base (IFRS)

Rakuten Membership

(Million persons)

	Sep/12	Jun/13	Sep/13	YoY
Rakuten members	79.78	85.51	87.40	+9.6%
Log-in members[*]	53.19	58.81	60.26	+13.3%

* 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**