
Overview of Q3 2006

November 16, 2006

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.

1 Rakuten Group Strategy

2 New Business Management System: Growth Management Program (GMP)

3 Operating Results by Key Business Units

4 Initiatives to Drive Growth: Incubation Business

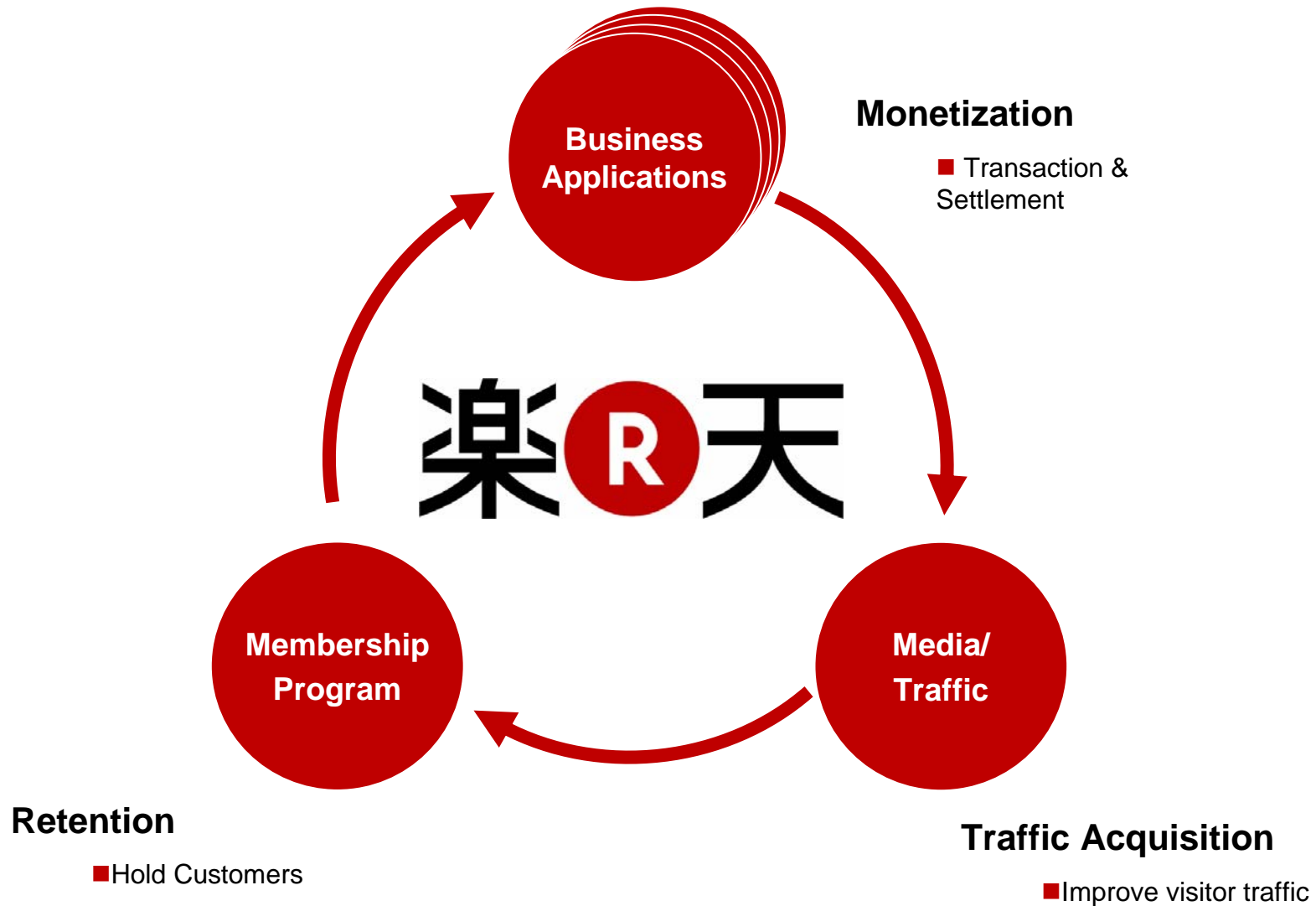
5 2006 Third Quarter: Consolidated Operating Results

6 Main Business Unit Topics

1. Rakuten Ichiba Business
2. Auction Business
3. KC Business
4. Personal Finance Business
5. Travel Business
6. Securities Business
7. Infoseek Business
8. Professional Sports Business

1 Rakuten Group Strategy

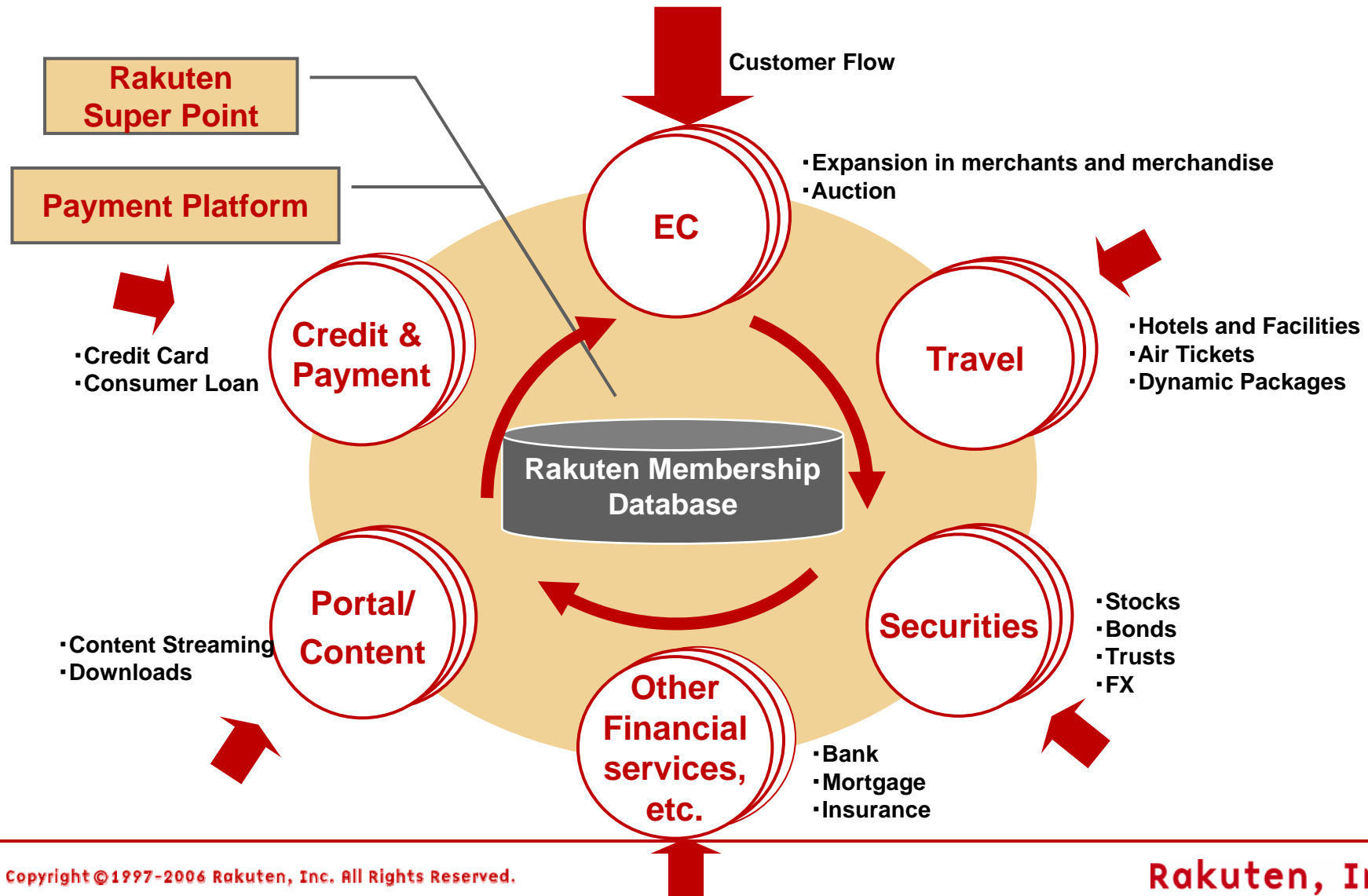
■ Building Strong Bonds Between Key Growth Drivers

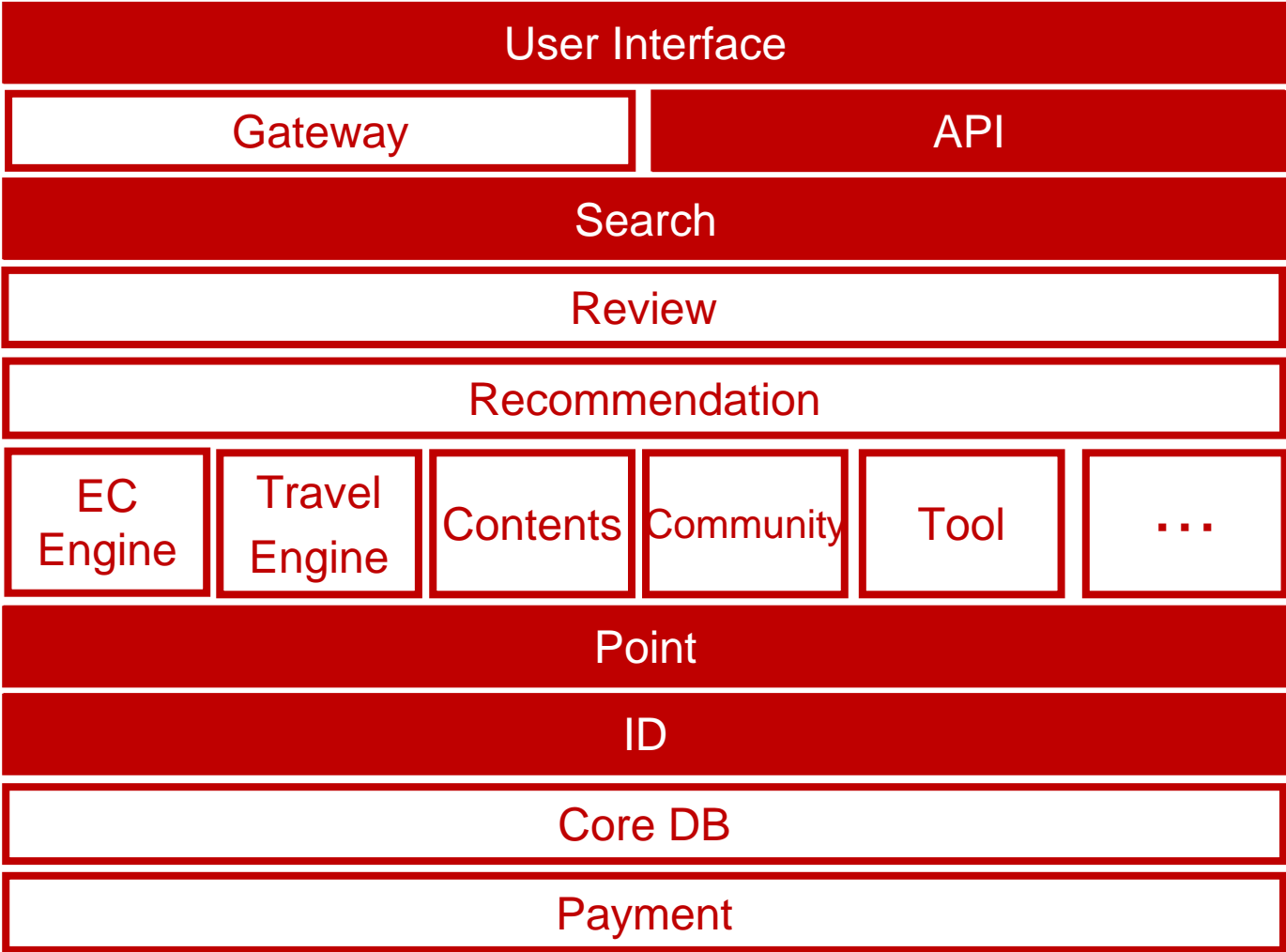


Strategy of Success

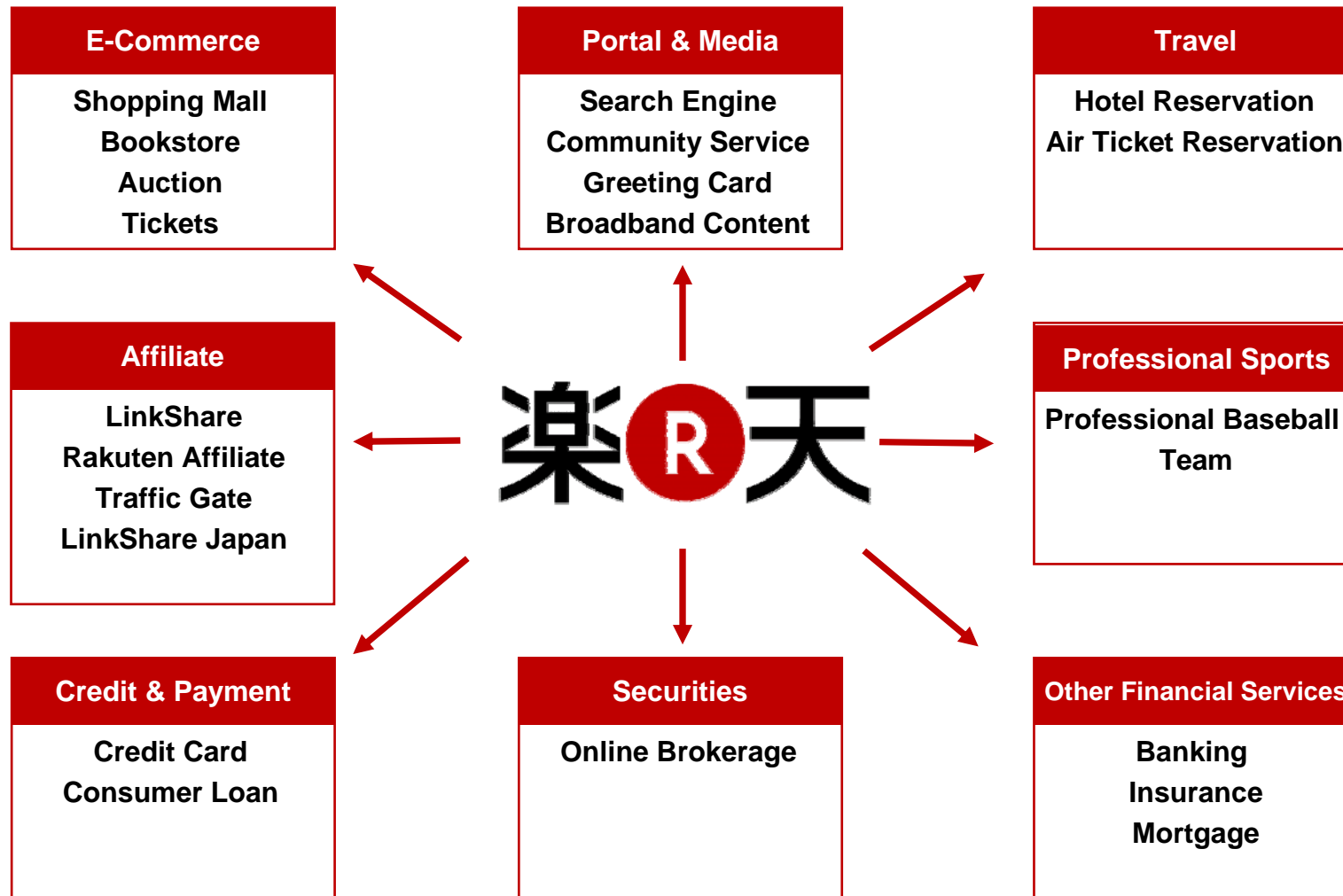
– Maximizing Lifetime Value of Members

■ Achieving One-Stop Shopping for Every Member with Single ID





■ Seek the Integrated Internet Service Company



2

New Business Management System: Growth Management Program (GMP)

**Change of Strategic Concept for Sustained High Growth
Adapting to Diversification and Expansion of Businesses**



New Management System Pursuing Growth Potential, Dynamism and Profitability

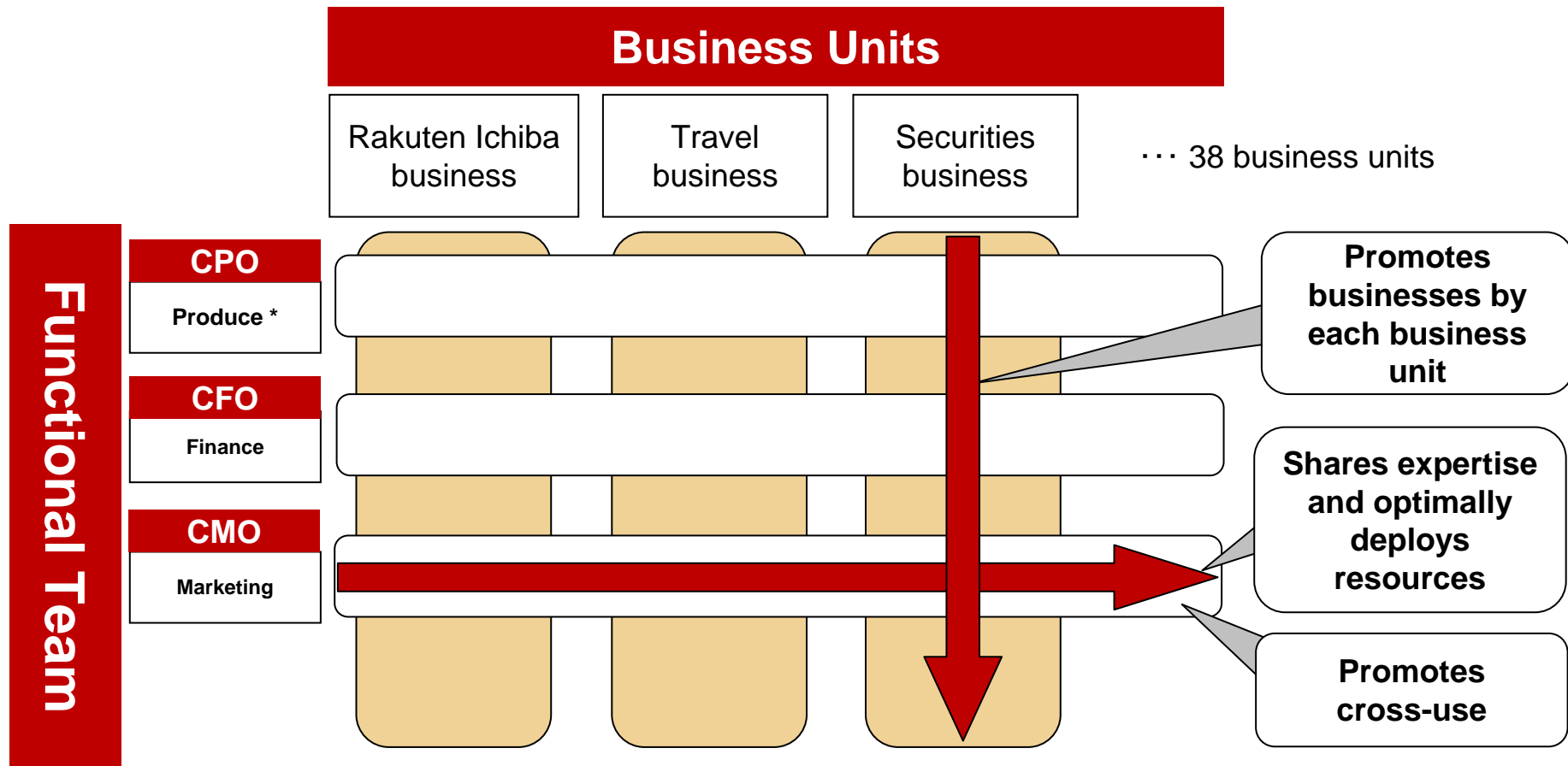
- Transition to Business Unit Organization
- Establishment of Functional Teams
- Setting and Monitoring KPI for Transparent and Sophisticated Management
- Optimum Allocation of Resources
- Introduction of Continuous Education Program and New Human Resource Management System

- Develop New Management System for Future Growth



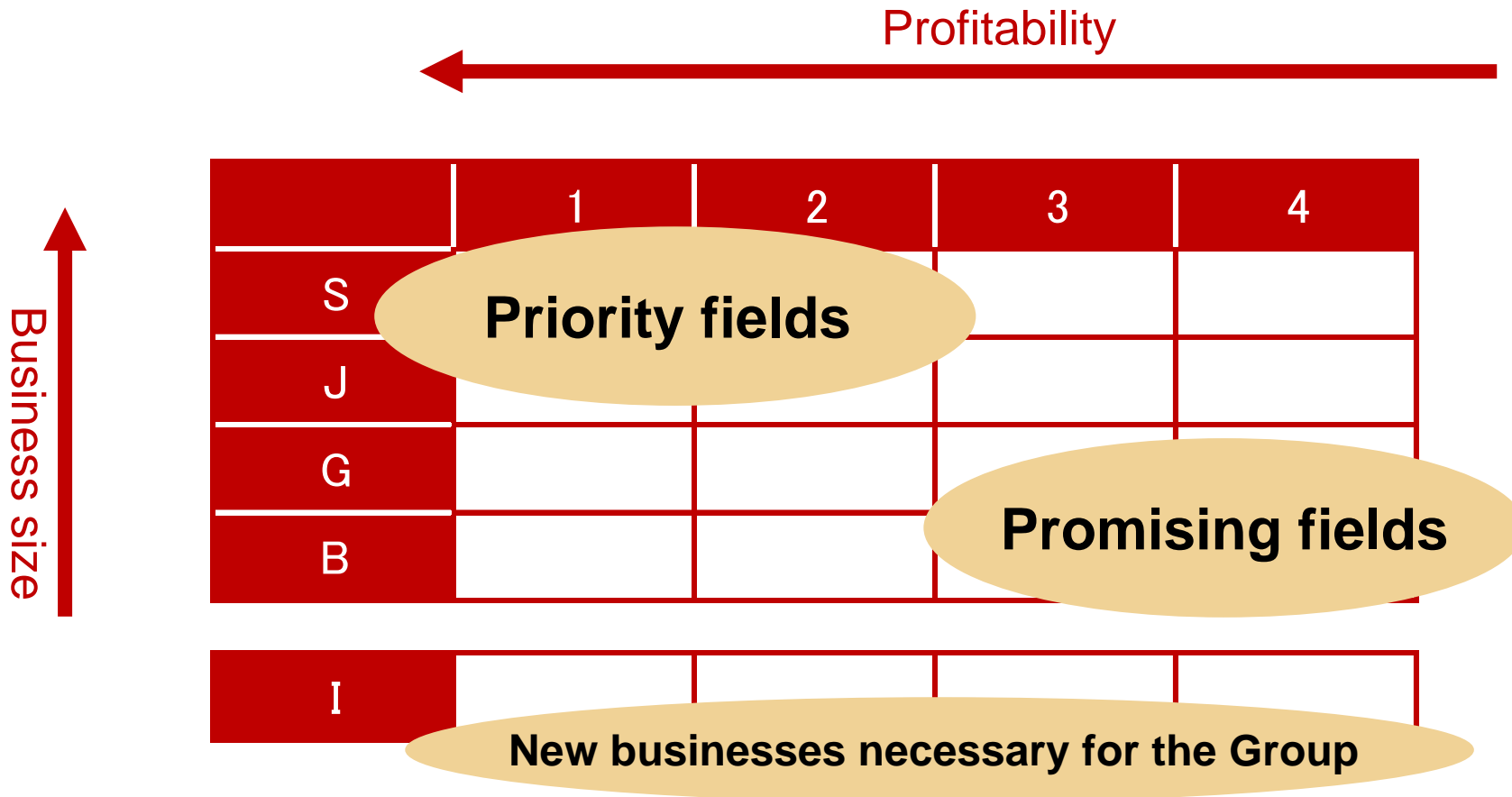
Realization of Matrix Management

- Appoint chief officers by function and establish a functional team
- Share best practice and develop horizontally
- Optimally deploy resources and improve productivity



* System Development

Invest in Growth Fields, Promising Fields and New Businesses, based on Growth Management Program



■ Deploy more efficient management resources

1. Implement investments focused on strategic fields
2. Secure investment budget for incubation businesses
3. Actively transfer personnel within the Group and allocate appropriate resources

■ Strengthen personnel development and introduce new personnel system

1. Accumulate organizational expertise through best practice sharing
2. Build personnel development program from medium- and long-term perspectives
3. Increase growth opportunities for individuals by separating specialist and management personnel
4. Proactively recruit personnel with high potential

Set KPI* for all business units

1. Set major indicators and achieve growing visibility
2. Implement prompt measures by monitoring abnormal values (using alarms)
3. Bolster framework by strengthening budget-making and management flow



Implement management of changes and establish a dynamic system to improve productivity and achieve uninterrupted growth

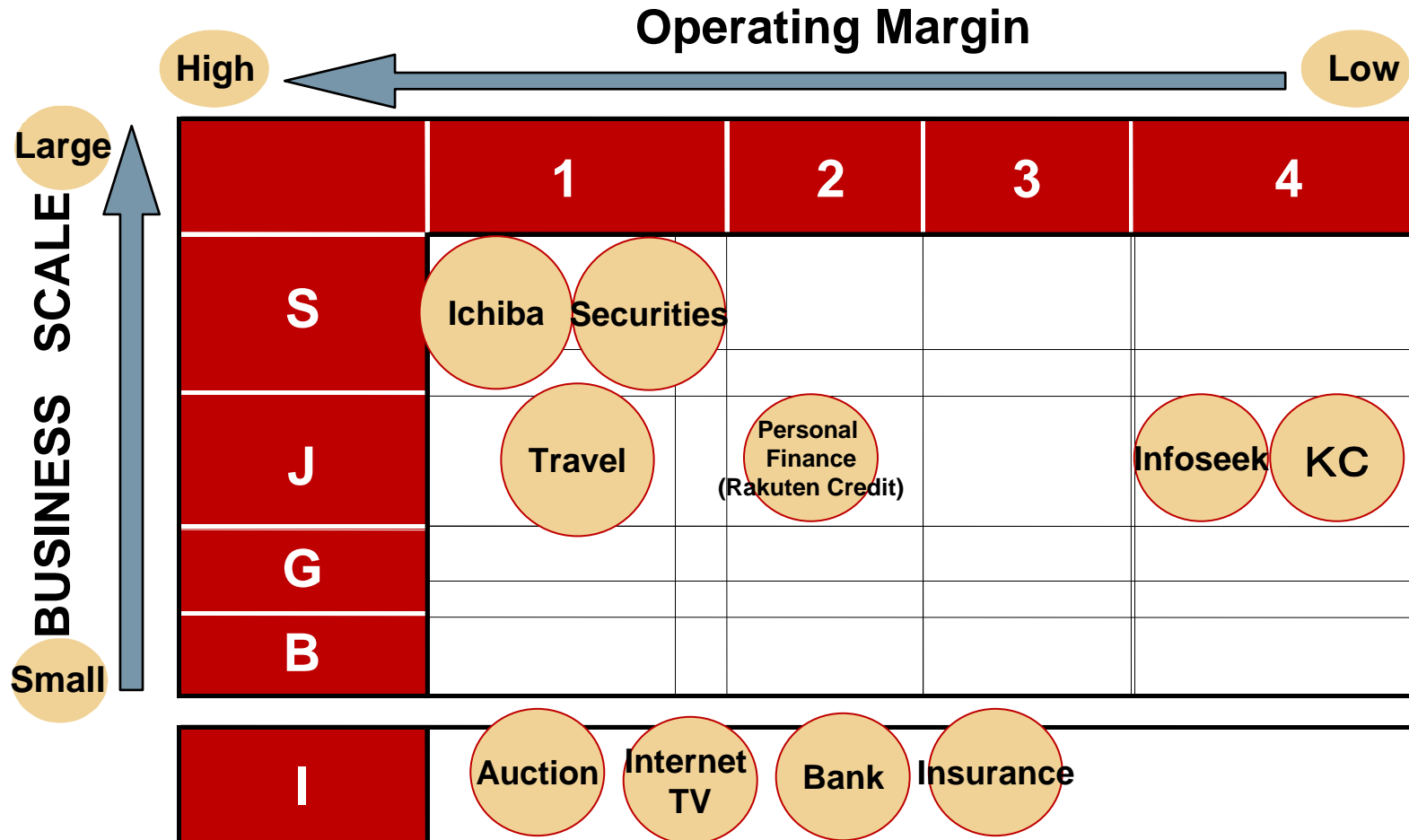
*KPI stands for Key Performance Indicator, used to make key management judgments

3 Operating Results by Key Business Units

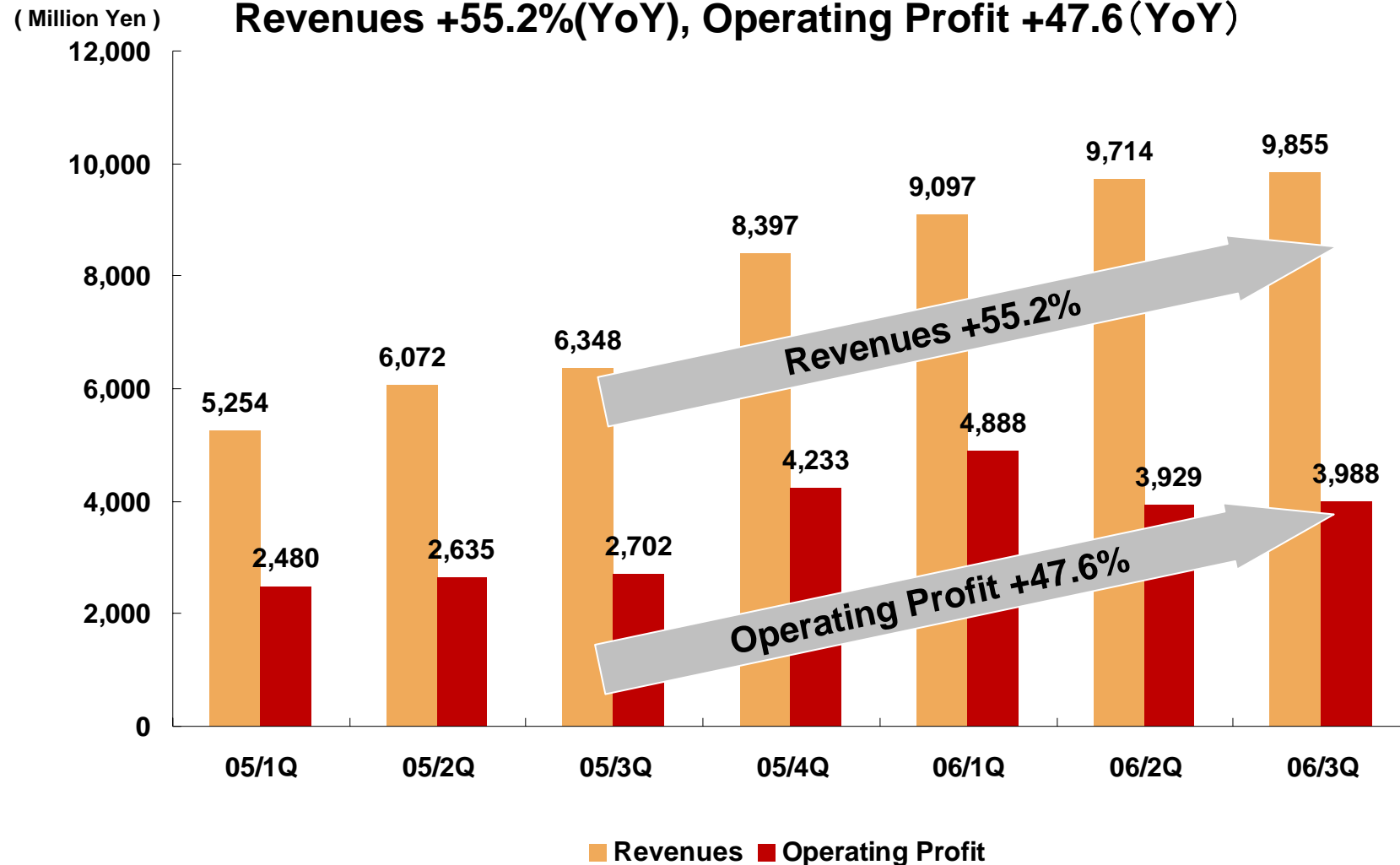
1. Rakuten Ichiba Business
2. Securities Business
3. Travel Business
4. Personal Finance Business
5. KC Business
6. Infoseek Business

Business Mapping

■ Position of Major Business Units



Core Business of Rakuten Ichiba Maintain High Growth Revenues +55.2%(YoY), Operating Profit +47.6 (YoY)

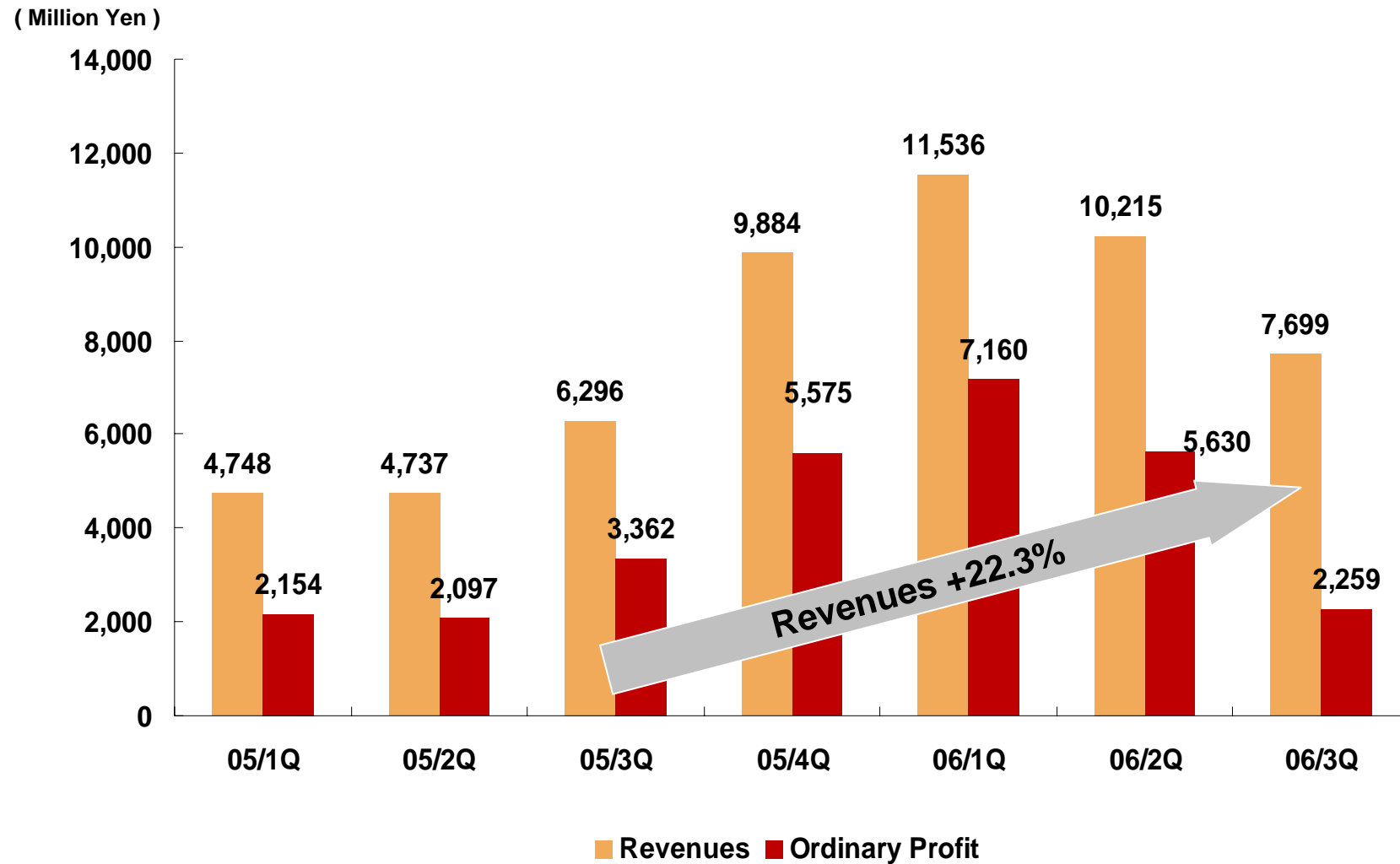


* Gaps between "Rakuten Business" , 97 page and above are E-commerce businesses operated by Rakuten, Inc for Golf, Finewine, Auto and Dining.

Rakuten Securities Revenues & Ordinary Profit (Consolidated)



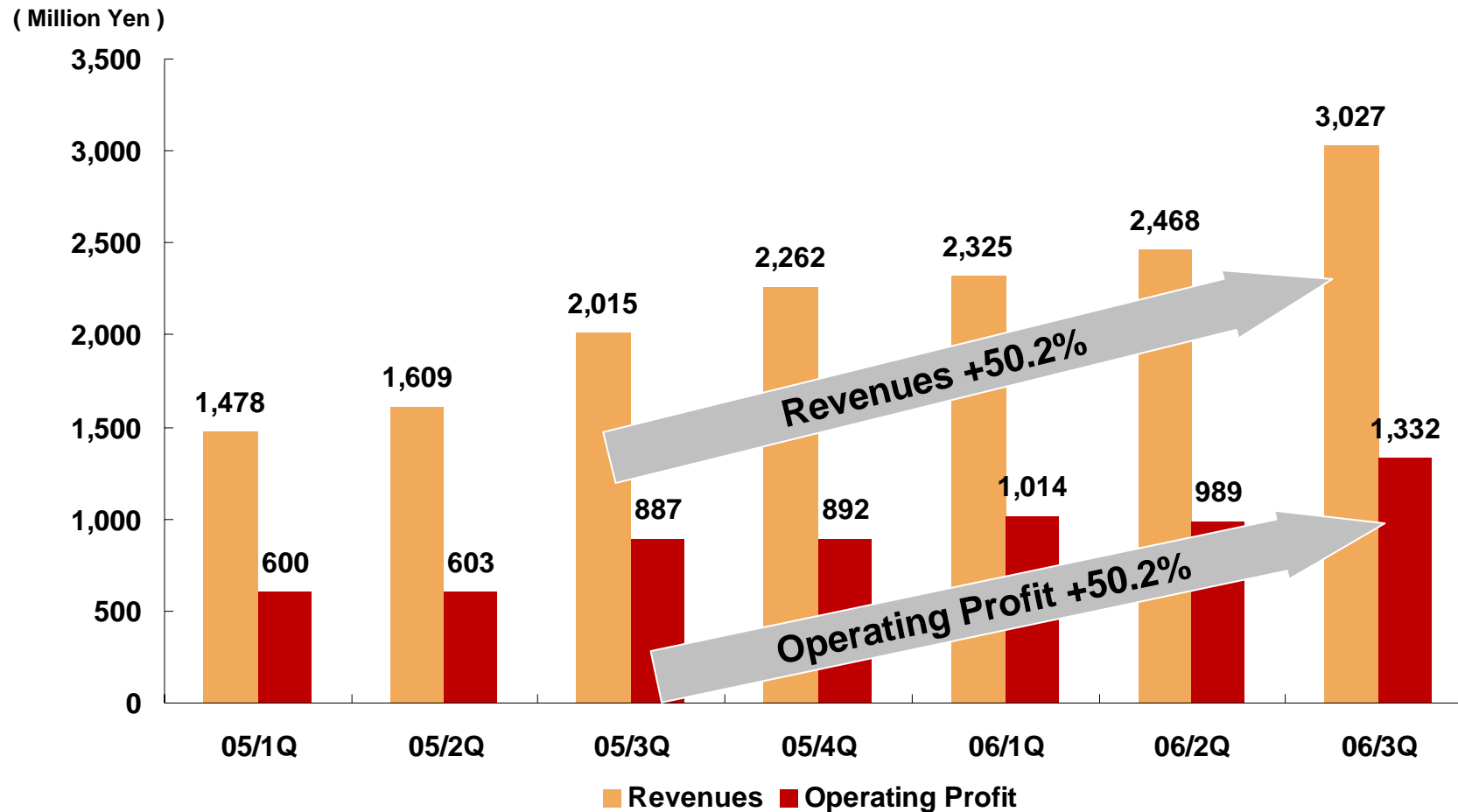
Revenues +22.3%(YoY)、Ordinary Profit -32.8%(YoY)



Travel Business Revenues & Operating Profit



Revenues +50.2%(YoY)、Operating Profit +50.2%(YoY)



* Pre-acquisition of Mytrip.net

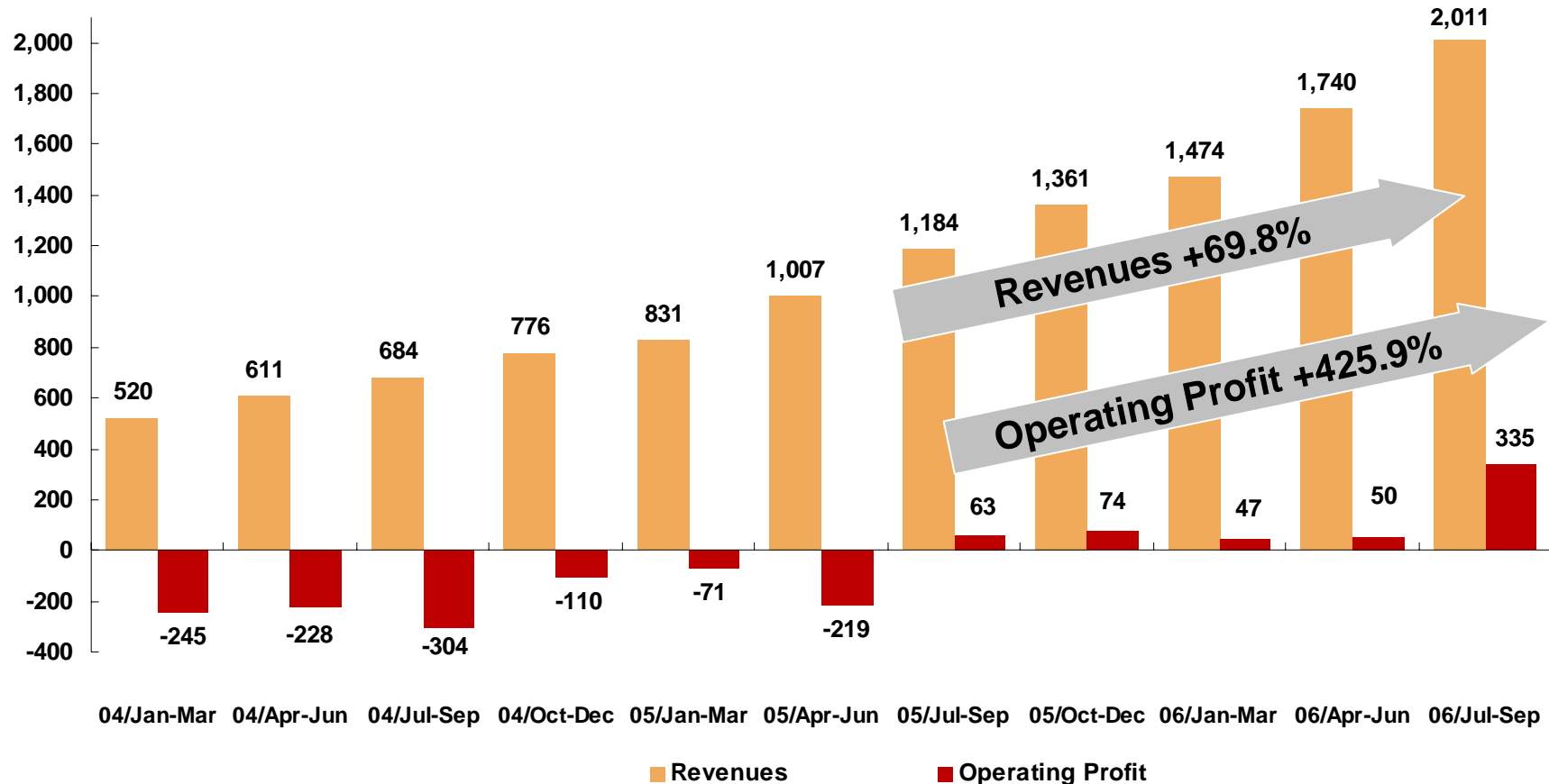
* Business segment changed, Entertainment Business excluded from 05/1Q

Personal Finance Business (Rakuten Credit) Revenues and Operating Profit

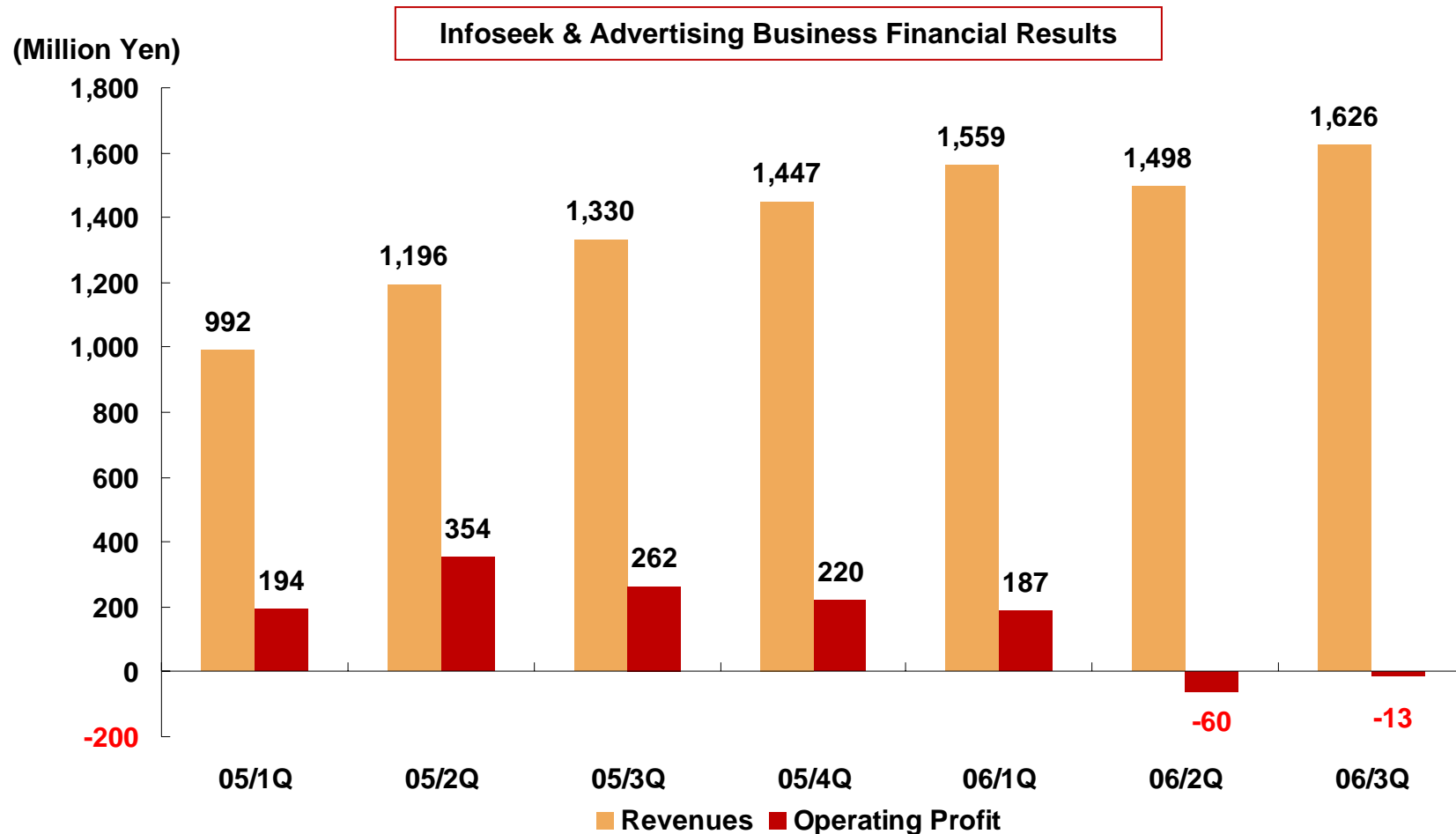


Revenue Growth +69.8% YoY, +15.6% QoQ
Remained profitable in 3Q of 2006 after profitable 2Q

(Million Yen)



Infoseek & Advertising Business Revenues and Operating Profit



* Gap in results between Infoseek & Advertising Business and Portal & Media Segment in Consolidated Financial Statements is Advertising Agency Business (Target., Inc), Staffing Business (College Students' Portal Community., Inc), Research Business(Rakuten Research, Inc), Blog Business, Internet TV Business, and Publishing Business (Rakuten., Inc)

Income Statement

(Billion Yen)

	2006(4-6) 2Q	2006(7-9) 3Q
Revenues	19.0	16.4
Operating Expense	19.5	25.0
SG & A	17.3	22.9
Interest Expense	2.1	2.1
Operating Profit	-0.4	-8.6
Non-Operating Profit	0.0	0.0
Ordinary Profit	-0.4	-8.6
Extraordinary Profit (Loss)	-4.4	-29.1
Earning Before Tax	-4.8	-37.7
Provision for income taxes	-1.8	-5.0
Net Income	-3.0	-32.7

Business Unit and Financial Segment



EC Business
Rakuten Ichiba* ²
Greeting Service * ²
Business Service * ²
Stuffed Animal Greeting Cards * ²
Golf * ²
Auto * ²
Delivery * ²
Books & Media
Auction
Fine Wine
Dining
Tickets
LinkShare

Portal and Media Business
Infoseek
Advertising
Blog
Research
Staffing
Target
Downloads
CS Television
Internet Television
Cross Media

Travel Business
Travel

Credit and Payment Business
Personal Finance
KC

Securities Business
Securities
Capital Investments
Asset Management
Property Management

Pro Sports Business
Pro Sports

*1 Excluding Incubation Businesses

*2 E-Commerce businesses operated by Rakuten, Inc in 3Q/2006

4

Initiatives to Drive Growth: Incubation Business

- I. Use the Growth Management Program to foster growth in incubation businesses
- II. Secure a constant investment budget for incubation businesses
- III. Management of earnings after considering growth potential and strategic importance

Examples of incubation businesses

- Auctions
- Internet TV
- Mortgages
- Banks
- Small-amount short-term insurance
- Horse-racing malls

Incubation businesses—

Net sales:

About ¥200 million

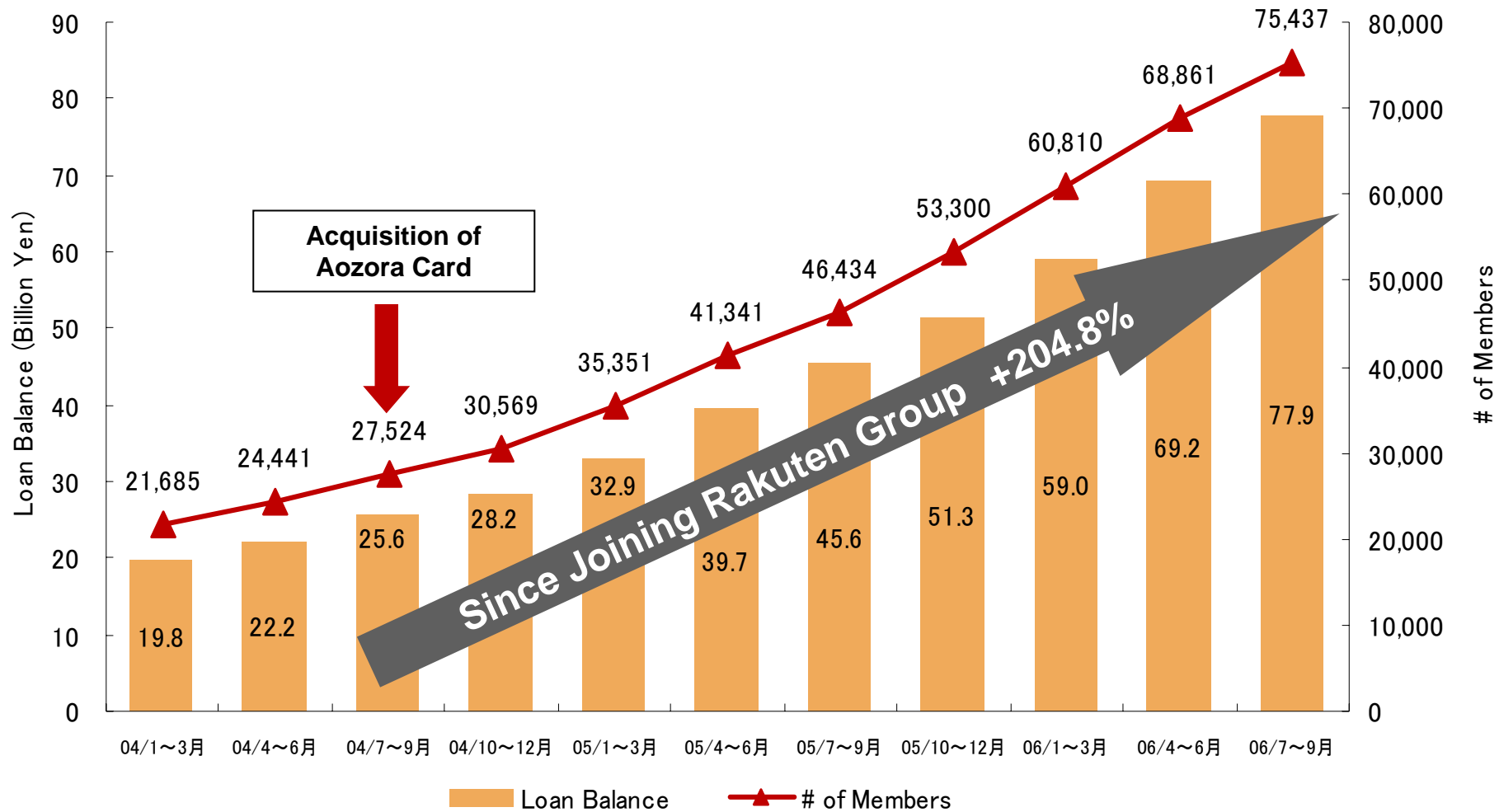
Marketing costs:

About ¥700 million

(2006 3Q)

Track Record of Incubation (1)

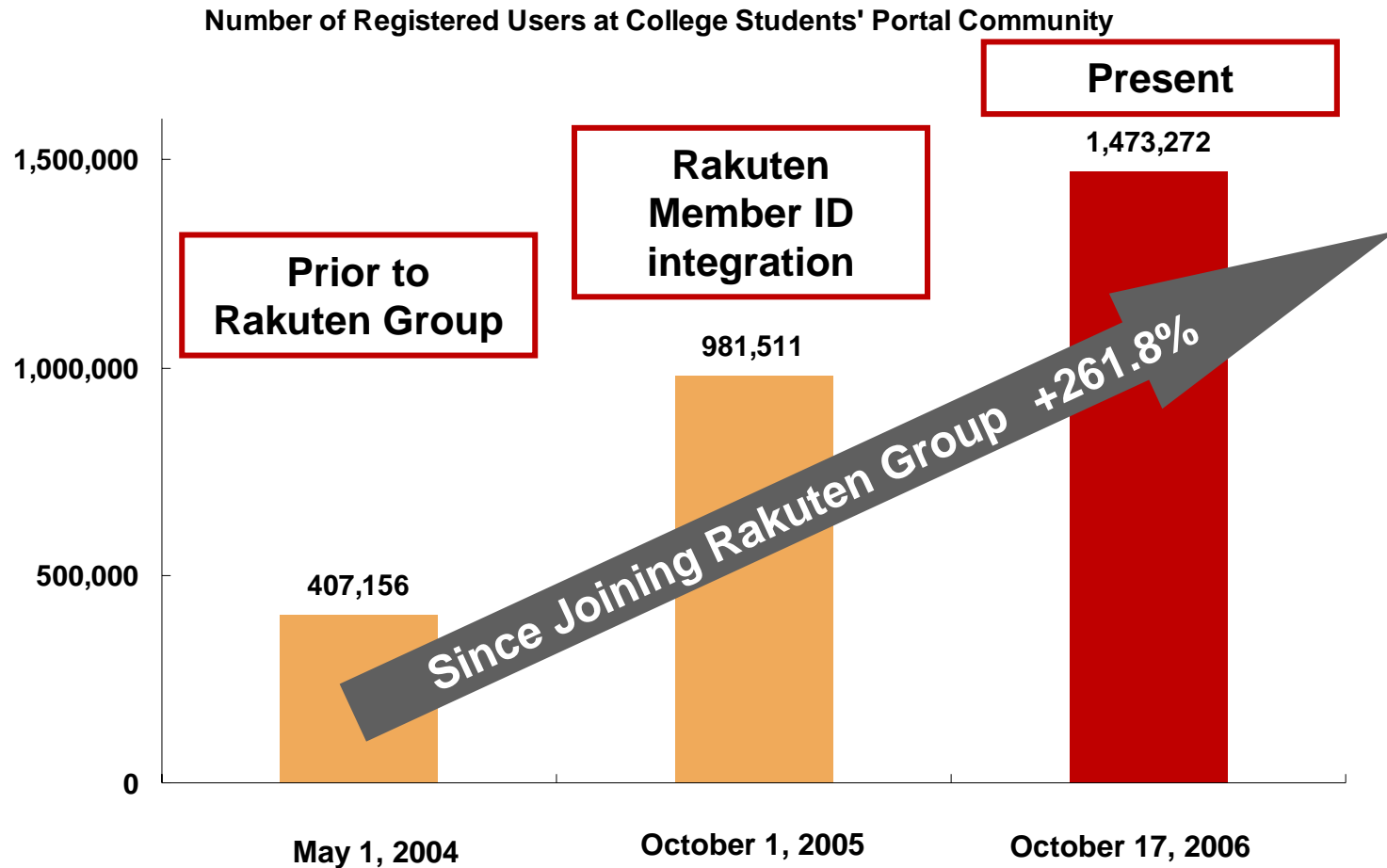
Loan Balance of Rakuten Credit Growth by 3x and more since Joining Rakuten Group in Sept 2004



Track Record of Incubation (2)



High Growth in Registered Users at College Students' Portal Community by approx. 3.6x



5 2006 Third Quarter: Consolidated Operating Results

Q3/06 Financial Highlights



■ Core businesses grew steadily



- Rakuten Ichiba Business, both Gross Merchandise Sales (GMS) and number of store openings were strong; maintained growth trend to post YoY increases of +55.2% and +47.6% in net sales and operating income, respectively.
- Travel Business maintained high growth to post YoY increases of +50.2% in both net sales and operating income.

■ Rakuten KC business restructuring



- Contract signed for corporate separation
- Booked a one-time loss accompanying business restructuring

■ Launched measures to improve profitability

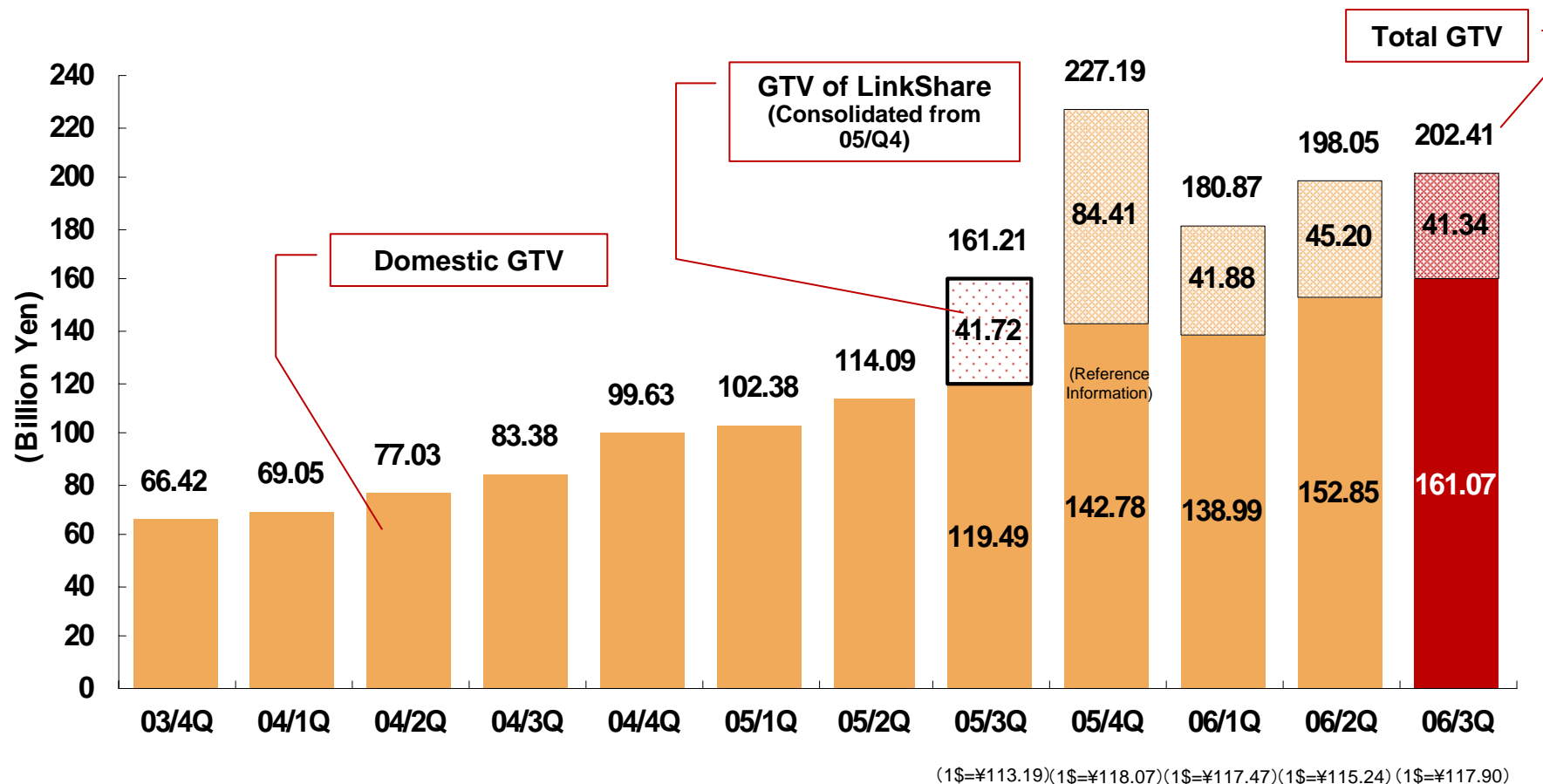


- Curbed advertising and sales promotion expenses
- Reduced personnel recruiting costs

Group Gross Transaction Value



Continuous Growth in E-Commerce and Travel Businesses
Approaching 1 Trillion Yen on an Annualized Basis

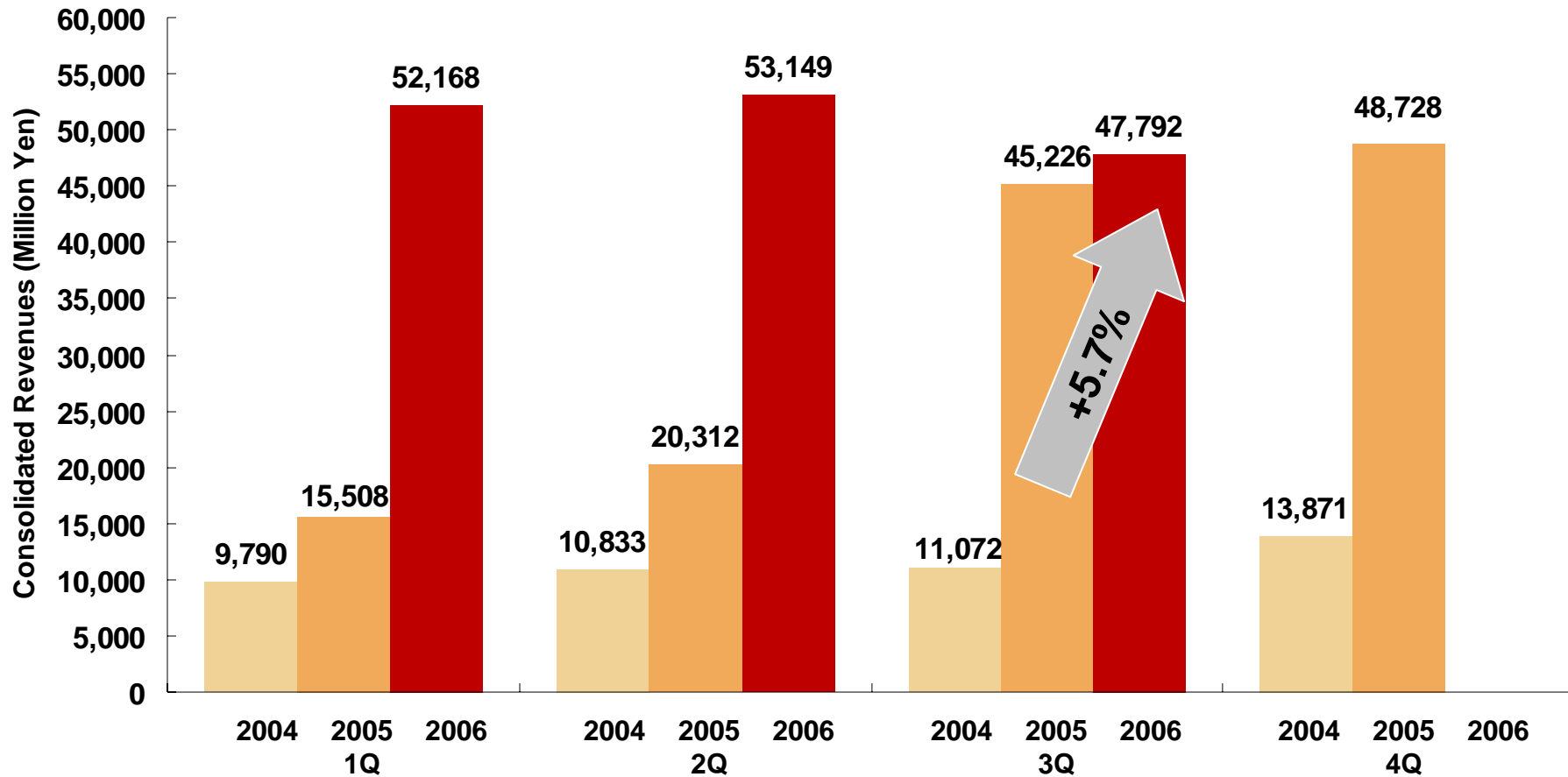


- * GORA (from Sept 2003), MyTrip.net (from Oct 2003), Rakuten Download (from Jan 2004), Digipa Networks (from Apr 2004) are included
- * Overseas hotel bookings and international air ticketing included from 05/1Q, Rakuten Bus Service Inc. included from 05/4Q
- * International dynamic packaging of Rakuten Travel included from 06/1Q

Quarterly Consolidated Revenues



06/3Q Revenues Growth +5.7% YoY

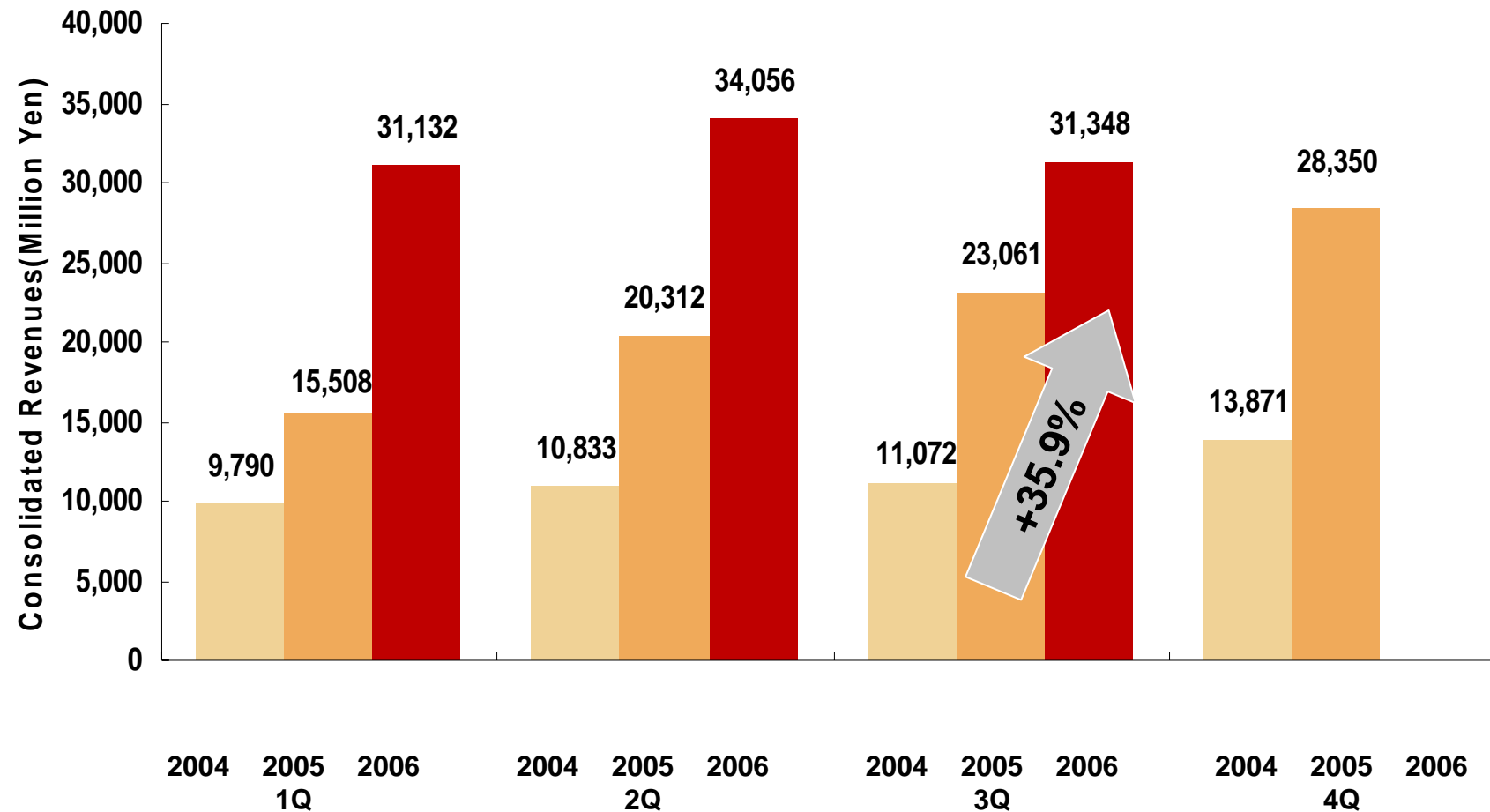


* Rakuten KC consolidated from 05/3Q

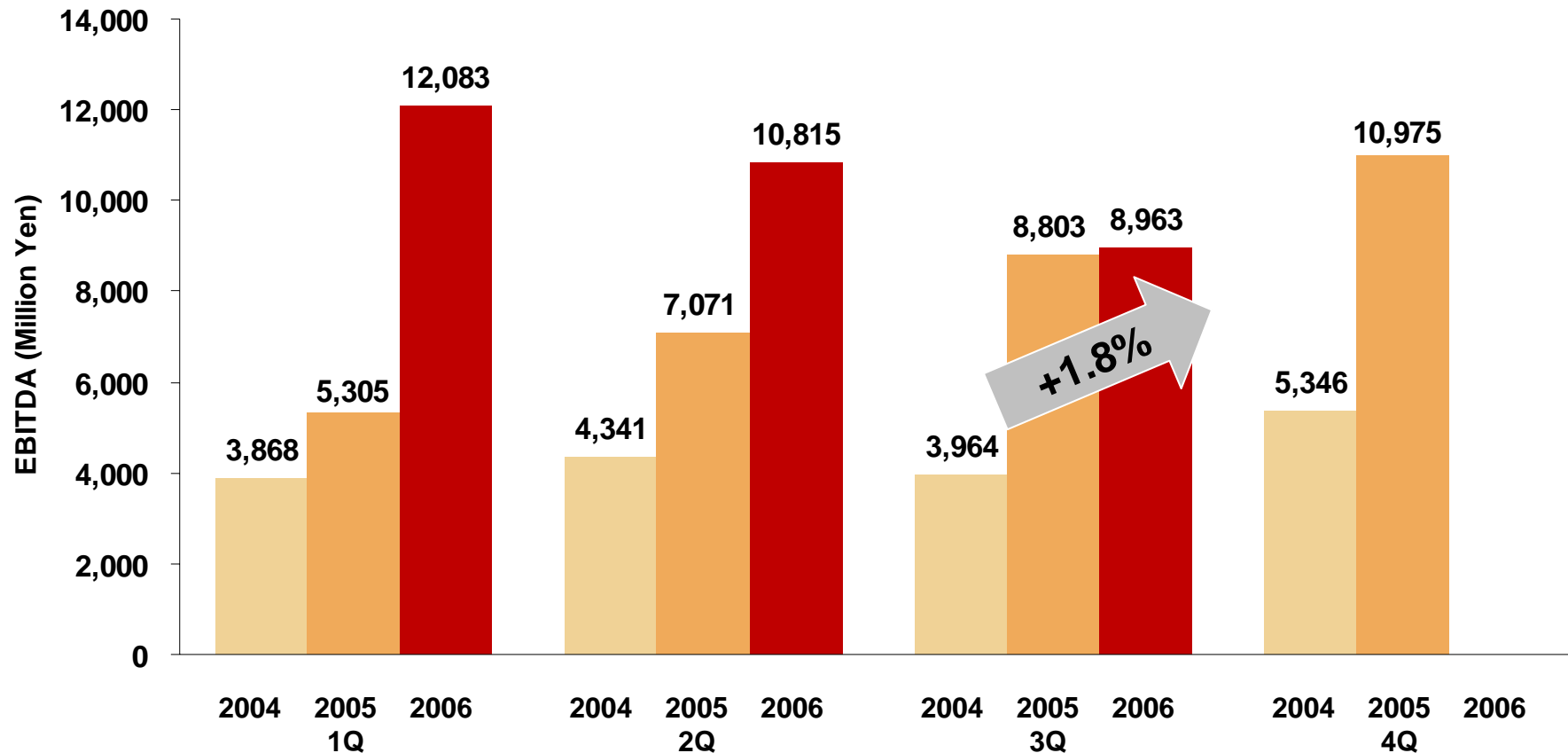
Quarterly Consolidated Revenues (excl. Rakuten KC)



06/3Q Revenues excluding Rakuten KC Growth +35.9% YoY



06/3Q EBITDA excluding Rakuten KC Growth 1.8% YoY

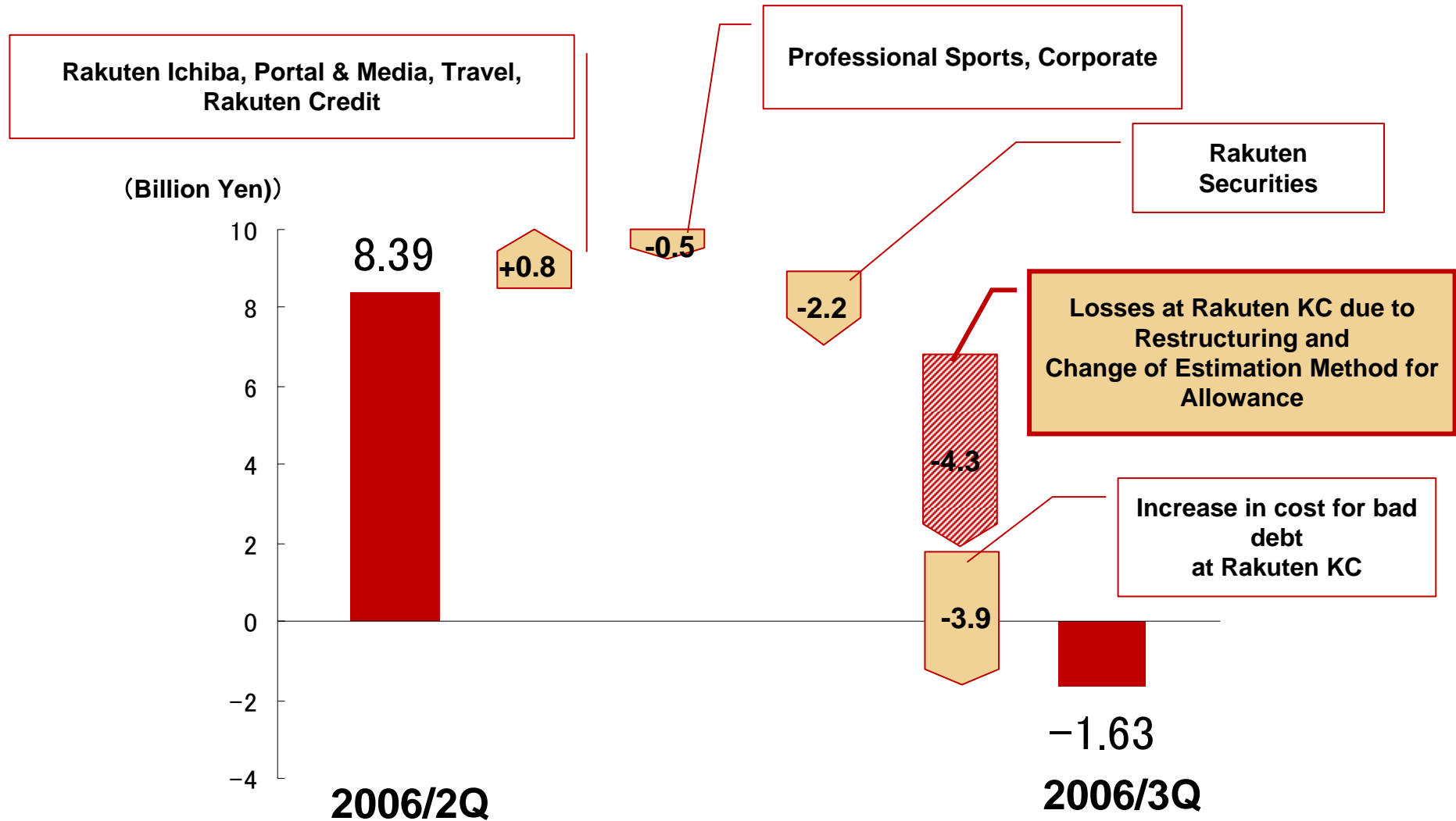


* EBITDA = Operating Profit + Depreciation and amortization (recorded as operating costs)

Operating Profit: QoQ Comparison



Operating Losses Incurred Mainly due to Restructuring and Change of Estimation Method for Allowance at Rakuten KC



- I. Reviewed development projects in each business unit
 1. Preserved growth drivers in priority business units
 2. Curbed increase in development expenses by reviewing outsourcing

- II. Optimum deployment of personnel resources
 1. Significantly reduced recruitment of new personnel
 2. Achieved optimum personnel deployment by actively transferring personnel within the Group
 3. Reduced costs associated with recruiting personnel and curbed increase in personnel expenses

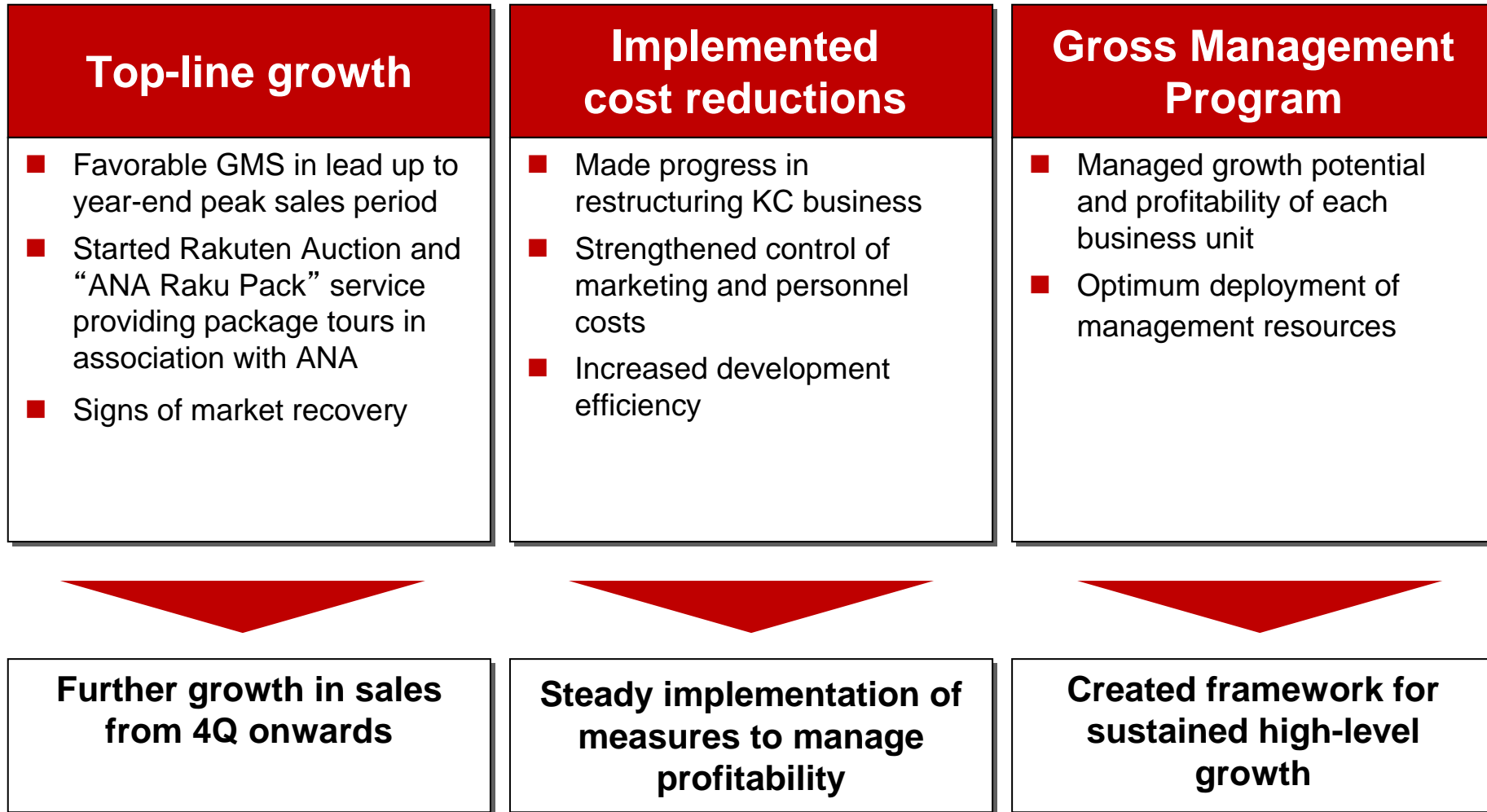
- III. Formulated highly cost-effective marketing plans
 1. Overhauled promotional point-based campaigns
 2. Strengthened use of media inside the Group

- IV. Strengthened system to collect Rakuten KC's loans
 1. Increased personnel involved in loan collection by 80
 2. Built medium-term system—including integrating collection bases and reviewing collection methods

Substantial Improvement Projected for Operating Results From Bottom in 3Q



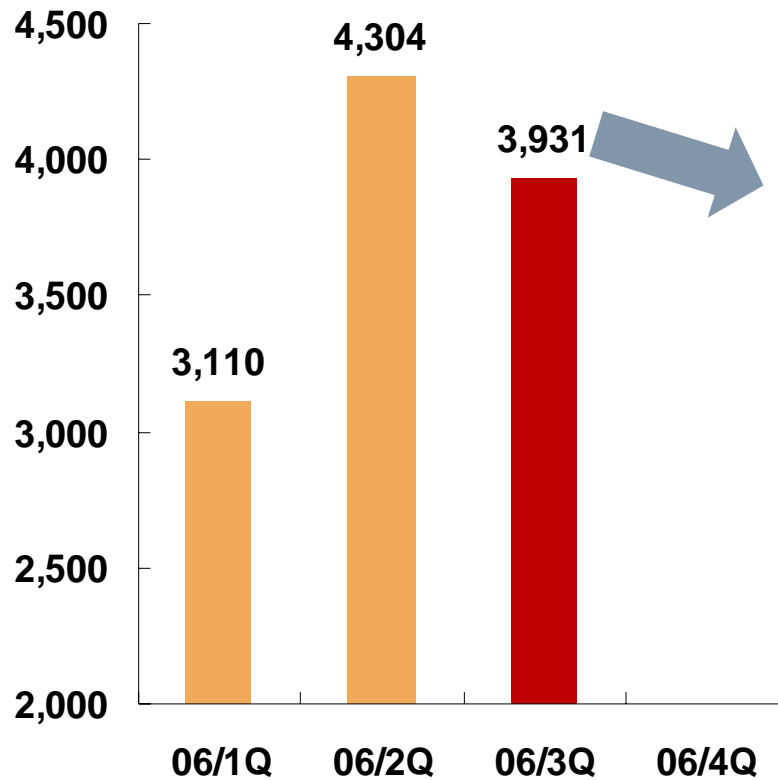
Steady implementation of short-term measures and introduction of framework for medium-term earnings growth



Success in Curbing Personnel and Marketing Expenses Increased in Q2

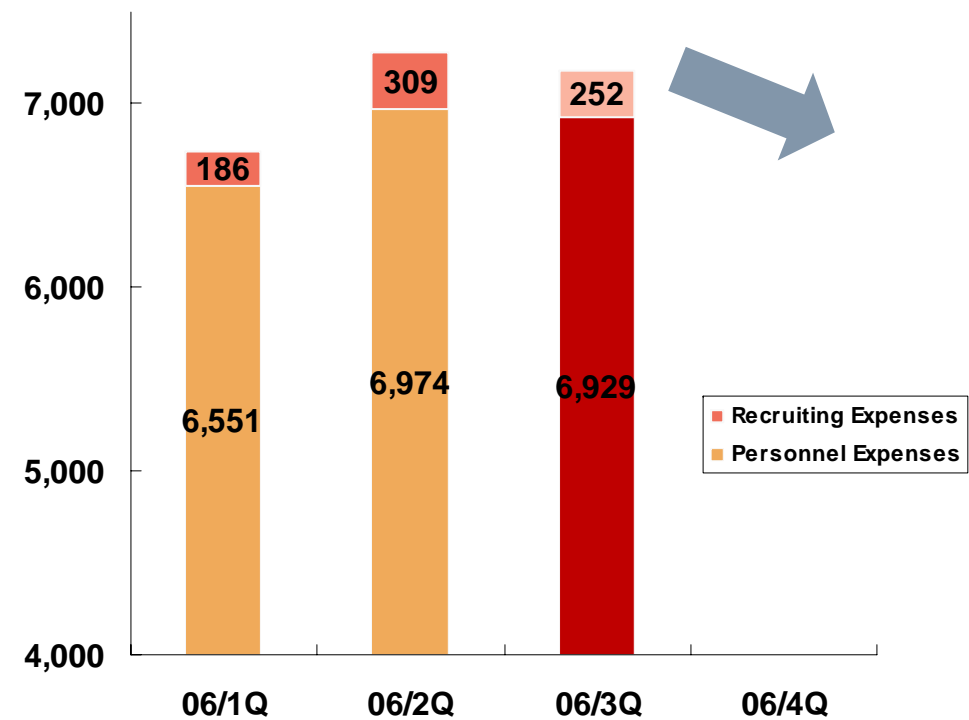
(Million Yen)

Advertising/Sales Promotion Expenses



(Million Yen)

Personnel and Recruiting Expenses



6

Main Business Unit Topics

1. Rakuten Ichiba Business
2. Auction Business
3. KC Business
4. Personal Finance Business
5. Travel Business
6. Securities Business
7. Infoseek Business
8. Professional Sports Business

6-1 Rakuten Ichiba Business

■ Both GMS and number of store openings steady; no obstacles to growth rate



- Rakuten Ichiba GMS maintained growth trend to post YoY rise of +38.5%
- Tenth-Anniversary GANBARE! Plan was successful in increasing number of new store openings by 22% YoY to 2,592
- Opened fifth branch office in Sapporo

■ Steady increase in number of unique buyers



- Number of unique buyers surpassed 4 million per quarter; maintained average amount spent per customer

■ Maintained high growth in earnings

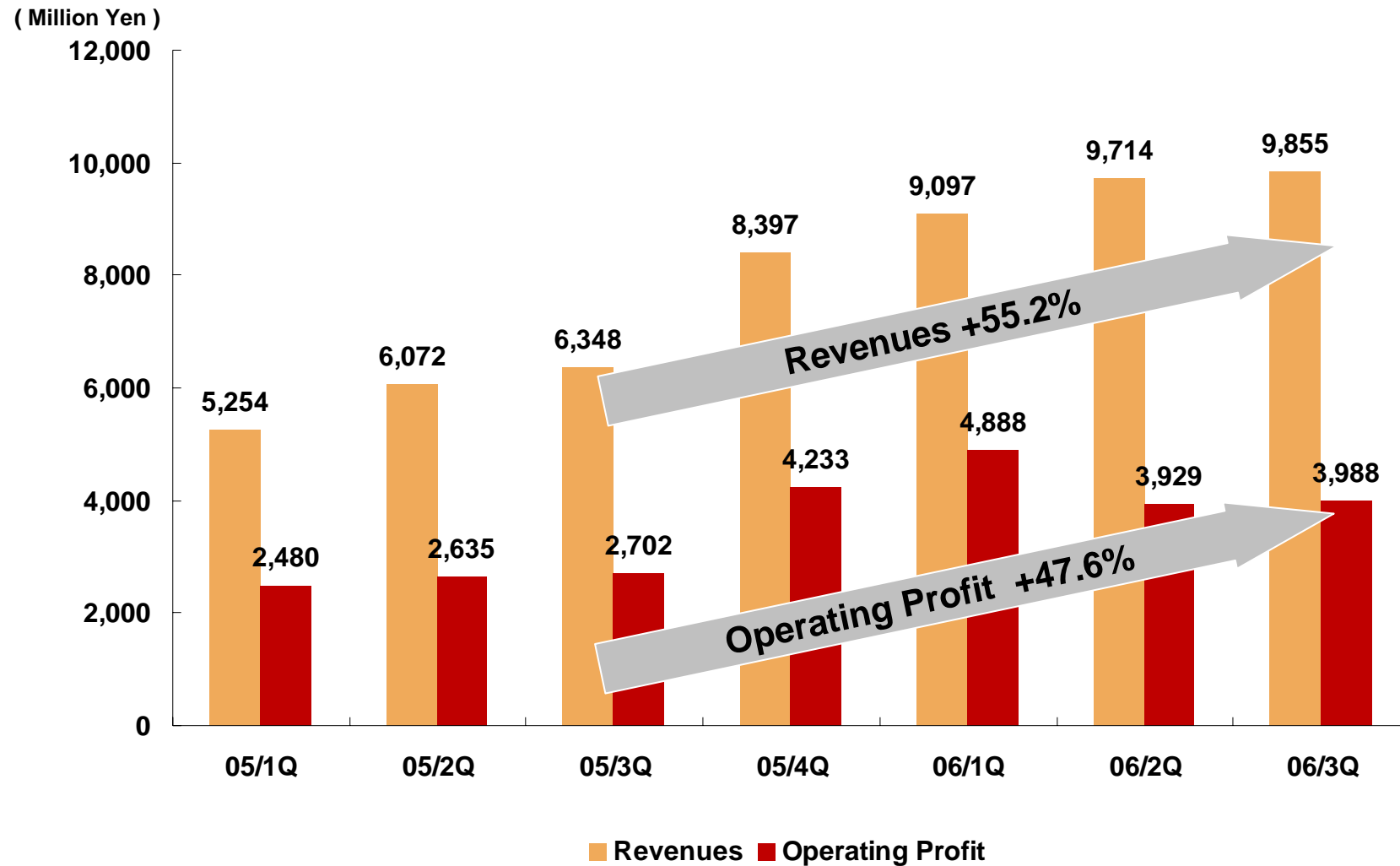


- Posted YoY increases in net sales and operating income of +55.2% and +47.6%, respectively
- Also posted increase in earnings compared to previous quarter

Rakuten Ichiba Business Revenues



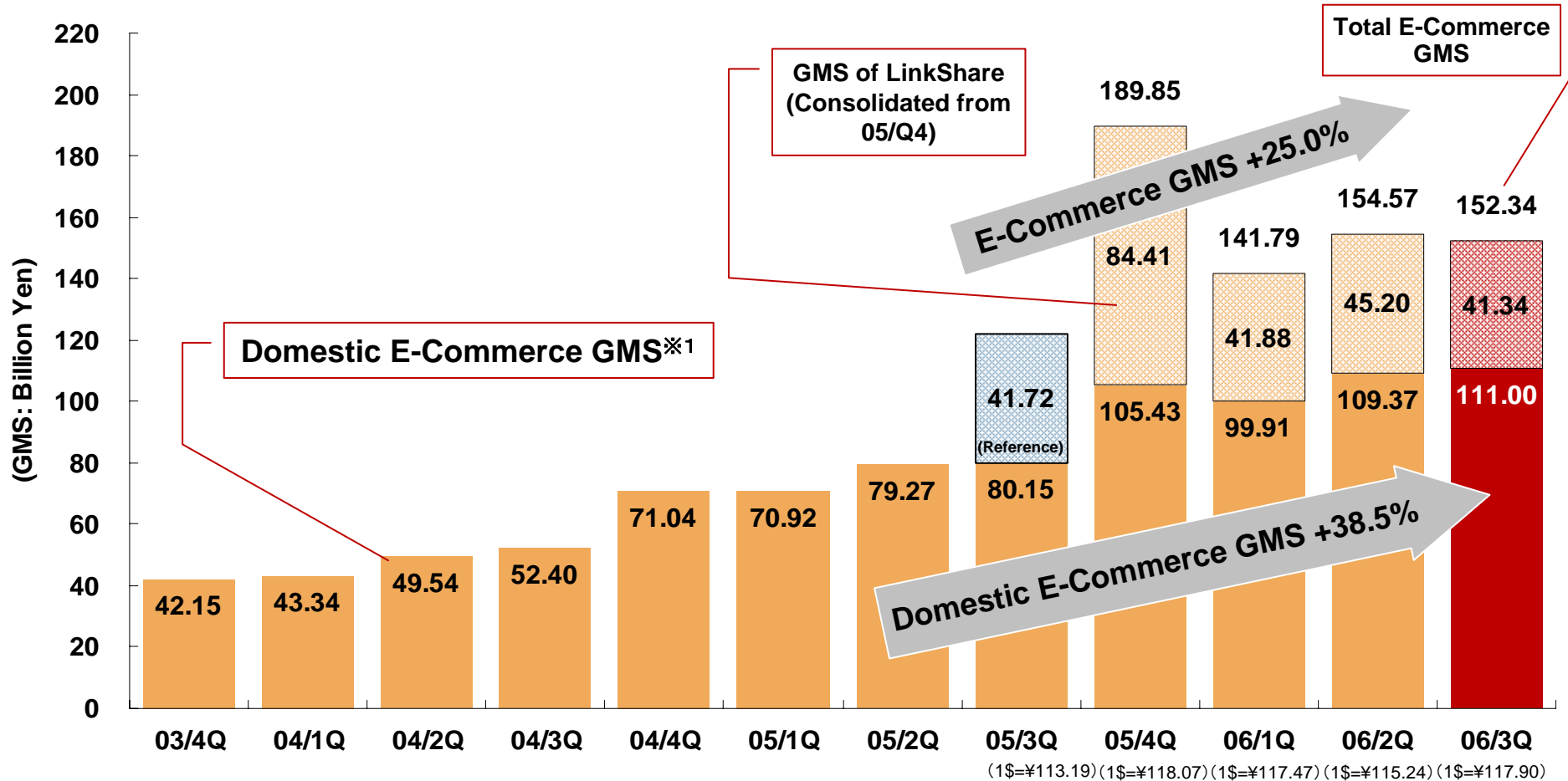
Revenues +55.2%(YoY), Operating Profit +47.6(YoY)



* Gaps between "Rakuten Business" , 97 page and above are E-commerce businesses operated by Rakuten, Inc for Golf, Finewine, Auto and Dining.

Gross Merchandise Sales (E-Commerce Business)

**GMS Growth YoY +25.0% (including LinkShare),
Domestic E-Commerce GMS +38.5%**



* GMS = Mall (Fixed Price, Super Auction, Group Buy), Flea Market, Mobile, Business Service, Golf, Books. From Sept 03 GORA included, From 04/Q1 Rakuten Download included

* Change made in business segment, Entertainment Business included form 05/1Q

Rakuten Ichiba Buyer Metrics

(including mobile commerce, based on e-mail address)



	2005/1Q	2005/2Q	2005/3Q	2005/4Q	2006/1Q	2006/2Q	2006/3Q
Unique Buyers ('000)	2,590	2,920	2,970	3,560	3,680	3,970	4,070
# of Transactions ('000)	6,720	7,920	7,940	10,060	10,260	11,790	11,650
Average # of Transactions per Buyer	2.6	2.7	2.7	2.8	2.8	3.0	2.9
Average Basket Price	¥9,300	¥8,800	¥8,800	¥9,400	¥8,800	¥8,300	¥8,500
Quarterly GMS Per Buyer	¥24,149	¥23,849	¥23,543	¥26,512	¥24,479	¥24,650	¥24,247

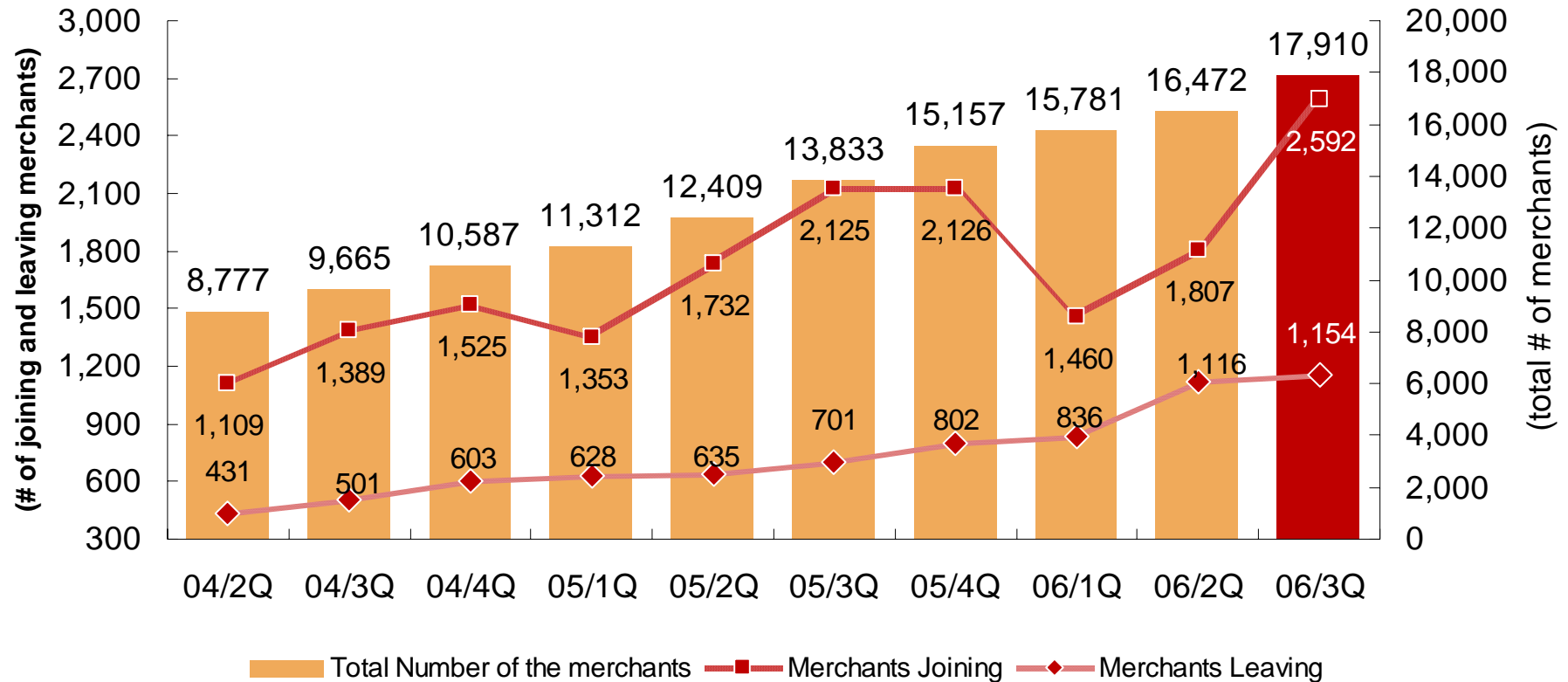
* Based on E-mail address

* Fixed-Price and Group Buy Purchase made at Rakuten Ichiba and mobile

Merchants Joining vs. Merchants Leaving



“Rakuten Tenth-Anniversary GANBARE! Plan”
 contributes to increase in number of new merchants



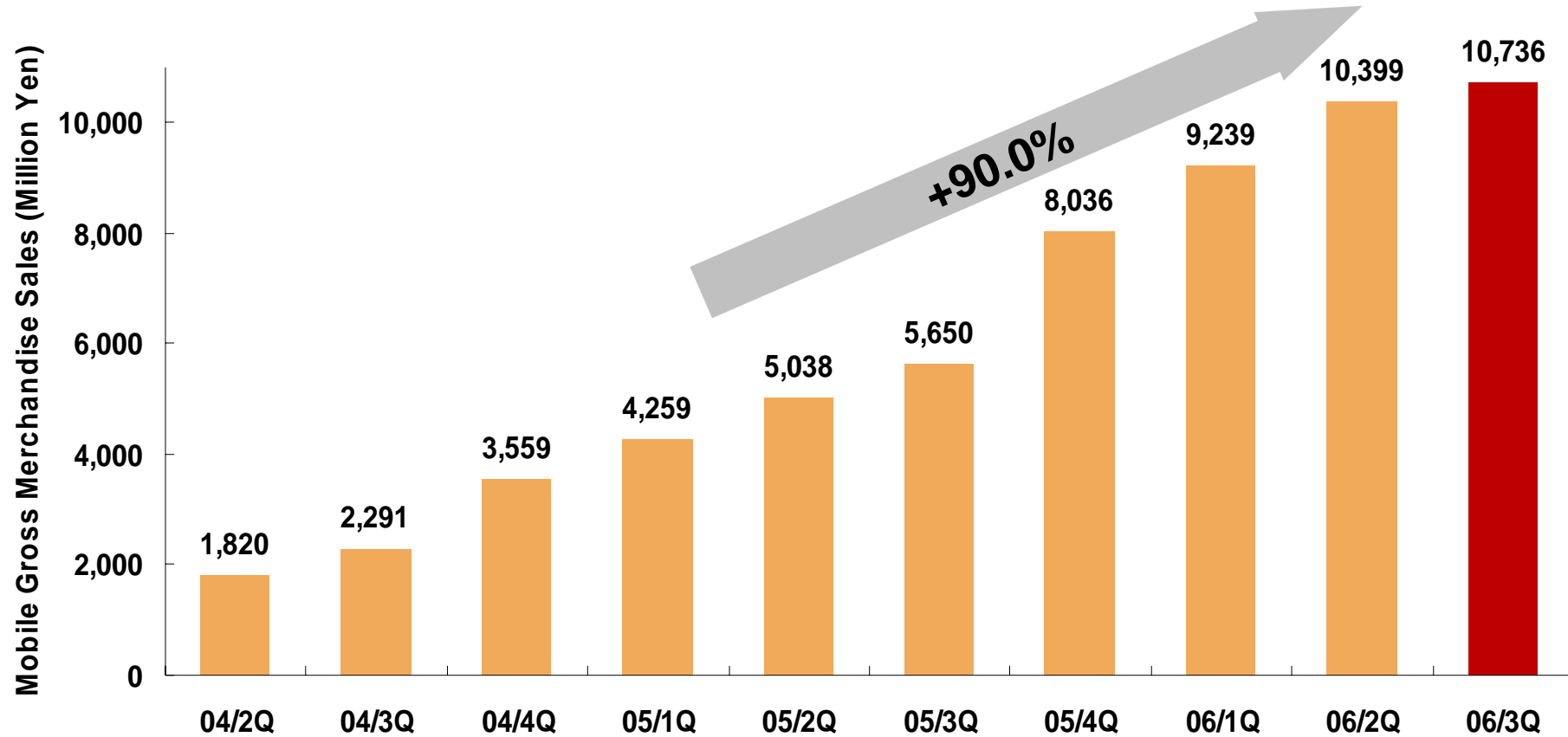
Merchants Joining vs. Merchants Leaving



**“Rakuten Tenth-Anniversary GANBARE! Plan”
contributes to increase in number of new merchants**

	Apr/06	May/06	Jun/06	Jul/06	Aug/06	Sep/06
Merchants Joining	437	645	725	1,001	806	785
Light, Premium light	337	497	320	109	50	58
GANBARE	-	-	291	837	750	670
Merchants Leaving	344	388	384	385	369	400
Light, Premium light	283	342	317	312	299	281
GANBARE	-	-	-	-	-	-
Total # of Merchants in Mall	15,874	16,131	16,472	17,088	17,525	17,910
Light, Premium light	6,254	6,409	6,412	6,209	5,960	5,737
GANBARE	-	-	291	1,128	1,878	2,548

Gross Merchandise Sales of Mobile Commerce Continues to Grow



6-2 Auction Business

楽天R天

NTT
Do Co Mo



Leading Internet services group with Japan's largest online shopping mall as its core service

No.1 Mobile Carrier in Japan

Rakuten Group Members: 35.58 million

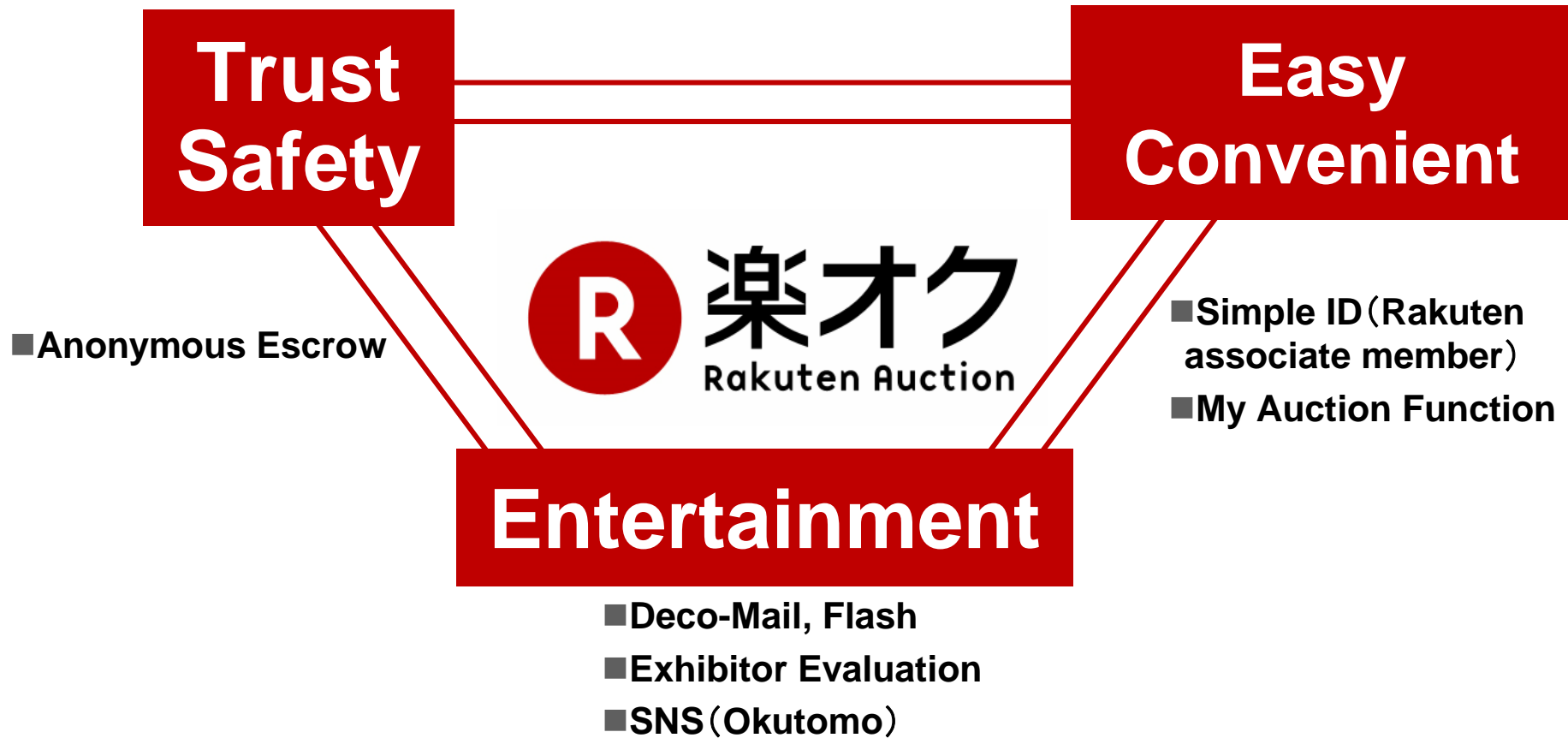
i-mode Users: 47 million*

100 Million People's Auction Revolution

R 楽天オーク
Rakuten Auction

※Rakuten Auction is available to approximately 29 million i-mode users with compatible FOMA handsets (as of the end of October should not be below line).

Solutions for Potential User's Problems Created
New Auction Service which Goes One Step Ahead.



Rakuten Auction's success to be achieved by strengthening triangular strategy

Strengthen Business Applications

- Make an even more robust Rakuten platform by leveraging possession of the world's leading eco-system

Strengthen Traffic

- Further increase the effectiveness of the network by making the auction No. 1 in terms of high viral penetration
- Further strengthen traffic by horizontal development of mobile services

Strengthen Membership Services

- Create new business opportunities by leveraging Rakuten's various membership services (credit card, points, etc.)

First CtoC Auction・SNS (Okutomo) in NTT Docomo i-mode Menu Site.



Model	Scope	Service	Service Fees
CtoC	(1) PC and i-mode	a. Rakuten Secured Trading b. My Auction* ²	<ul style="list-style-type: none"> ■ Monthly fixed fee: free (sellers/bidders)
	(2)i-mode	a. OKUTOMO (SNS) b. Easy-ID Bid* ² c. Notice of acceptance of bid by Deco Mail* ²	<ul style="list-style-type: none"> ■ Margin fee (per transaction, sellers burden): <ul style="list-style-type: none"> • From PC: 3.15% of transaction amount • From i-mode: Free
BtoC Auction by Merchants Rakuten Ichiba	PC and i-mode	Rakuten Super Auction	<ul style="list-style-type: none"> ■ Monthly fixed fee*⁴ : Same as Rakuten Ichiba ■ Margin Fee <ul style="list-style-type: none"> • PC: 2.1 ~ 5.25% of GMS*³ • i-mode: 3.15% ~ 5.25% of GMS

1 Including consumption tax

2 "Easy-ID Bid", "Deco Mail" and "My Auction" can be used at Rakuten Super Auction

3 Margin Fee varies on the merchant plan and monthly GMS

4 Monthly Fixed fee is common for fixed-price shopping and group-buying at Rakuten Ichiba.

6 -3 KC Business

■ Completed business restructuring (transfer of credit business)



- Transferred about ¥420 billion of credit business' operating assets to Orient Corporation (on November 1 through corporate separation)
- Total assets decreased from approx. ¥640 billion to approx. ¥340 billion

■ Booked a loss for July-Sept. quarter mainly due to impact of business restructuring



- Drop in operating revenues associated with corporate separation; booked an operating loss due to increase in allowance for bad loans
- Booked a business transfer loss, and a special loss associated with revision to method for estimating allowances and other factors

■ Toward a V-shaped recovery in the next fiscal year



- Rakuten Group synergies resulted in substantial YoY growth in shopping transaction volume in the card business, up 107.8%
- Improved delinquency collections
- Promoted greater efficiency in operating expenses

Income Statement

(Billion Yen)

	2006(4-6) 2Q	2006(7-9) 3Q
Revenues	19.0	16.4
Operating Expense	19.5	25.0
SG & A	17.3	22.9
Interest Expense	2.1	2.1
Operating Profit	-0.4	-8.6
Non-Operating Profit	0.0	0.0
Ordinary Profit	-0.4	-8.6
Extraordinary Profit (Loss)	-4.4	-29.1
Earning Before Tax	-4.8	-37.7
Provision for income taxes	-1.8	-5.0
Net Income	-3.0	-32.7

Reasons for QoQ change

- Lower Profitability of Transferred Credit Business
Revenues decrease, expenses remain
- Suspension of Securitization
Suspend to adapt for corporate separation
- Cost Increase for Bad-debt
Operating receivable increase

More conservative estimation method for allowance (7months-delinquency to 4months)

Temporal shortage of staff for collection due to early retirement plan

Special Losses for Business Restructuring



- Record special losses for restructuring and change of estimation method for allowance
 - 35.0 billion yen of capital injection from Rakuten for growth foundation (end of Sept.), Rakuten ownership share increase from 55% to 95%
- (Billion Yen)

Special Losses	2006 (Jul-Sept)	
Business transfer loss	18.9	Loss caused by restructuring (corporate separation) and related expenses
Addition to allowance for bad debt	6.3	Change of estimation method for allowance for bad debt* Before: equivalent to 7-months delinquency From July-Sept: equivalent to 4-months delinquency
Addition to allowance for interest repayment	4.0	Change of estimation method for allowance for interest repayment Allowance for future repayment by category based on the latest actual repayments (equivalent to 3.5 years on average)

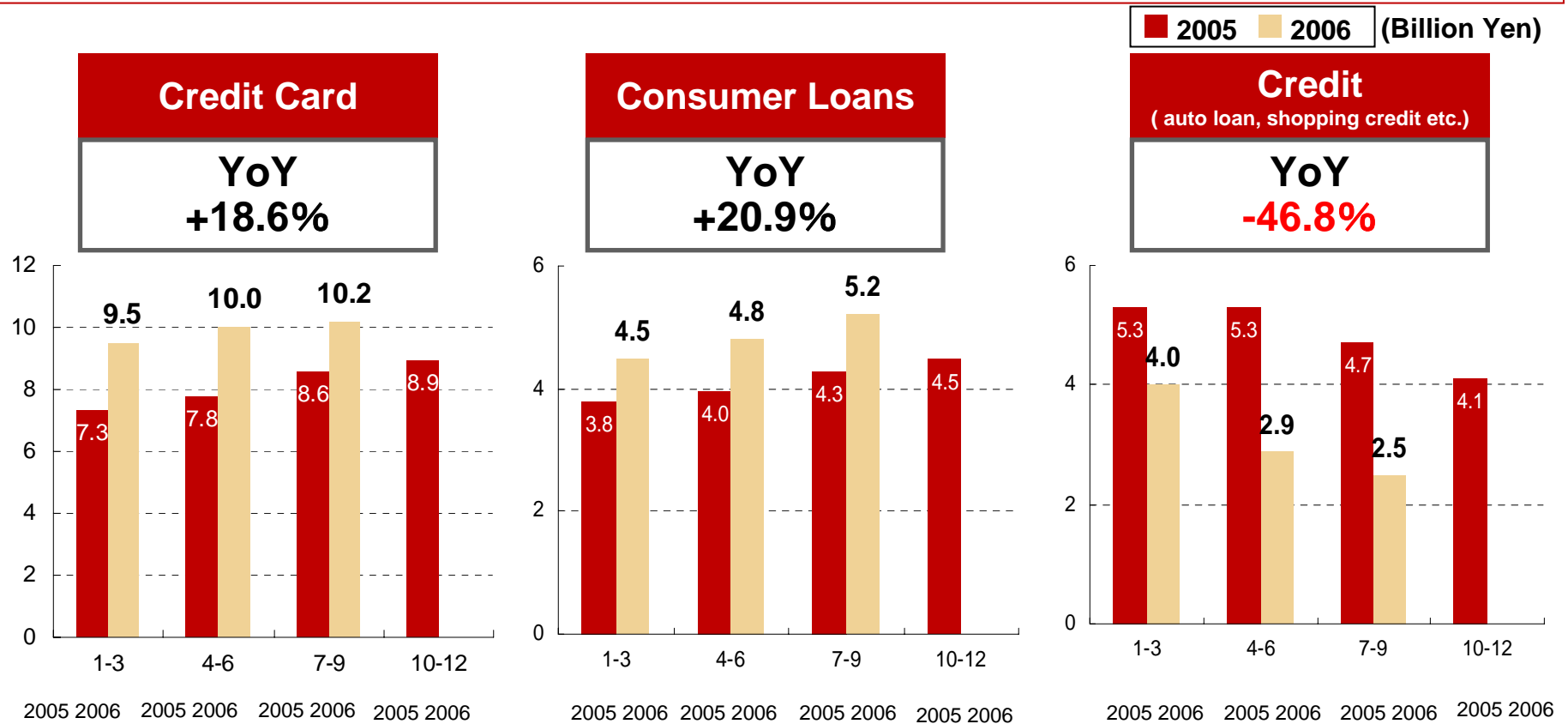
* Additions to allowance for bad debt due to the change in estimation method are 6.3 billion yen for the past recorded as a special loss and 1.4 billion yen for the current quarter as operating expense.

Rakuten KC Revenue Breakdown



Breakdown by Business

- Revenue increase in Credit Card business and Consumer Loans Business due to increase in gross sales and loan

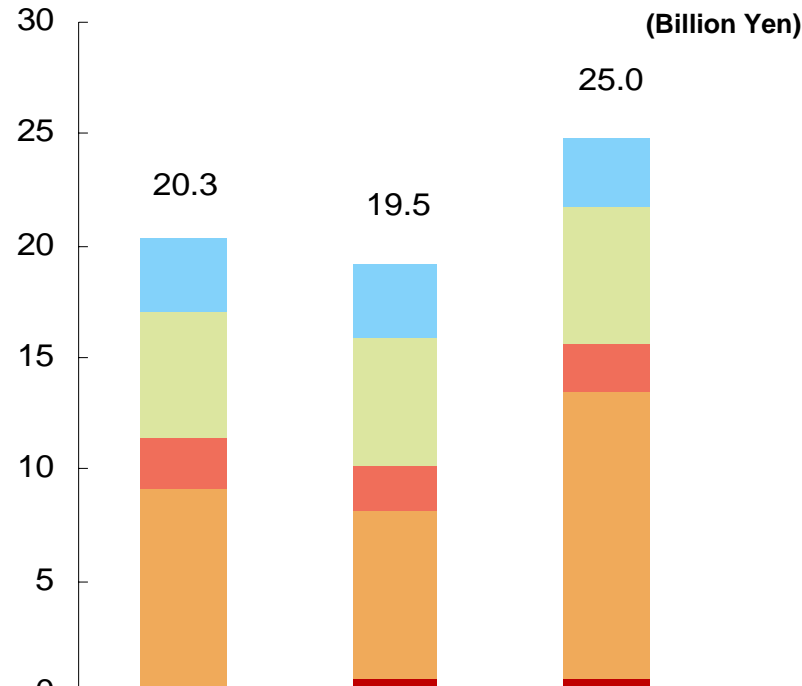


* Before securitization from installment account receivables

Rakuten KC Operating Expenses



Operating Expenses



	06/Jan-Mar	06/Apr-Jun	06/Jul-Sep	Outlook
Personnel cost	3.3	3.3	3.0	# of employees:1,400 (Nov.06) to 1,000 (future)
General expenses	5.5	5.7	6.2	Transfer to Orico, Close branches at KC (¥0.8 bn/Y)
Interest expenses	2.3	2.1	2.1	Interest bearing debt down from ¥399 bn to ¥294 bn
Cost for bad debt	8.9	7.5	12.9	¥2.9 bn/4Q transferred, To be reduced enhanced collection
Interest repayment	0.3	0.6	0.6	Allowance posted as special loss in Sept.06
Total	20.3	19.5	25.0	

*All the assumptions based on Jul-Sep Quarter

Causes of losses in Jun.-Sept.

■ Revenue down in Credit Business

■ Suspension of Securitization

■ Cost increase for bad debt



Initiatives to Recovery

■ Completed transfer (Nov.1)

■ Resumption of securitization

■ Enhance collection of loans

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■ Top-line growth

■ Reduction in personnel and general expenses

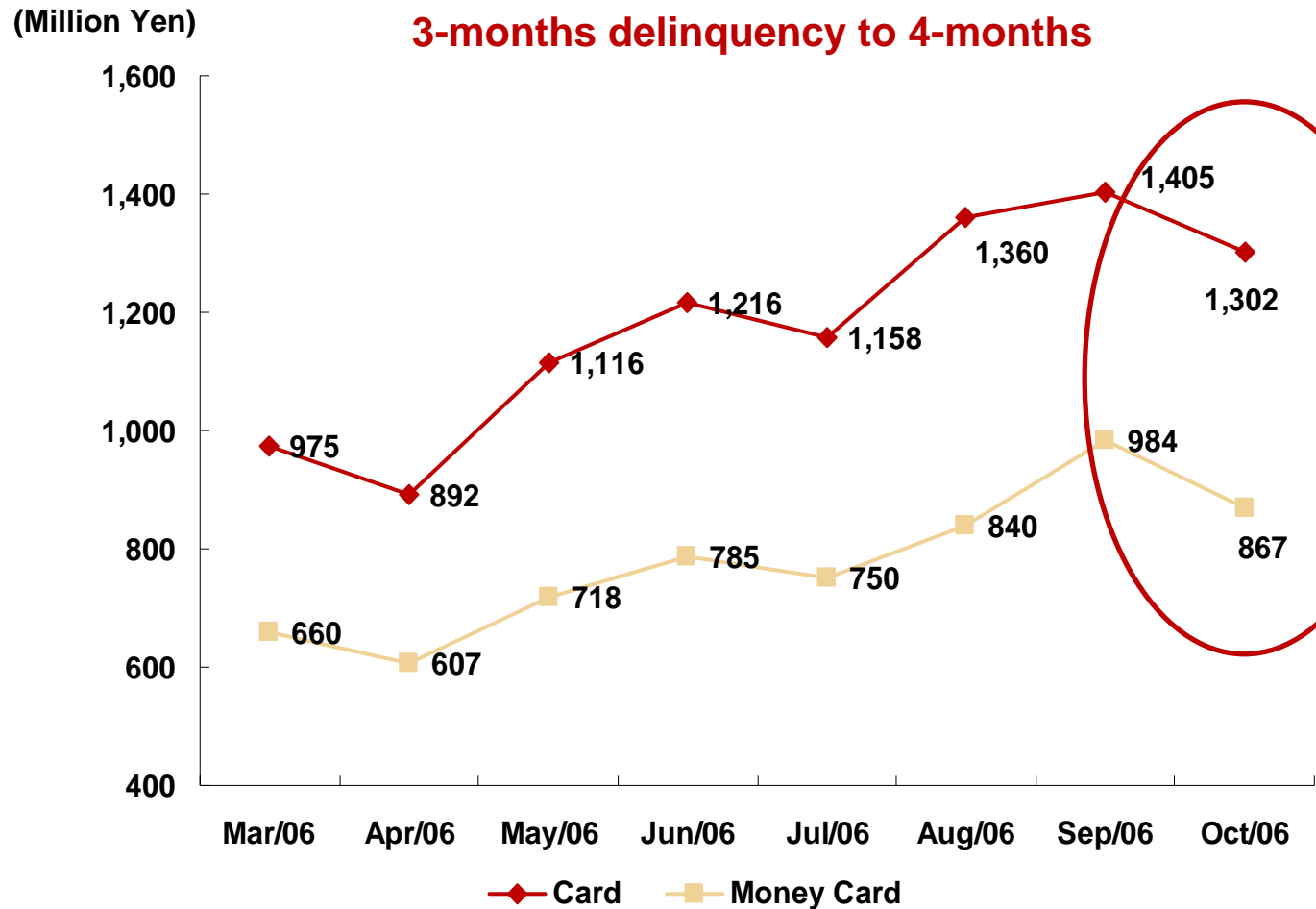
Improvement in Delinquency



Trends

■ Improve delinquency due to enhanced collection scheme

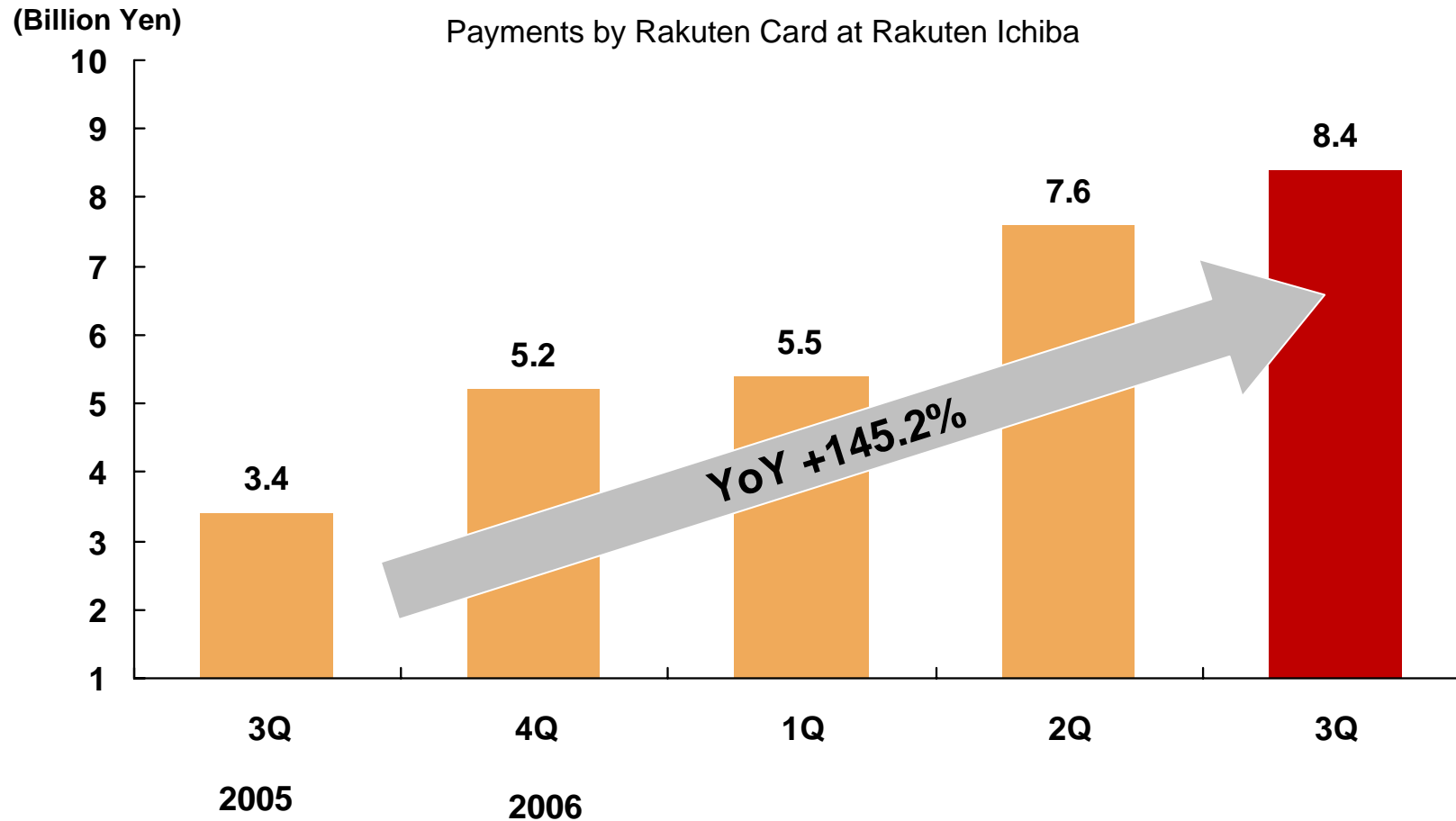
The amounts of loan assets shifted from 3-months delinquency to 4-months



Rakuten Group Synergy (1)



- Rapid increase of payments using Rakuten Card at Rakuten Ichiba by 2.5x

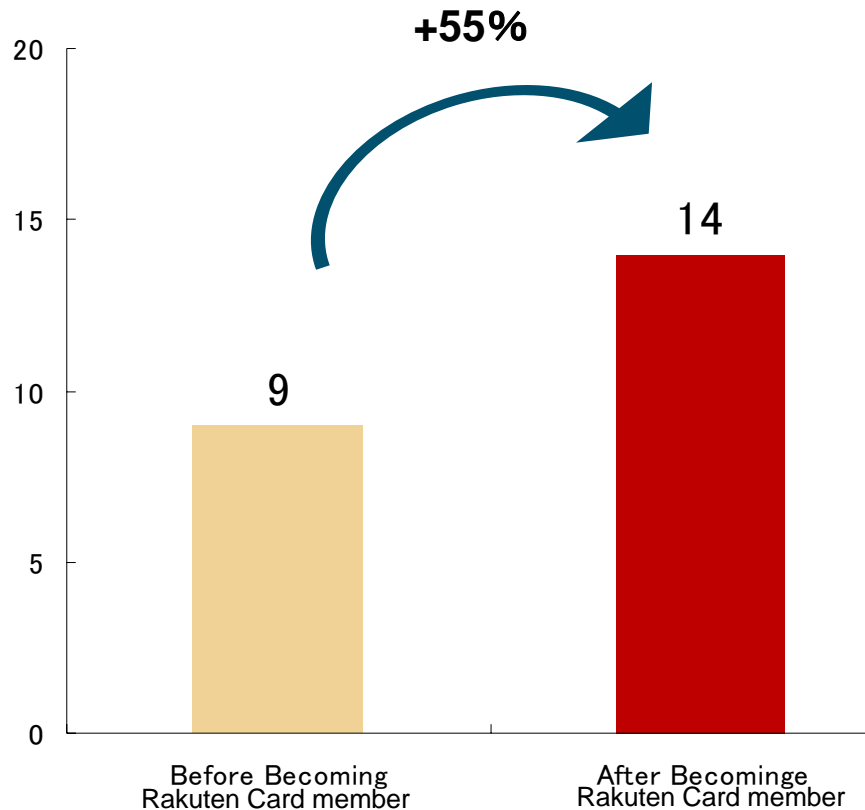


* Fixed-price purchase made at Rakuten Ichiba (PC and mobile)

* Sum of Rakuten cards issued by Sumitomo Mitsui Card Co., Ltd and Rakuten KC Co., Ltd

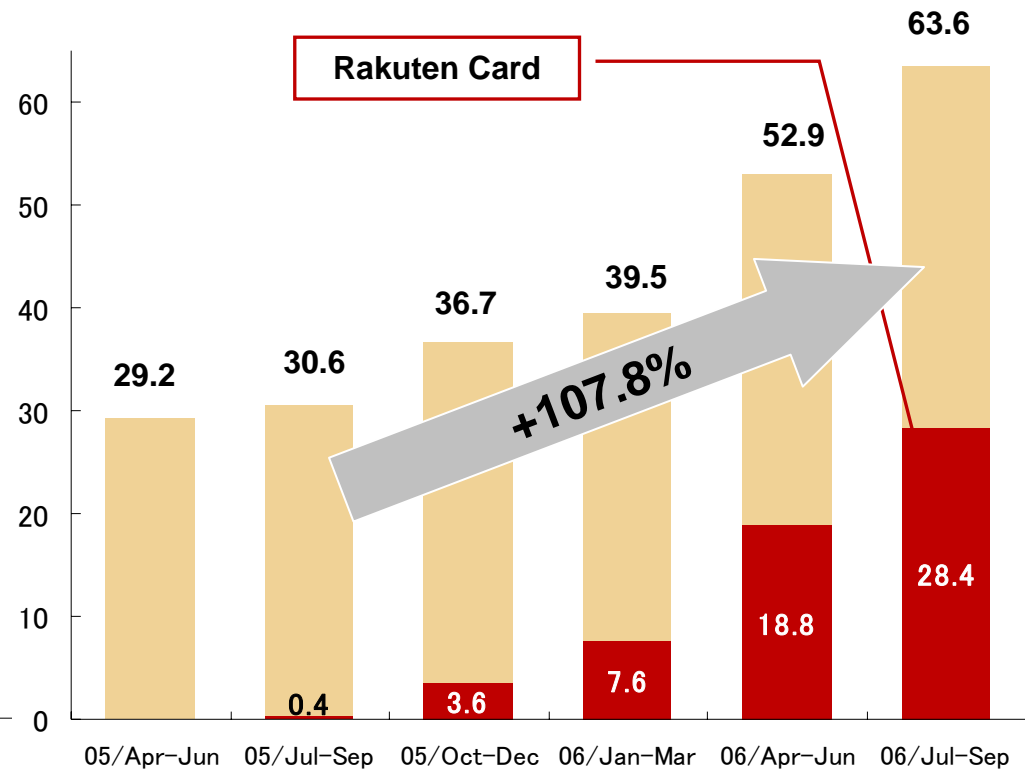
+55 % up in **GMS per user** at Rakuten Ichiba by becoming Rakuten Card member

GMS per user
(Thousand yen per Month)



Rapid Increase in Gross sales of Credit Card Shopping

(Billion yen)

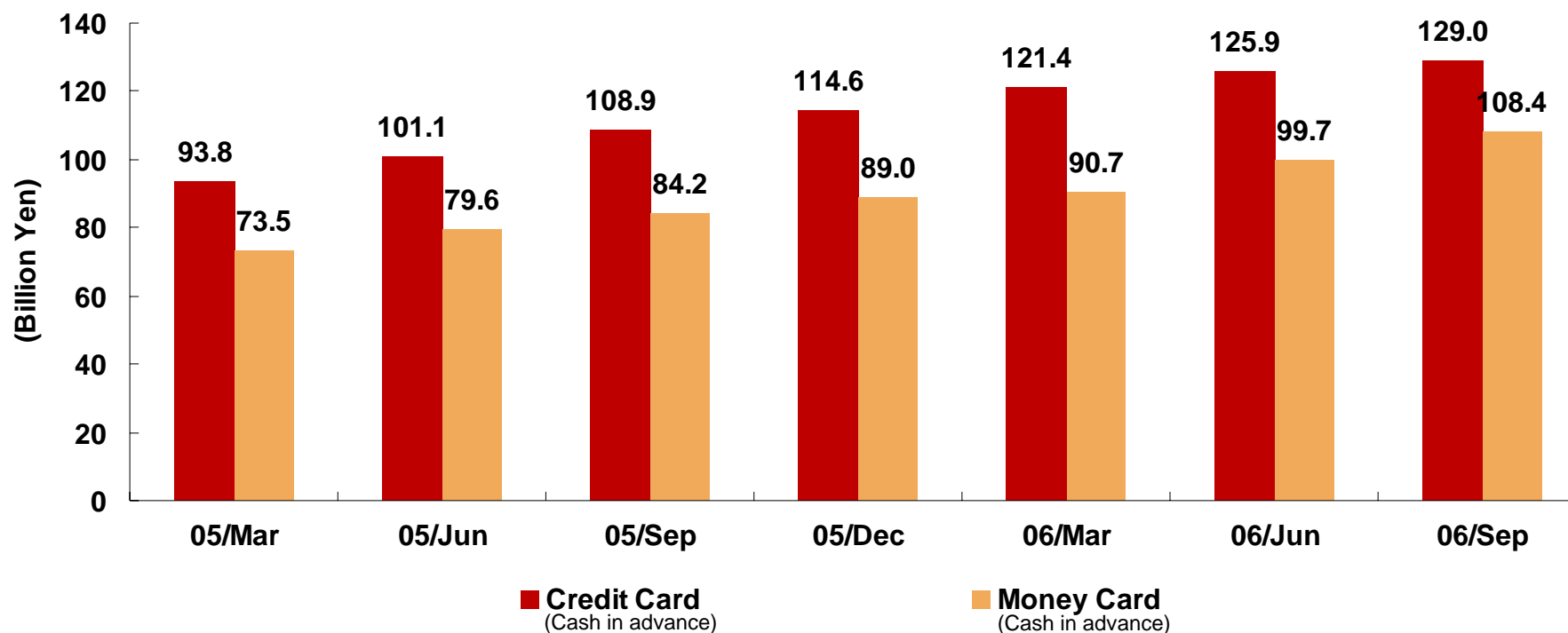


Rakuten KC Quarterly Results of Loan Balance



Loan Balance

■ Total loan balance at Sep 06 achieved over 230.0 billion yen



	Sep 06	Sep 05	YoY Change
Credit Card Loan Balance	129.0	108.9	+20.1 (+18.4%)
Money Card Loan Balance	108.4	94.2	+24.2 (+28.7%)

6 -4 Personal Finance Business
(Rakuten Credit)

■ Steady progress in obtaining customers via Rakuten Group



■ Percentage of new applications for Rakuten Credit obtained via Rakuten Group continued to exceed 23% on average

■ Substantial increases in both members and balance of loans due to new products with minimum interest rate of 7.0%



■ Total number of members up by +62.5% YoY
■ Balance of operating receivables up by +70.8% YoY

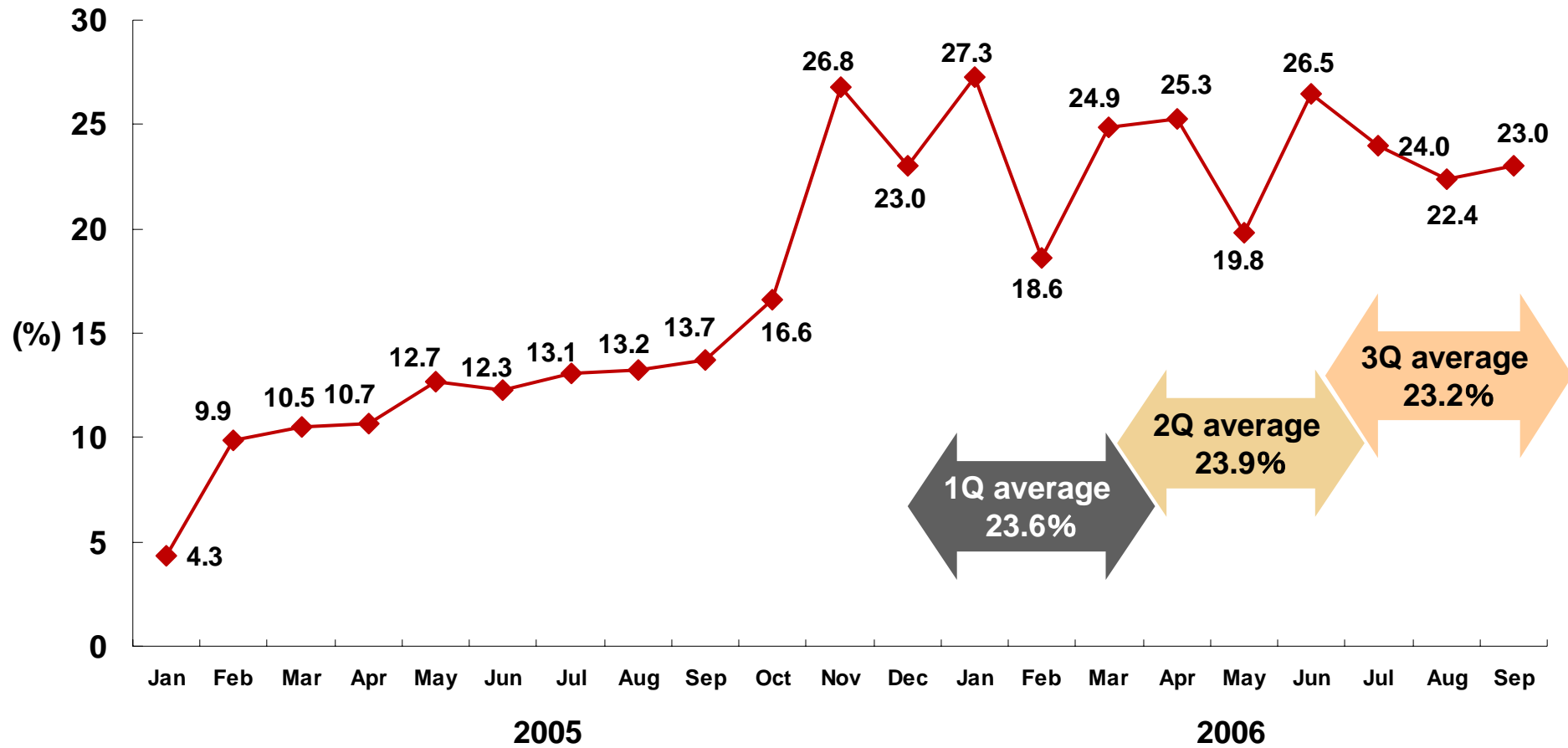
■ Also achieved steady growth in operating results



■ Operating revenue up by +69.8% YoY
Operating income increased about 5.3x YoY

Share of New Applications from Other Rakuten Services Remains at 23%

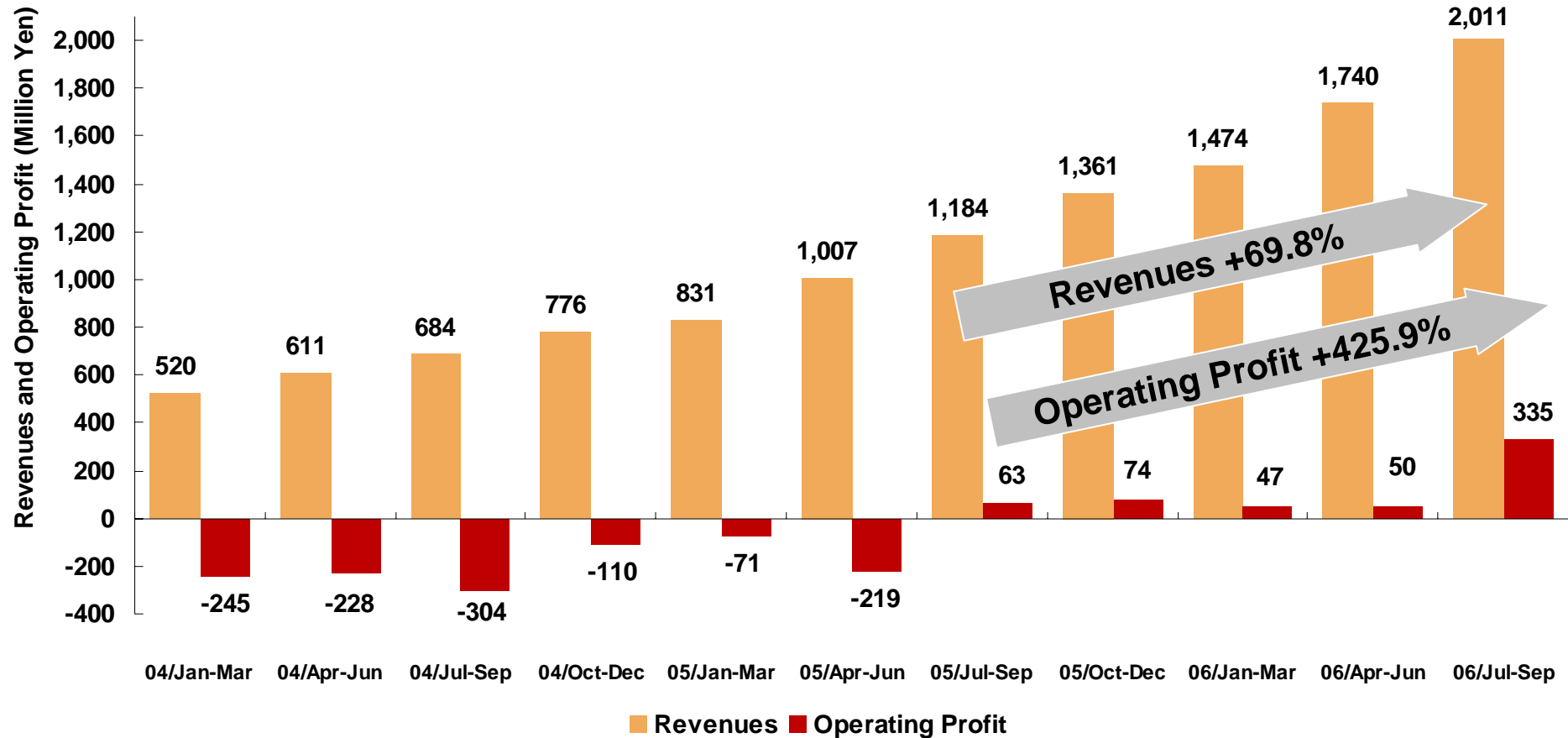
Share of New Applications from Rakuten Group



Rakuten Credit : Revenues and Operating Profit



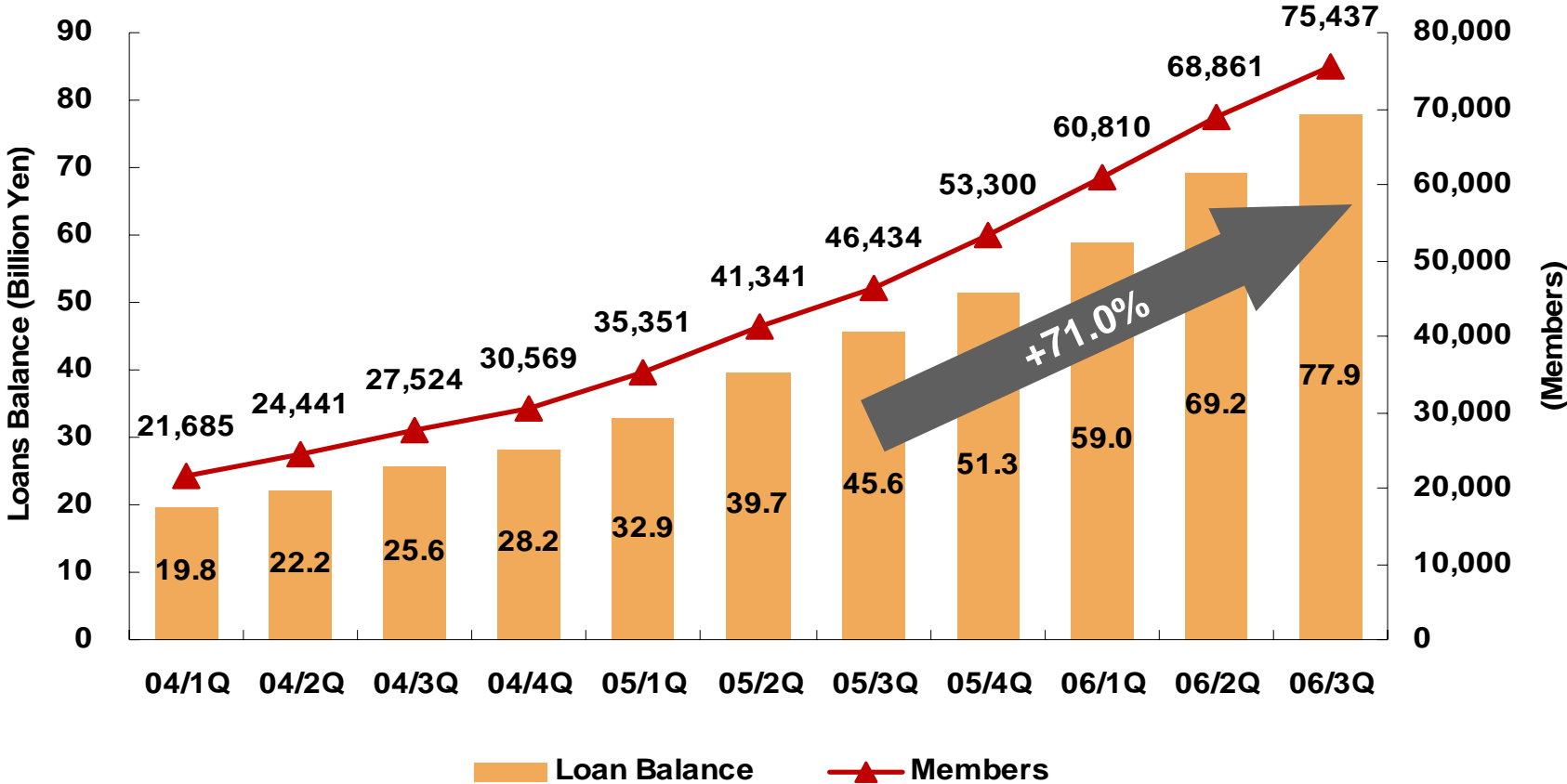
Revenue Growth **+69.8% YoY, +15.6% QoQ**
 Approx. 100M yen per Month in Operating Profit Continues from Jul. to Sept.



Rakuten Credit Loan Balance



Loans Balance Growth +71.0% YoY, Maintaining Rapid Growth



6 -5 Travel Business

Travel Business Highlights



■ Continued benefits from new contracts



- GTV from reservations up at +27.3% YoY
- Reservations made via mobile phones up at +59.7% YoY
- Also steady increase in number of contracted facilities

■ Progress toward establishing integrated travel agents through business alliances



- Started “ANA Raku Pack” service providing dynamic package tours in association with ANA; offered 12,000 packages on 900 flights
- Business alliance formed with LAWSON regarding use of “Loppi” terminals

■ Achieved steady earnings growth



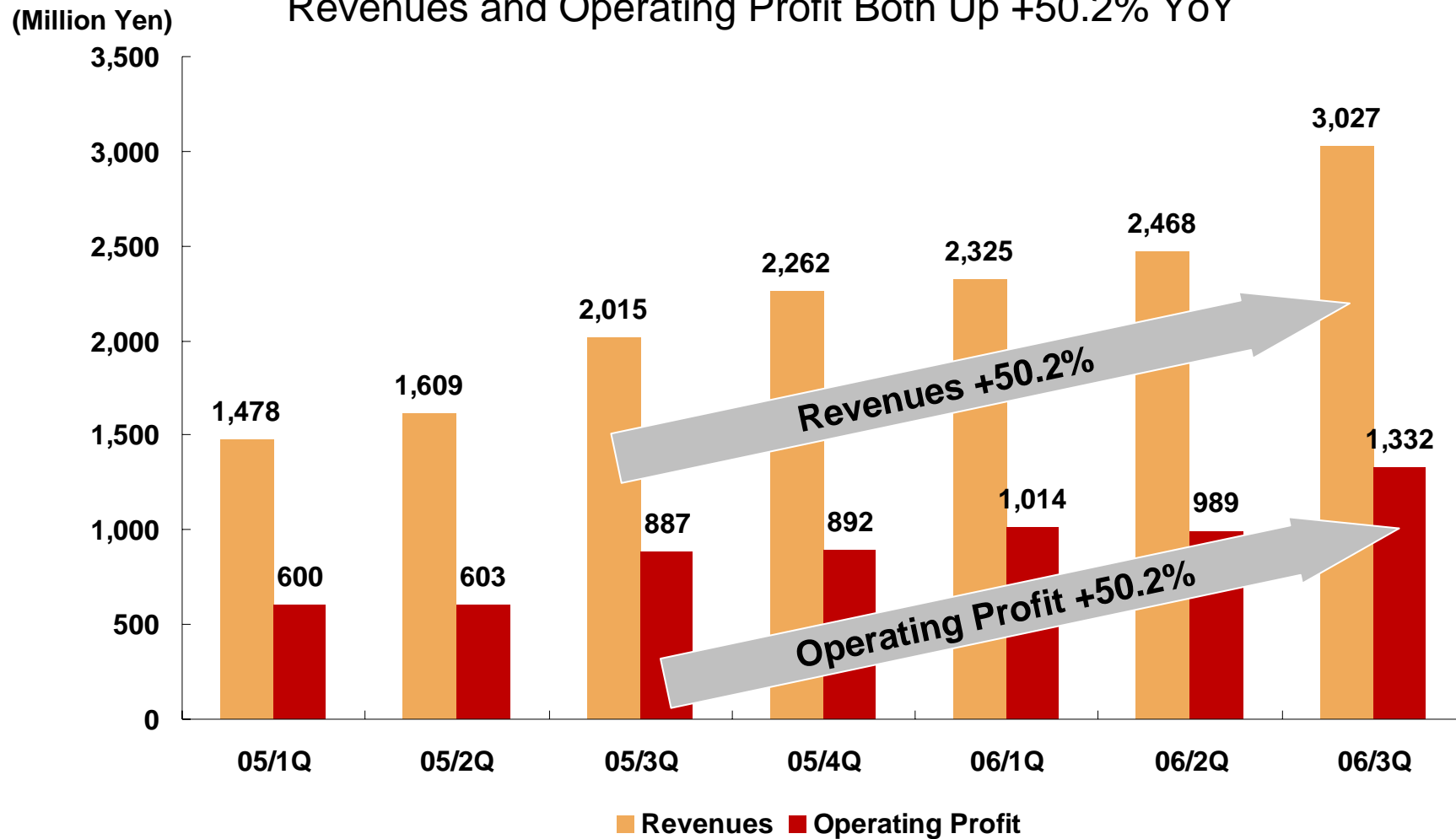
- Continued substantial growth rate with net sales and operating income both up at 50.2% YoY

Travel Business Revenues & Operating Profit



06/3Q Growth

Revenues and Operating Profit Both Up +50.2% YoY



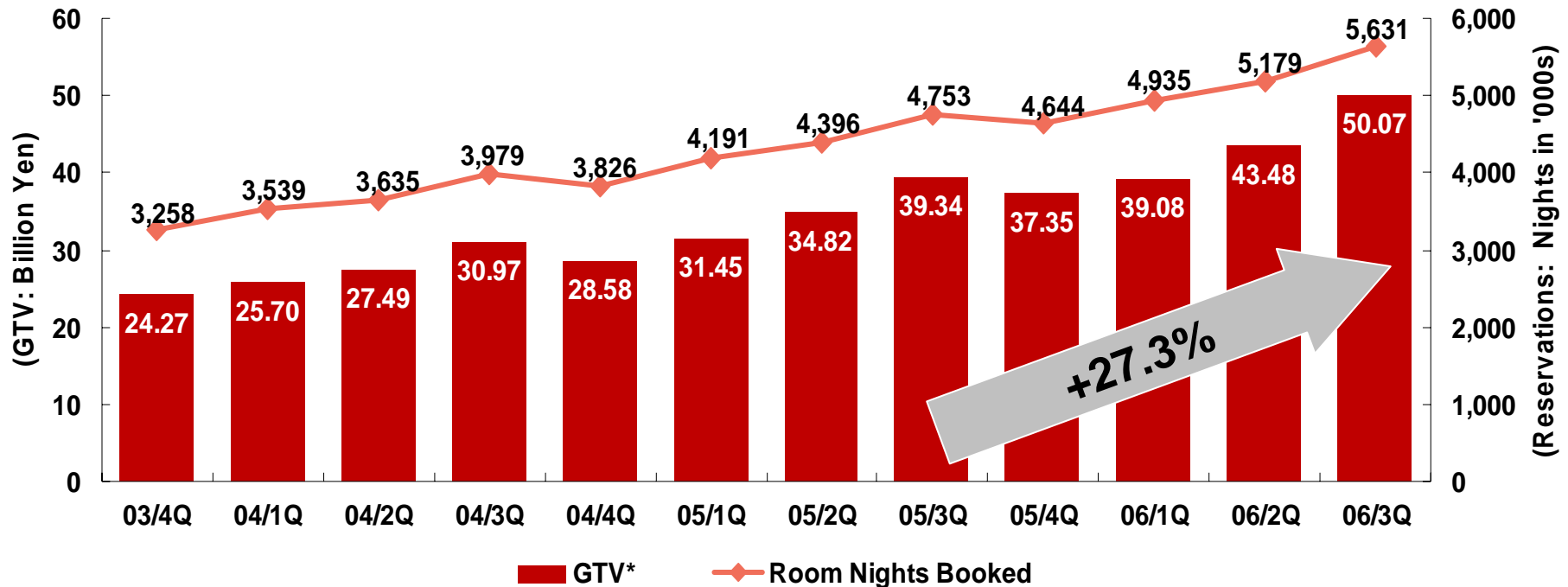
* Includes MyTrip.net before acquisition

* Business segment changed, Entertainment Business excluded from 05/1Q

Travel Business Reservations



Gross Bookings Growth +27.3% YoY



* Gross Transaction Volume at Time of Reservation (Before Cancellation, Tax Calculated)

* Travel Business: MyTrip.net and Rakuten Travel combined

* From 05/1Q, Overseas Hotels Gross Bookings, Overseas Air Travel Gross Bookings, and Overseas Hotel Reservations included

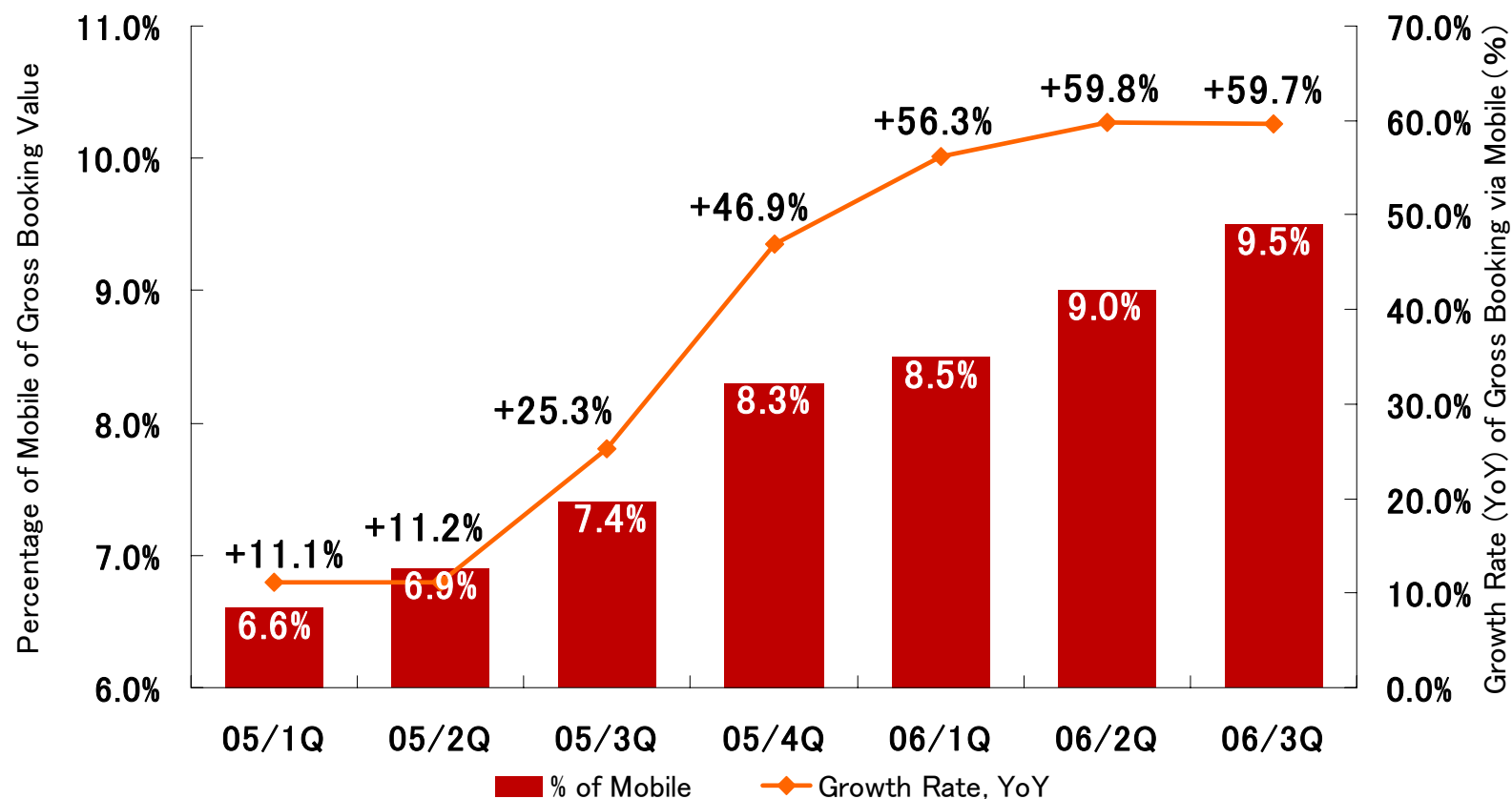
* From 05/4Q, Rakuten Bus Services Inc. included

* From 06/1Q, international dynamic packaging included

Gross Booking Value via Mobile Phone



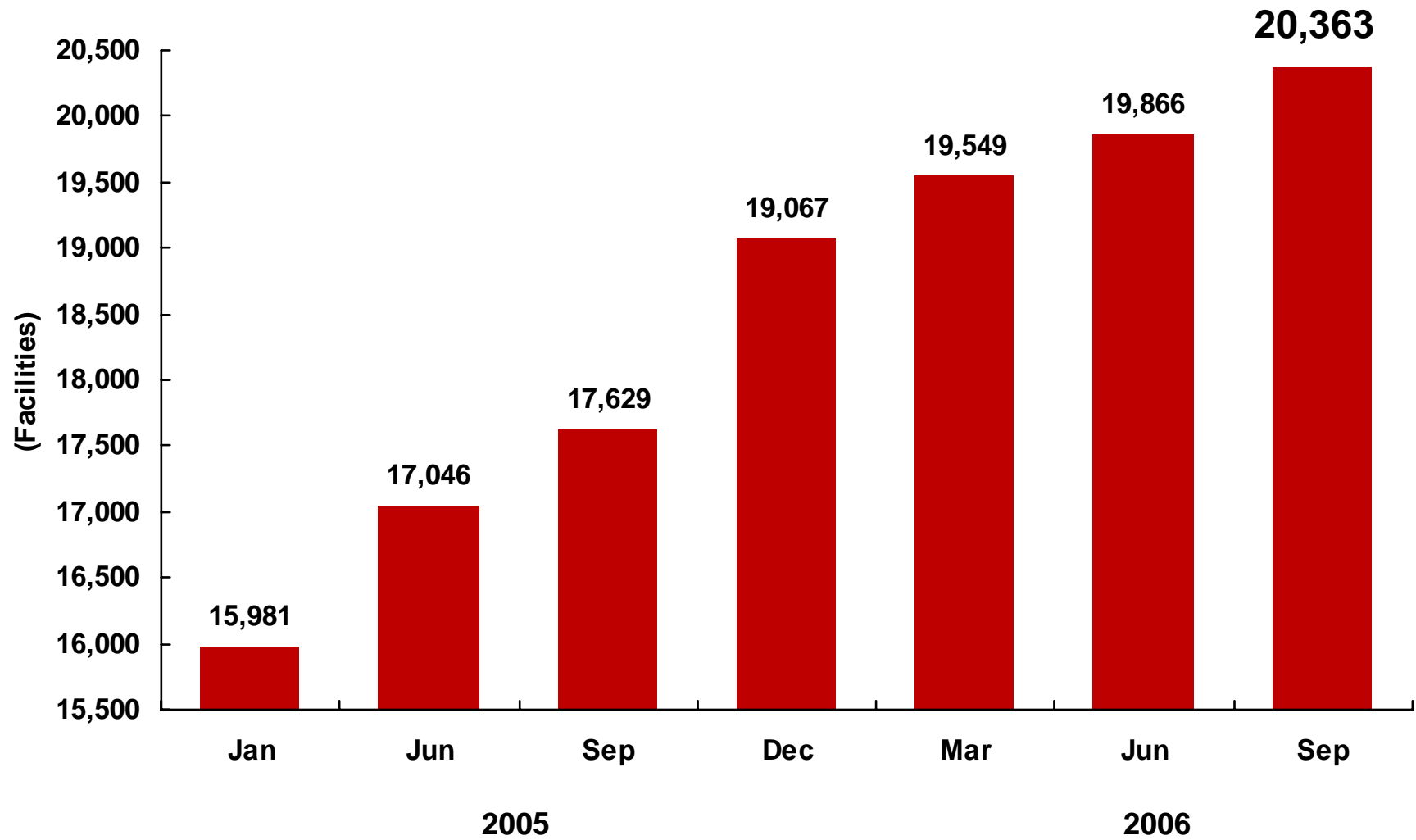
Percentage of Mobile of Domestic Gross Booking Increase to +9.5% in 06/3Q



Number of Hotels and Facilities



Number of Contracted Domestic Hotels and Facilities Achieved 20,000



Started “ANA Raku Pack” service in October 2006

The screenshot displays the Rakuten ANA Travel Online interface. It features a navigation bar with links for 'Home', 'ANA Travel Information', 'Site Map', and 'ANA Market'. Below the navigation bar, there are search filters for 'Travel Itinerary', 'High-end Hotels', 'Flights', 'Airfare + Accommodation', 'High-speed Rail', 'Airfare', 'Luggage', and 'Car'. The main content area is divided into two sections: '1. Flight Overview' and '2. Accommodation Overview'. The 'Flight Overview' section shows a round-trip itinerary from Tokyo (Narita) to Sapporo (New Chitose) with various flight options and prices. The 'Accommodation Overview' section shows the 'Raku Grand Hotel Sapporo' with details about the hotel and the 'ANA Raku Pack' package, which includes airfare and accommodation for a total price of 31,300 yen per person.

- Sold large number of travel packages
 - 12,000 packages on 900 flights (as of October 2006)
 - Packages can be freely combined
- Highly convenient
 - Available 365 days a year, 24 hours a day by reservation on the Internet
 - Easy to check and compare other packages
 - Payment by credit card or at convenience store
 - “Ticket-less” boarding of plane
- Achieved high profitability

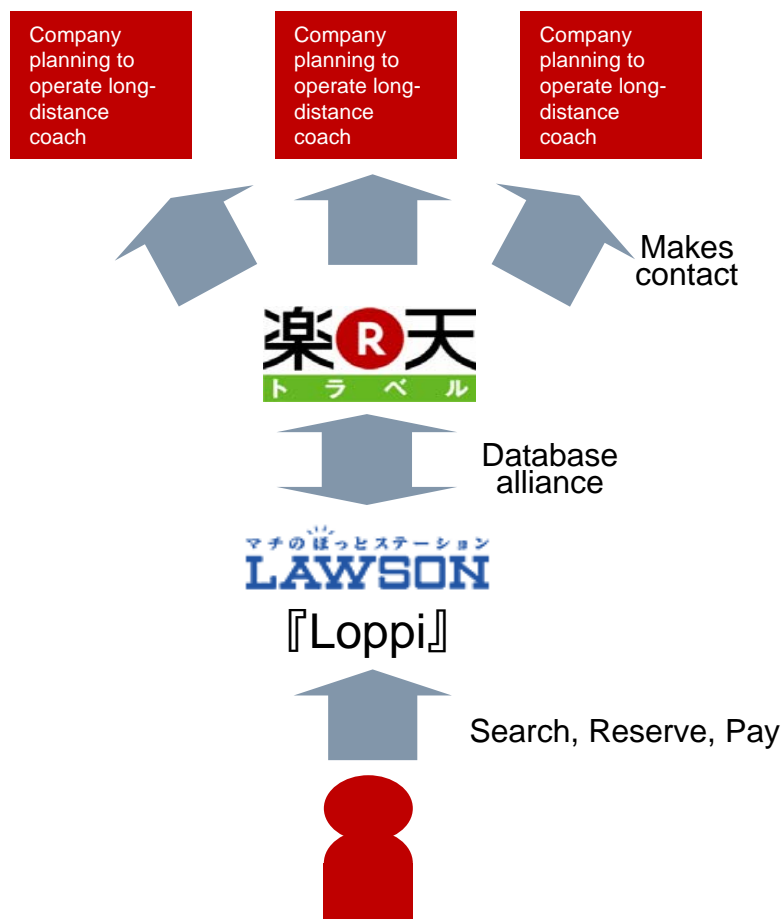
Present:

Only commission fees from accommodation facility

“ANA Raku Pack:”

Commission fees from accommodation facility
Plus
 Commission fees from package sale

Business alliance with LAWSON: LAWSON's Loppi terminals



- Business alliance agreed in October 2006
- Number of stores with Loppi terminals: About 8,000 nationwide
- First, sales start of long-distance coach reservations
 - Scheduled for January 2007

[Reference]

■ Amount of travel agency JTB convenience store transactions: ¥15.06 billion (Fiscal 2005)

■ Percentage of long-distance coach transactions: 38.7% (Fiscal 2005)

● Source: JTB Accommodation Report 2006

6 -6 Securities Business

■ Decrease in earnings due mainly to market conditions and commission fee cut



- Fall in transactions due to slowdown in stock market and reduction in commission fee from June 2006 caused drop in operating revenues
- Increased costs due to expansion of systems and call centers from October 2005 to May 2006

■ Steady number of new accounts thanks to links with Rakuten Group



- Substantial benefits from cooperation with Rakuten Group websites
- Ahead of other companies in terms of new account sign-up ratio

■ Improved convenience for customers



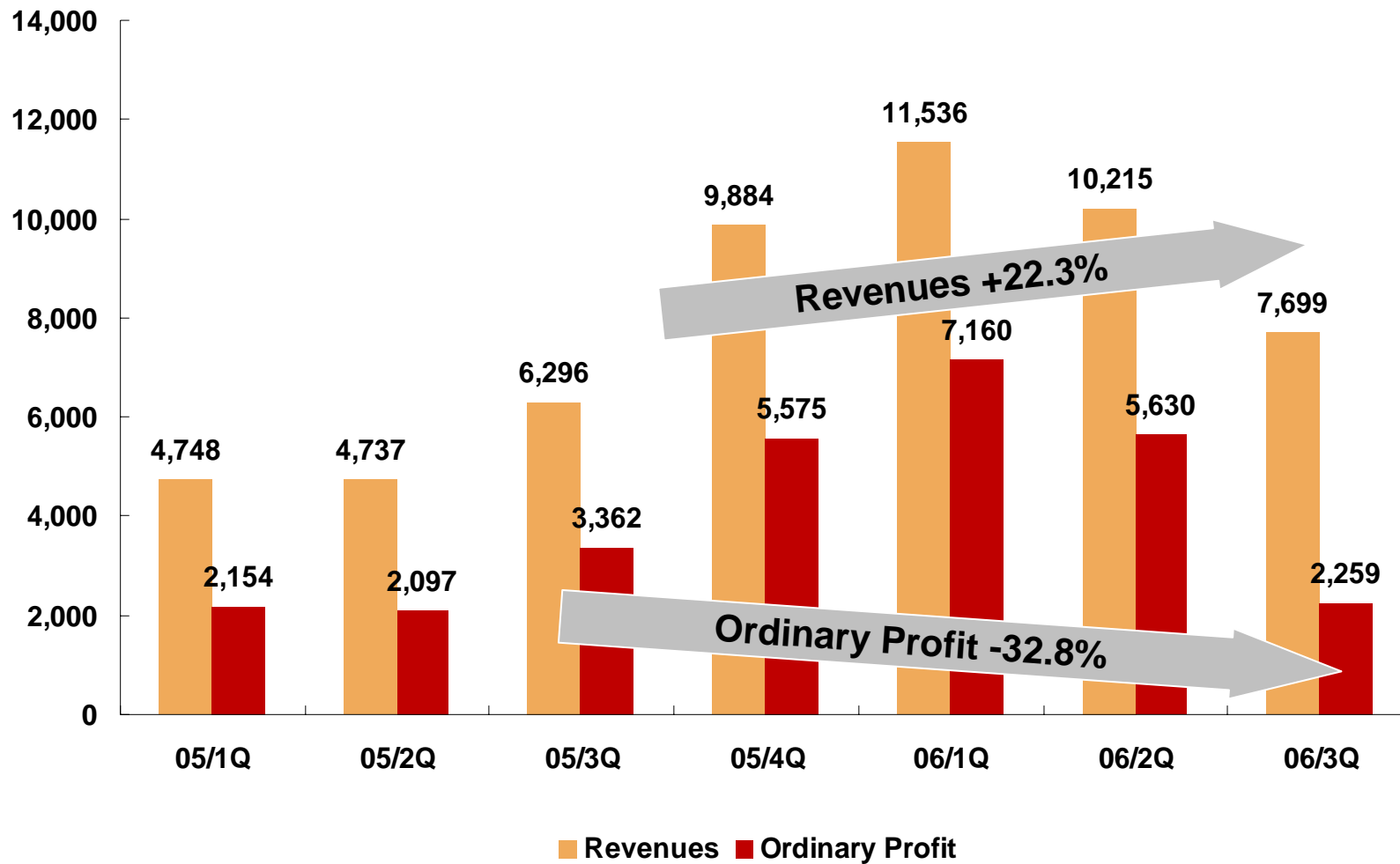
- Reduced interest rate for margin trading
- Renewed Customer Service Center
- Upgrade trading tool, “Market Speed Version 6.0”

Rakuten Securities (Consolidated): Revenues and Ordinary Profit



Revenues Up +22.3% YoY, Ordinary Profit Down -32.8% YoY

(Million Yen)



Rakuten Securities Industry Comparisons



Financial Overview for Jul-Sep 2006 (YoY)

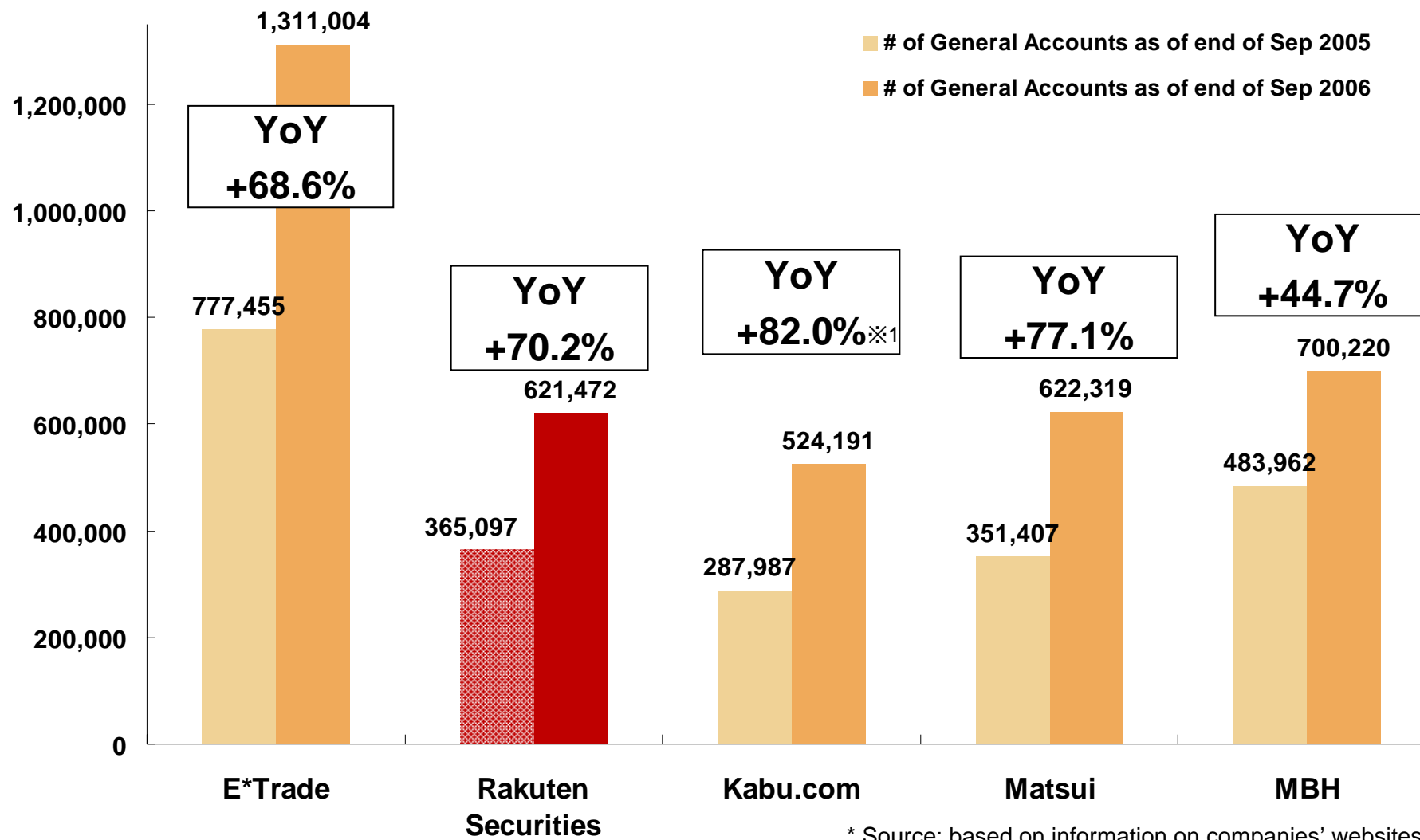
(Million Yen)

	Rakuten Securities		E*Trade		Matsui		kabu.com		MBH	
Revenues	7,699	+22.3%	12,882	-6.9%	9,805	-23.2%	4,975	-15.5%	7,496	-17.1%
(Net Interest)	1,517	+60.9%	3,149	+67.8%	3,120	+23.4%	1,100	+80.3%	1,285	+0.4%
Net Revenues	7,140	+24.2%	11,905	-4.2%	9,033	-24.7%	4,696	-16.1%	7,129	-18.1%
SG&A	4,927	+78.4%	6,861	+17.2%	4,426	+22.2%	2,079	+30.1%	3,481	+21.3%
Operating Profit	2,213	-25.9%	5,043	-23.2%	4,607	-45.0%	2,617	+0.2%	3,648	-37.5%
Ordinary Profit	2,259	-32.8%	5,077	-22.7%	4,700	-43.9%	2,587	+0.5%	3,632	-35.1%
Net Profit	924	-41.8%	2,789	-23.7%	2,778	-39.8%	1,476	+0.4%	2,054	-31.3%

* Source: Individual company financial reports on a consolidated basis (excluding kabu.com)

* Comparison of consolidated results

Rakuten Securities Number of General Accounts

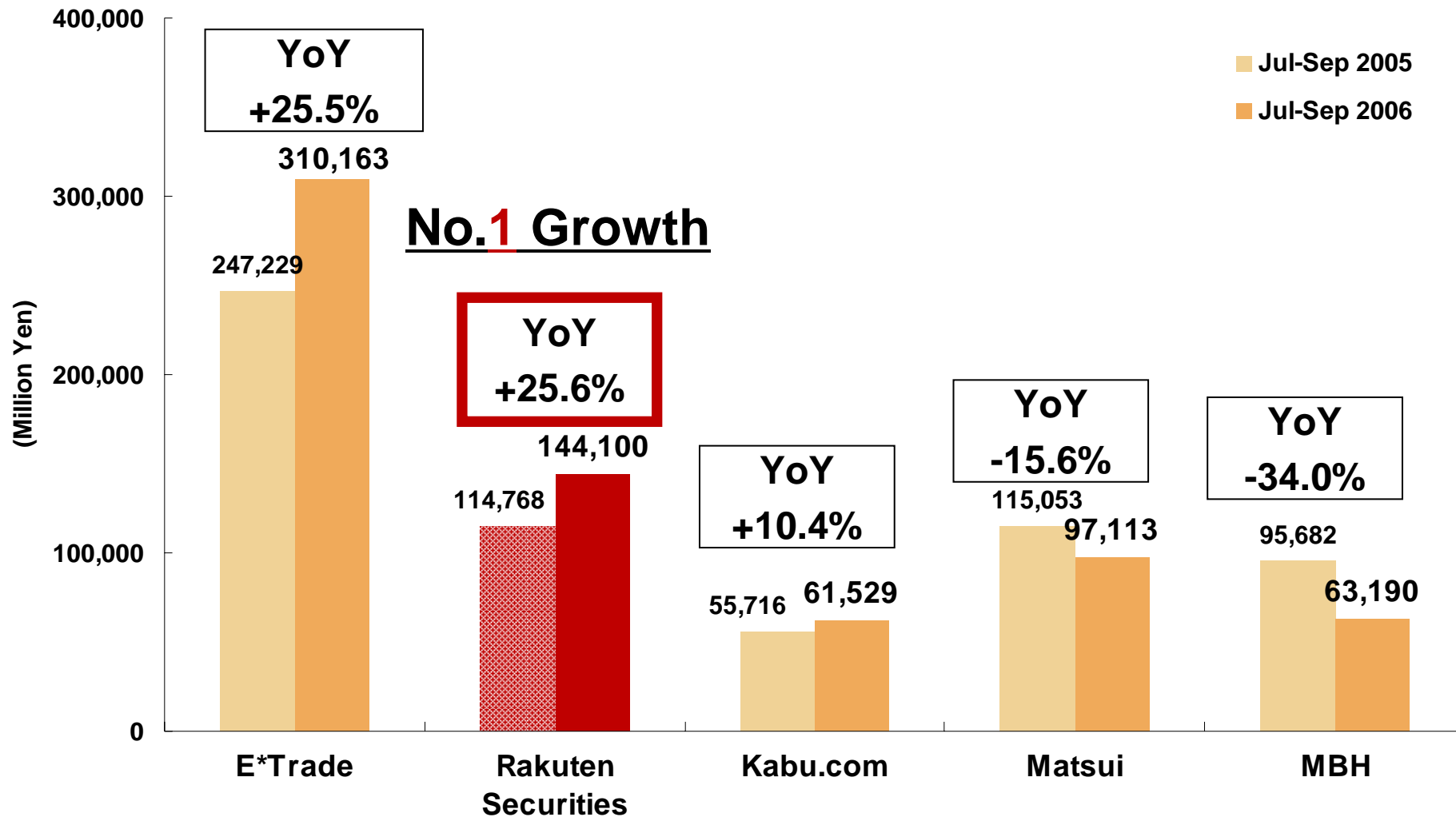


* Source: based on information on companies' websites

Rakuten Securities Daily Trading Volume of Japanese Equity

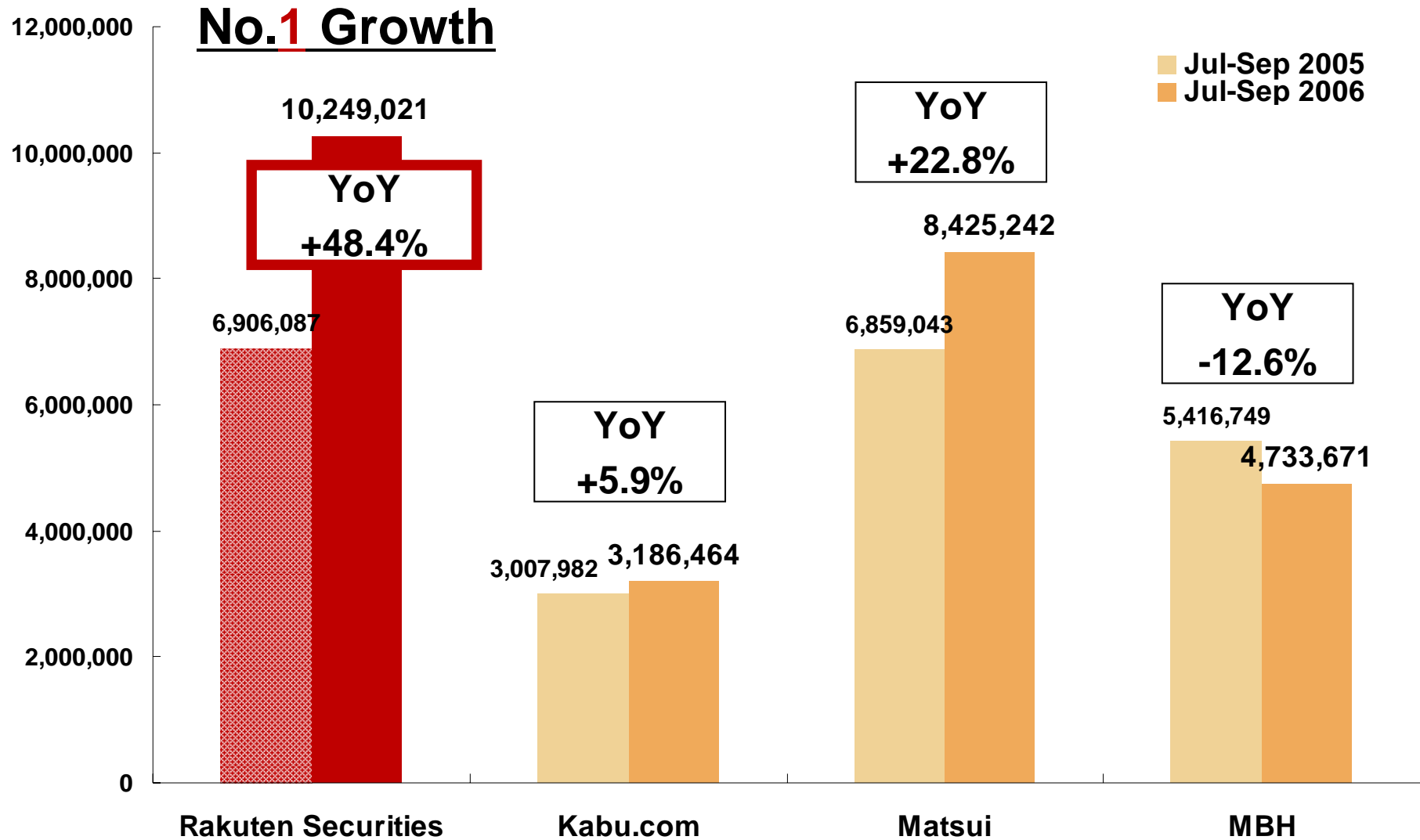


Daily Trading Volume



* Source: based on information on companies' websites

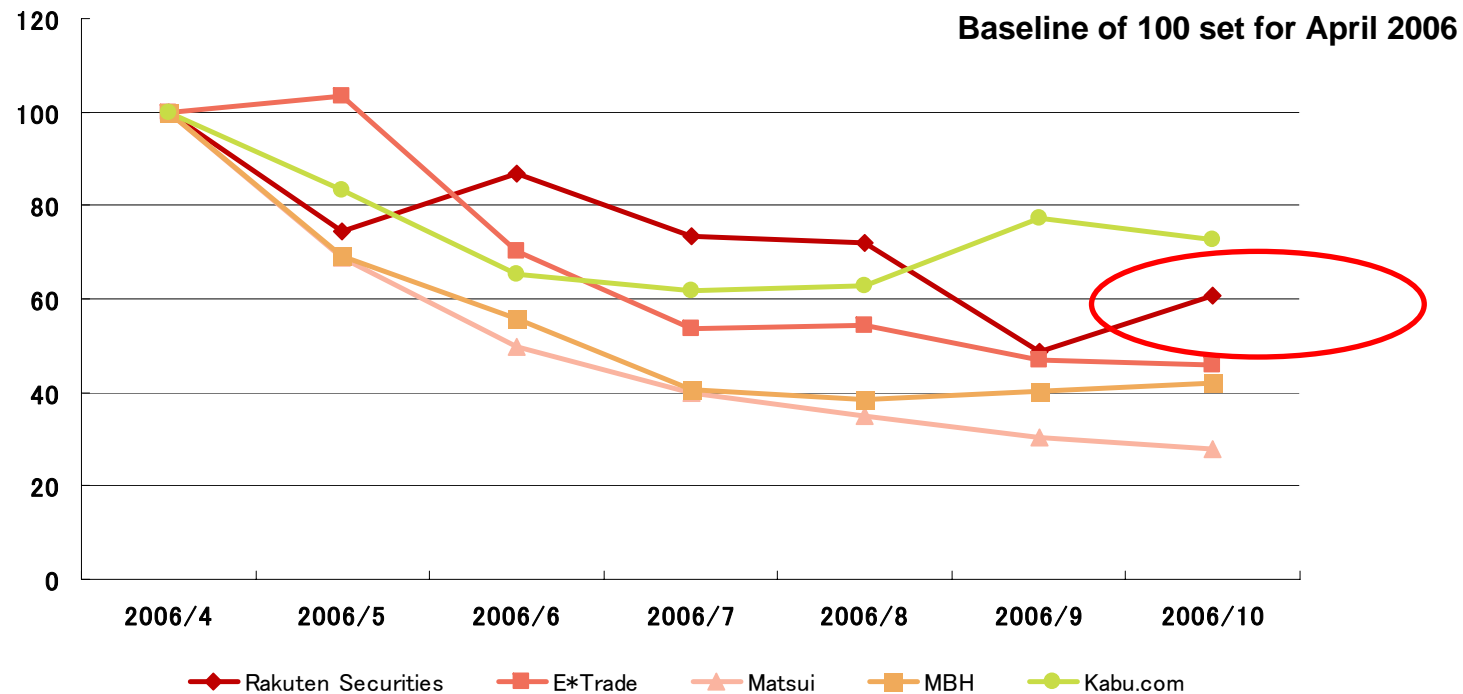
Rakuten Securities Transactions of Japanese Equity



* Source: based on information on companies' websites 83

Rakuten Securities has strengthened measures that leverage **the Rakuten Group's Power,** including from October reciprocal publicity within Group and point campaigns

Internet securities companies: Change in monthly number of accounts opened

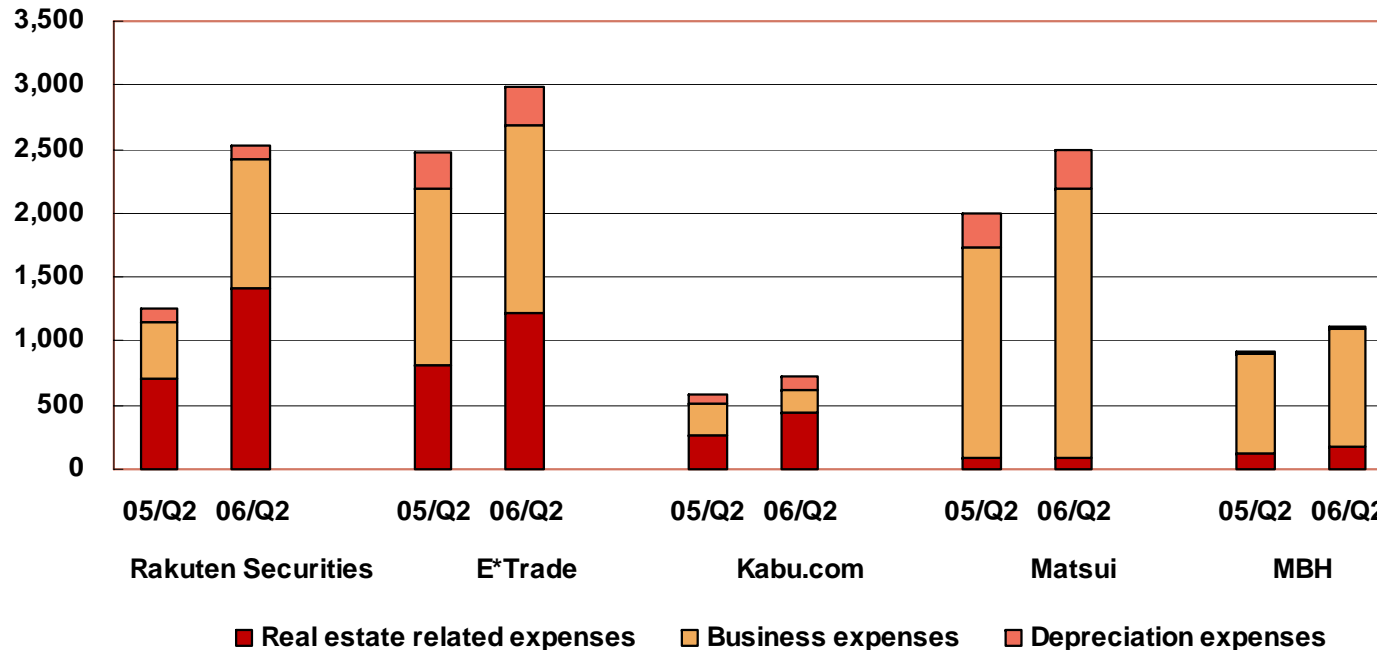


Graph calculated by Rakuten from data provided on each company's website

Initiatives to Reduce Operating Expenses

(Million Yen)

System-related expenses



- Causes of substantial rise in system-related expenses:
 - Thorough steps to create duplicate and redundant server systems
 - Opened No. 2 Data Center

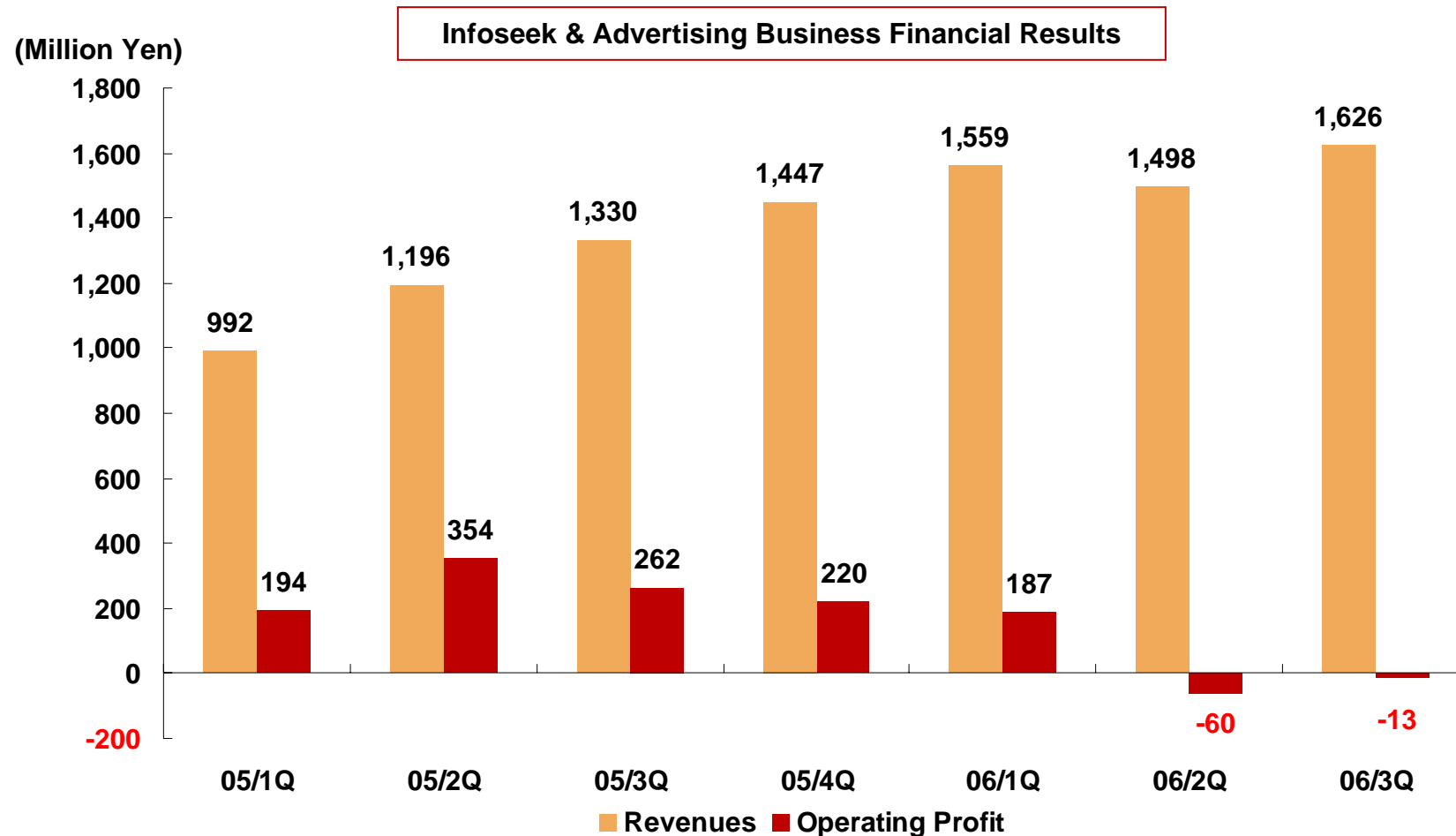


- Initiatives to reduce system-related expenses:
 - Review of over-specification
 - Centralization and reduction of servers



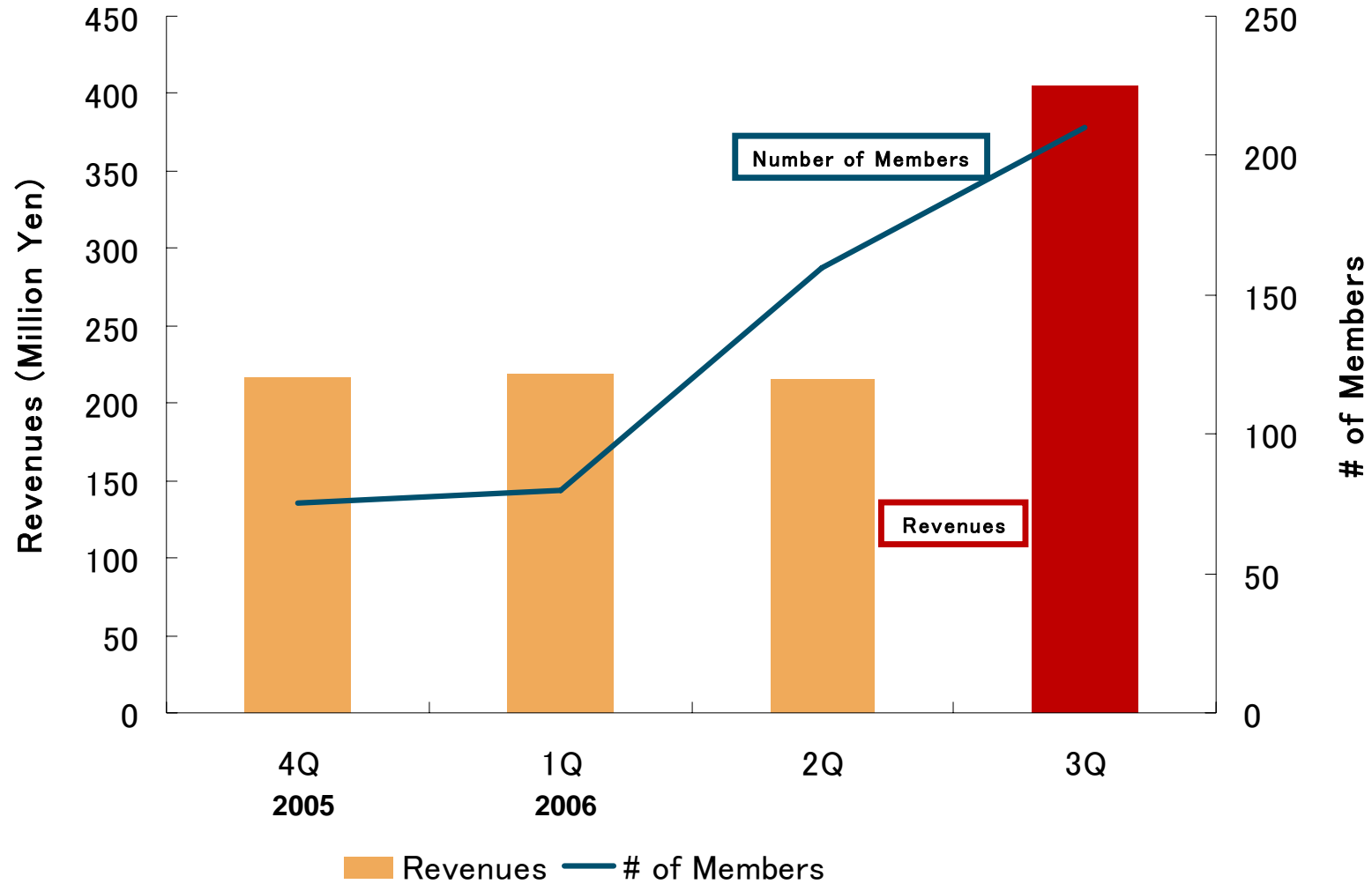
Estimated annual reduction in expenses of ¥2 billion

6 -7 Infoseek Business



* Gap in results between Infoseek & Advertising Business and Portal & Media Segment in Consolidated Financial Statements is Advertising Agency Business (Target., Inc), Staffing Business (College Students' Portal Community., Inc), Research Business(Rakuten Research, Inc), Blog Business, Internet TV Business, and Publishing Business (Rakuten., Inc)

Rapid increase in revenues and number of members



6 -8 Professional Sports Business

Non-consolidated Revenues is expected to maintain the same level as previous year due to steady increase in revenues from advertising & sponsors and strong support from the local community, despite benefit from the first year has gone

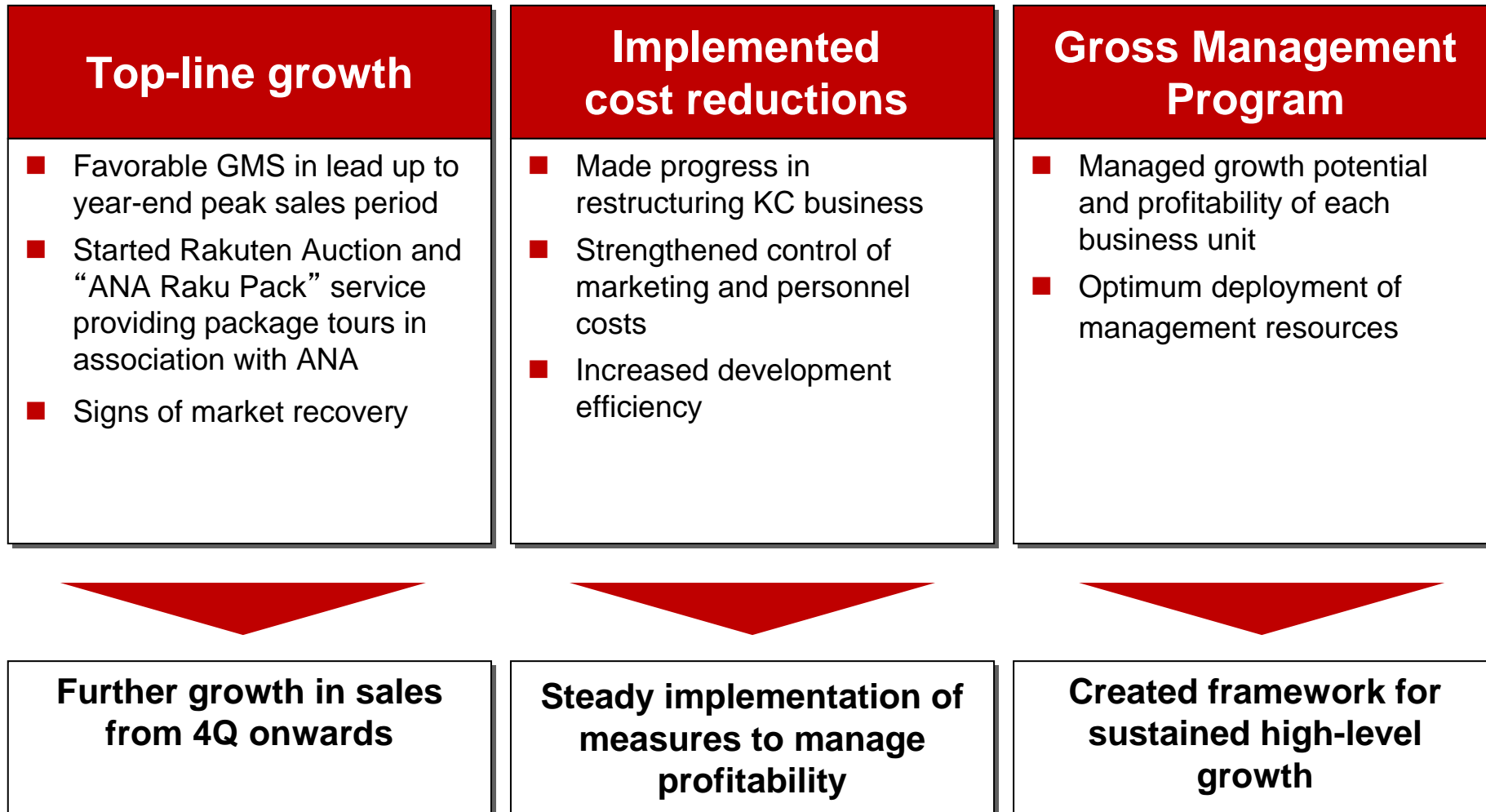
		2006 (Est.)	2005	(Million Yen)
1	Advertising & Sponsor	2,620	2,243	
2	Broadcasting Rights	584	771	
3	Tickets Sales	2,393	2,353	
4	Stadium	443	556	
5	Fan Club	170	262	
6	Team Goods	129	277	
7	Others	185	80	
Rakuten Baseball, Inc Total		6,524	6,542	
Rakuten Sports Properties, Inc (Subsidiary)		823	1,204	
Professional Sports Business Total*		7,347	7,746	* Sum of revenues

	2006	2005
Total # of Visitors	951,723	977,104
Average # of Visitors/game (Fullcast Stadium Miyagi)	14,610	14,619

Substantial Improvement Projected for Operating Results From 3Q Low



Steady implementation of short-term measures and introduction of framework for medium-term earnings growth



 Appendix

Overview of Balance Sheet



Finance Related Business (Credit & Payment Business and Securities Business)

(As of Sep 30, 2006, Combined Information)

Cash ¥103.2 Billion	Interest-Bearing Debt ¥576.3 Billion <small>(including realty funds:¥19.3 Billion)</small>
Other Assets ¥1,172.6 Billion	
Total Assets ¥1,275.8 Billion	Total Liabilities and Equity ¥1,275.8 Billion

Non-Finance Related Business

(As of Sep 30, 2006, Combined Information)

Cash ¥23.9 Billion	Interest-Bearing Debt ¥90.8 Billion
Marketable Securities ¥121.5 Billion	
Other Assets ¥68.2 Billion	Equity and Other Liabilities ¥159.2 Billion
Total Assets ¥250.0 Billion	Total Liabilities and Equity ¥250.0 Billion
Gap in Evaluation of Securities of Affiliates ¥36.1 Billion*	

* The Gap in total assets between the sum of "Finance Related Business" and "Non-Finance Related Business", and consolidated balance sheet is a gap in evaluation between market price and booked price of securities of affiliate companies listed on stock exchanges

2006/3Q Consolidated Financial Results (YoY)



(Billion Yen)

	Revenues	YoY	Operating Profit	YoY	Operating Profit Margin	Ordinary Profit*	YoY	Ordinary Profit Margin
E-Commerce Business	14.19	+ 73.5%	3.45	+ 27.6%	24.3%	4.13	+ 49.3%	29.1%
Credit and Payment Business	18.41	- 21.5%	- 8.42	-	- 45.7%	- 8.25	-	- 44.9%
Portal and Media Business	3.15	+ 17.4%	-0.06	-	- 1.9%	-0.01	-	- 0.5%
Travel Business	3.02	+ 50.2%	1.33	+ 50.2%	44.0%	1.52	+ 44.3%	50.3%
Securities Business	8.26	+ 19.9%	2.23	- 30.4%	27.1%	1.80	- 44.5%	21.9%
Professional Sports Business	2.64	- 5.2%	0.15	- 77.7%	5.9%	0.16	- 77.8%	6.3%
Internal Elimination	- 1.91	-	- 0.33	-	-	- 0.83	-	-
Consolidated	47.79	+ 5.7%	- 1.63	-	- 3.4%	- 1.47	-	- 3.1%

* Excluding amortization of consolidation adjustment account from SG&A expenses

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2006/3Q Consolidated Financial Results (QoQ)



(Billion Yen)

	Revenues	QoQ	Operating Profit	QoQ	Operating Profit Margin	Ordinary Profit*	QoQ	Ordinary Profit Margin
E-Commerce Business	14.19	3.1%	3.45	- 6.3%	24.3%	4.13	- 3.7%	29.1%
Credit and Payment Business	18.41	- 11.7%	- 8.42	-	- 45.7%	- 8.25	-	- 44.9%
Portal and Media Business	3.15	- 1.0%	-0.06	-	- 1.9%	-0.01	-	- 0.5%
Travel Business	3.02	22.6%	1.33	+ 34.6%	44.0%	1.52	26.6%	50.3%
Securities Business	8.26	- 30.3%	2.23	- 51.9%	27.1%	1.80	- 69.0%	21.9%
Professional Sports Business	2.64	- 5.2%	0.15	- 42.5%	5.9%	0.16	- 41.2%	6.3%
Internal Elimination	- 1.91	-	- 0.33	-	-	- 0.83	-	-
Consolidated	47.79	- 10.1%	- 1.63	-	- 3.4%	- 1.47	-	- 3.1%

* Excluding amortization of consolidation adjustment account from SG&A expenses

Breakdown of Amortization of Consolidation Adjustment Account



Included in SG&A

(Million Yen)

	05/3Q	05/4Q	06/1Q	06/2Q	06/3Q	Companies
E-Commerce Business	-	528	527	527	527	LinkShare
Credit & Payment Business	164	171	168	168	168	Rakuten KC
Portal & Media Business	10	12	16	16	17	Rakuten Research
Travel Business	-	0	7	7	7	Rakuten Bus Service
Securities Business	1	1	1	1	1	Rakuten Realty Management Rakuten Strategic Partners
Professional Sports Business	-	-	-	-	-	
Consolidated	176	714	722	721	721	

Rakuten Business Results

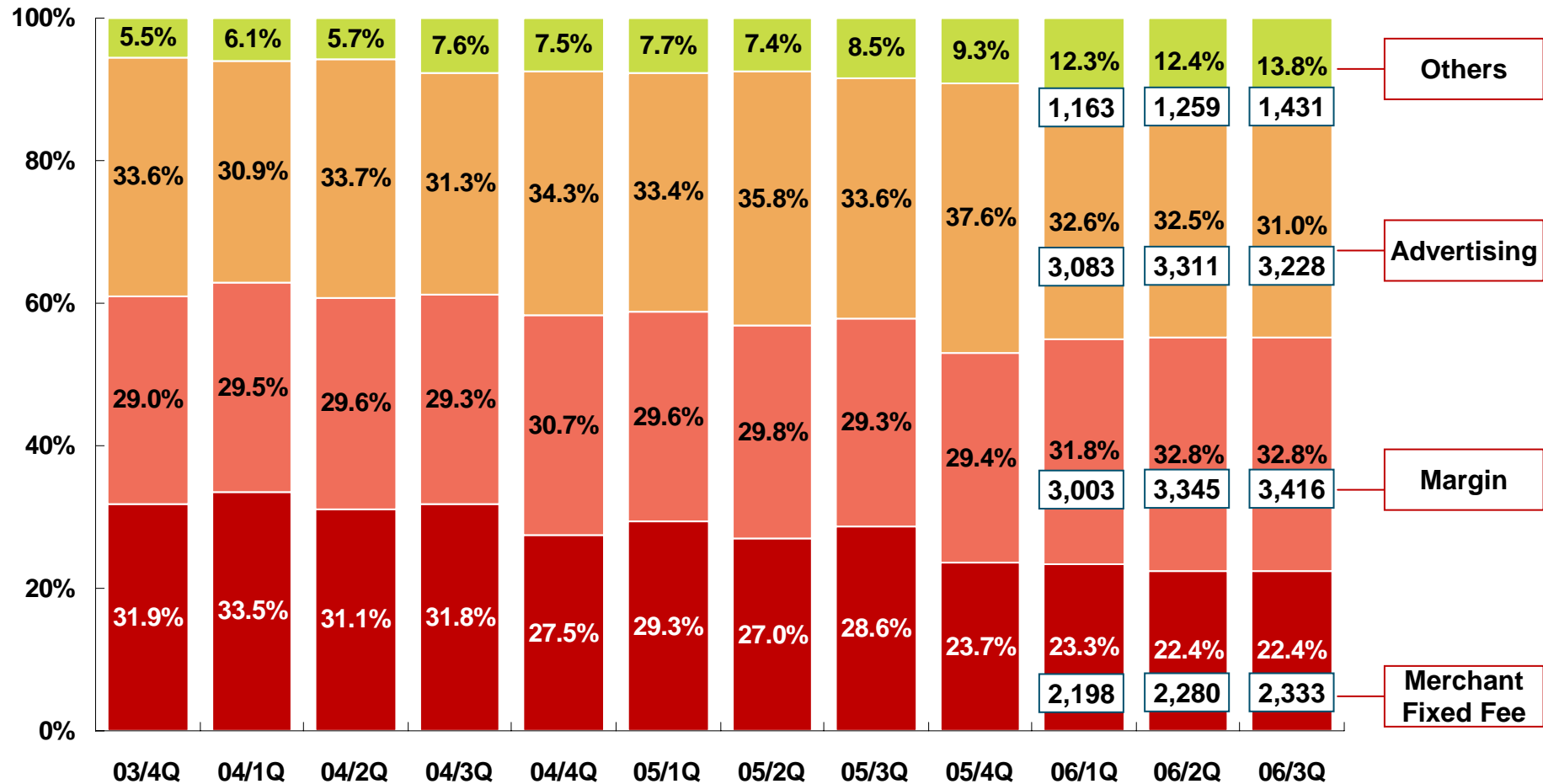


(Million Yen)

	2005				2006		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Revenues	5,685	6,565	6,837	8,918	9,441	10,187	10,400
Operating Expenses	3,208	3,950	4,236	4,569	4,835	6,126	6,507
Operating Profit	2,477	2,615	2,600	4,349	4,605	4,061	3,892
Operating Margin	43.6%	39.8%	38.0%	48.8%	48.8%	39.9%	37.4%

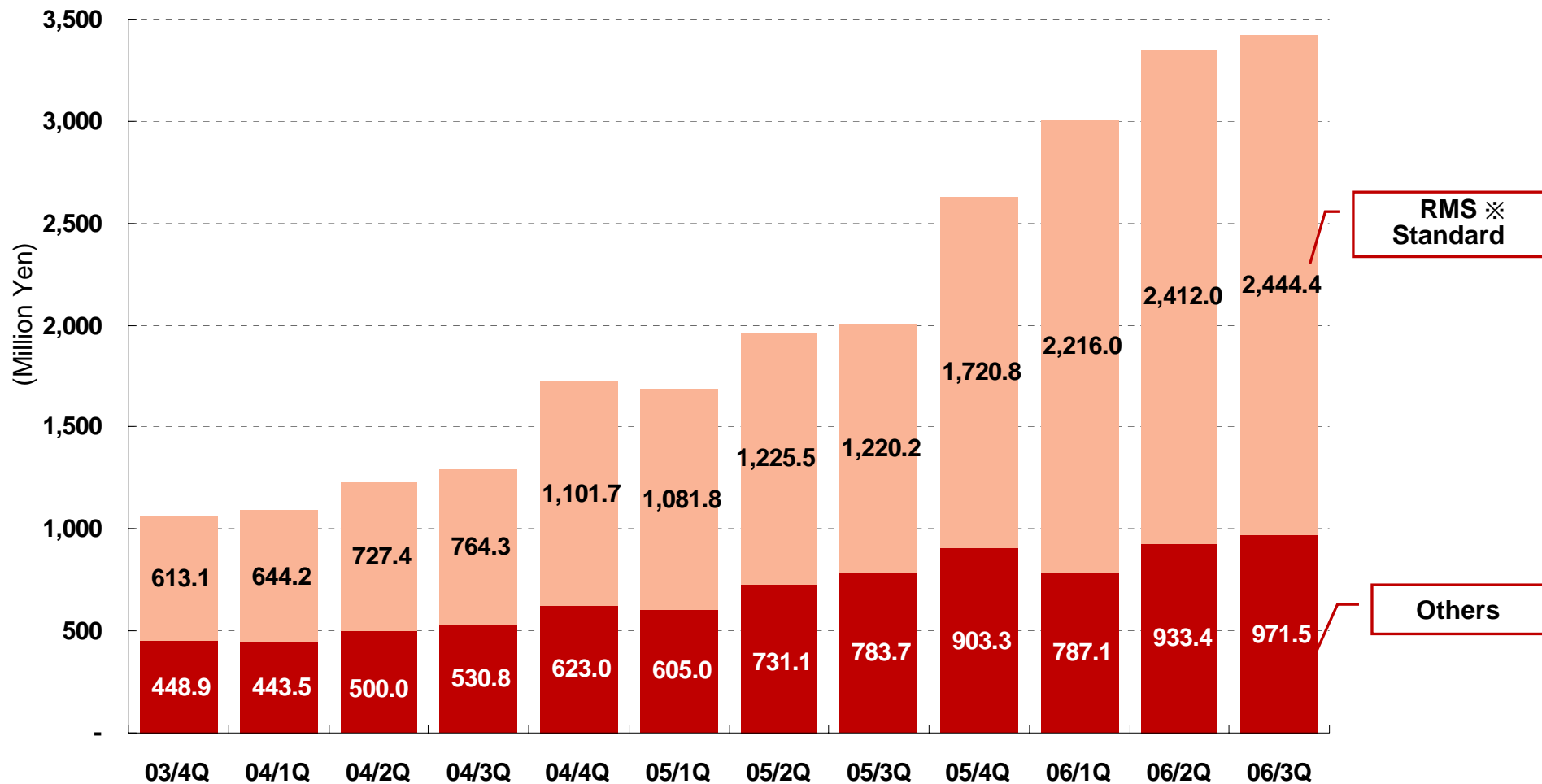
* Rakuten Inc, excludes Portal & Media Business Company

Non-Consolidated Revenue Breakdown (Excluding Portal and Media Business Results)



□ = Million Yen

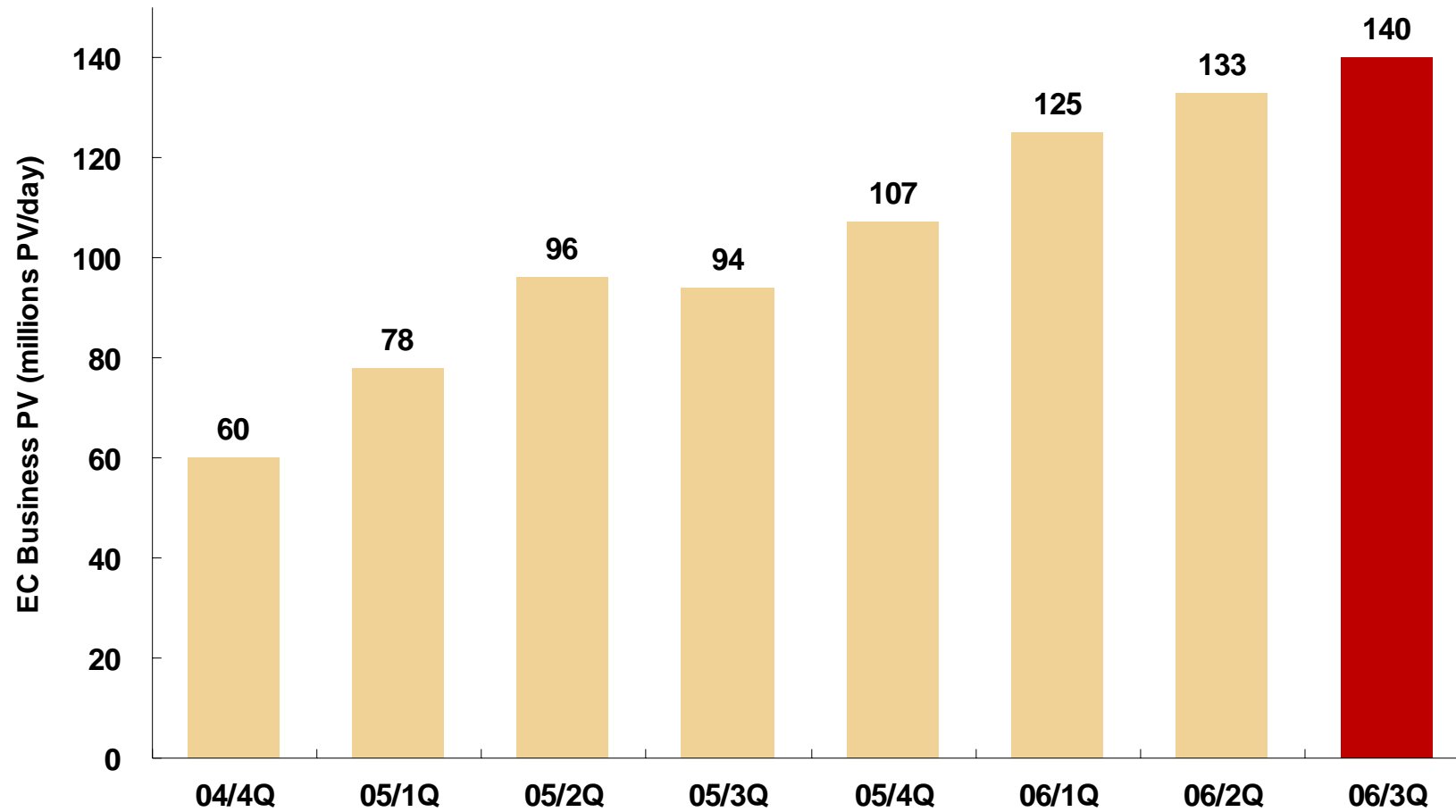
Sales Margin Breakdown (Non-consolidated)



* From February 2005, charge to GMS below than 1 million sales per merchant started only for newly opened merchants since February 2005

* From January 2006, charge to GMS below then 1million sales per merchant started for all merchants

PVs of E-Commerce Business



LinkShare Corporation: 3Q Results

Pro forma (Excluding cost related to acquisition and retention bonus)



	05/3Q (reference)	05/4Q	06/1Q	06/2Q	06/3Q	
	Million US\$	Million US\$	Million US\$	Million US\$	Million US\$	Million Yen
Net Sales	10.3	14.1	12.1	12.0	11.4	1,346
Operating Profit	2.4	5.9	4.0	3.7	3.1	375
Exchange Rate (1US\$)	¥113.19	¥118.07	¥117.47	¥117.47	¥117.90	

*Consolidation from 4Q 2005

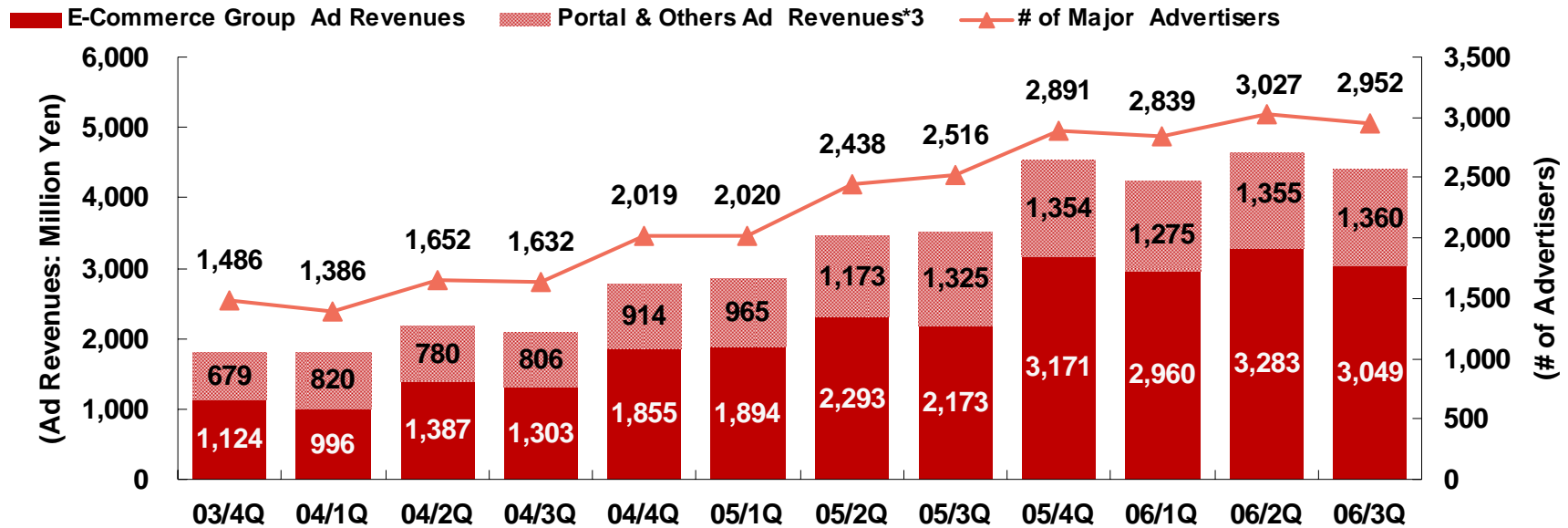
*Pro forma(Excluding cost related to acquisition and retention bonus)

*Excluding LinkShare Japan

Group Advertising Revenues



06/3Q Group Advertising Revenues 4.4 Billion Yen, Growth +26.1% YoY

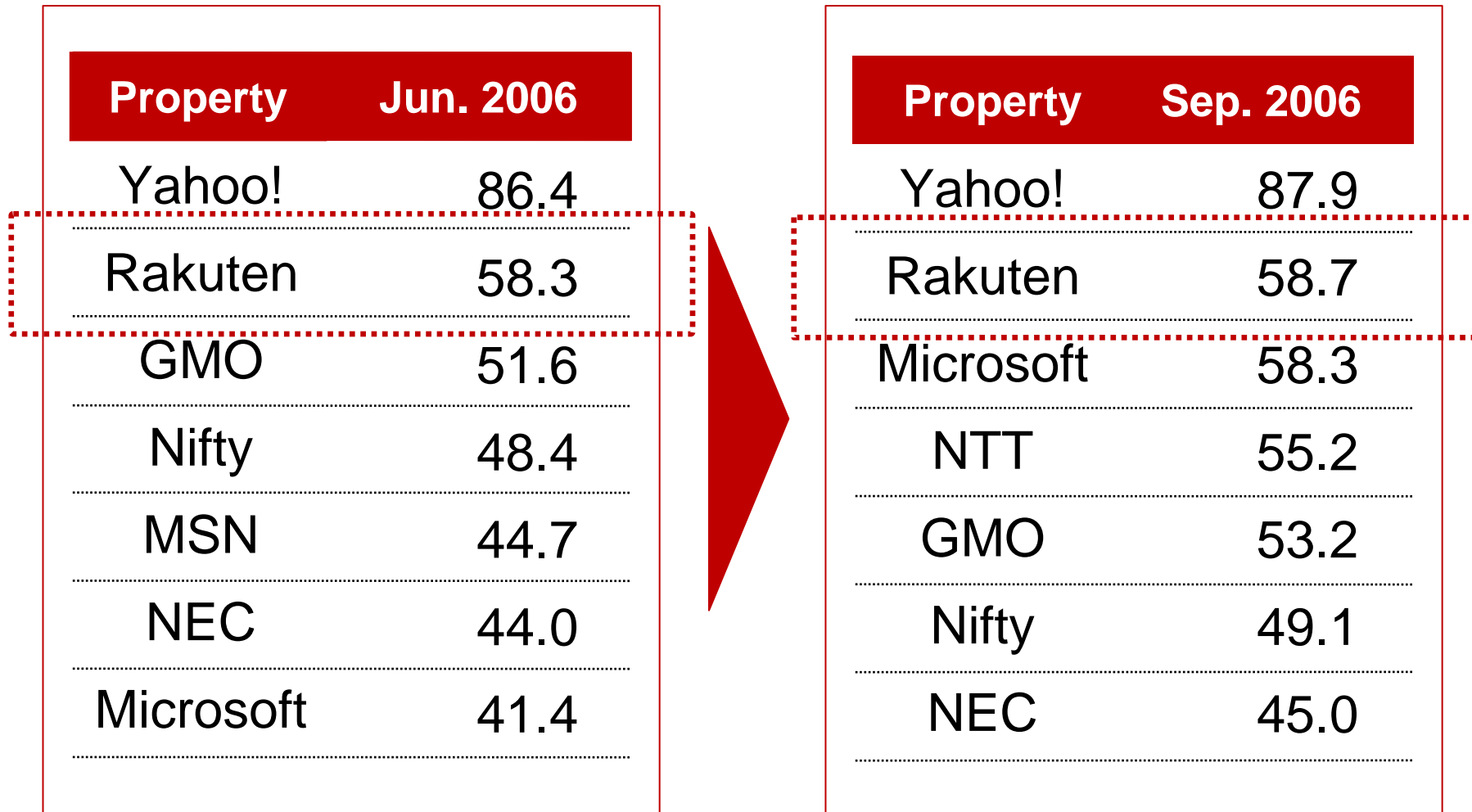


	Revenues												
	03/4Q	04/1Q	04/2Q	04/3Q	04/4Q	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q	06/2Q	06/3Q	
E-Commerce Group	1,124	996	1,387	1,303	1,855	1,894	2,293	2,173	3,171	2,960	3,283	3,049	
Portal & Others*3	679	820	780	806	914	965	1,173	1,325	1,354	1,275	1,355	1,360	
Group Total	1,822	1,816	2,167	2,110	2,770	2,859	3,467	3,498	4,525	4,236	4,638	4,410	
# of Advertisers	# of Advertisers												
	03/4Q	04/1Q	04/2Q	04/3Q	04/4Q	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q	06/2Q	06/3Q	
	E-Commerce Group	1,083	1,001	1,246	1,213	1,569	1,593	1,992	1,993	2,355	2,264	2,482	2,439
Portal & Others*3	403	385	406	419	450	427	446	523	536	575	545	513	
Group Total	1,486	1,386	1,652	1,632	2,019	2,020	2,438	2,516	2,891	2,839	3,027	2,952	

*1 Excludes internal group sales *2 Monthly average within each quarter

*3 Until 06/1Q, the sum of Revenues from Infoseek and Ynot, from 06/2Q, including revenues of other Rakuten group advertising

Rakuten Group Reach



Source: NetRatings Home Panel

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Capital Expenditures



(Billion Yen)

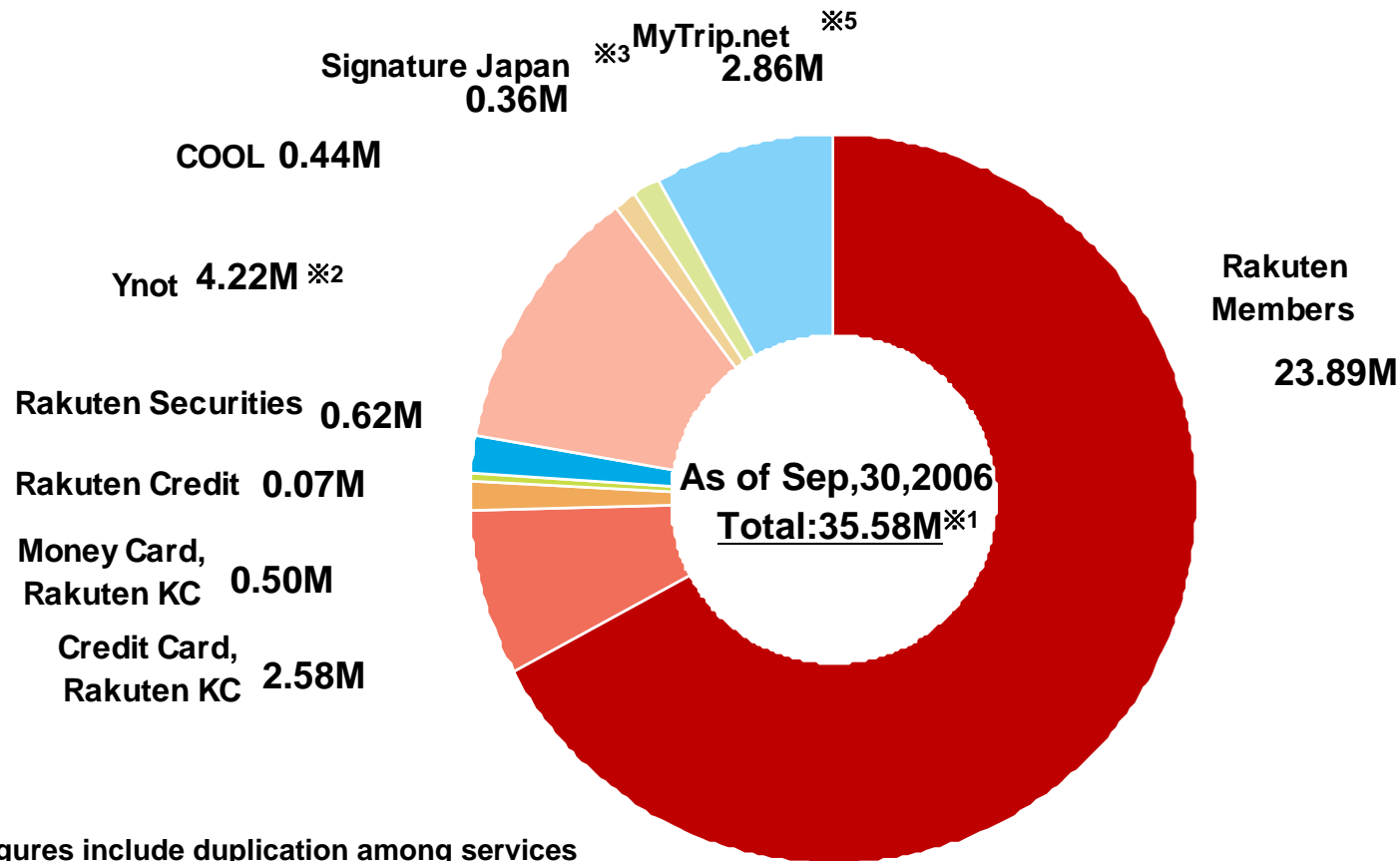
		2005	2006	2006	2006
		Year	1Q	2Q	3Q
Non-consolidated	Hardware	1.95	0.22	0.59	1.01
	Software	1.71	0.40	0.54	0.58
	Total	3.67	0.62	1.13	1.60
Consolidated	Hardware	3.52	0.97	0.69	1.51
	Software	3.12	0.94	1.08	0.93
	Total	6.64	1.92	1.78	2.45

*Operating Base

*Excluding Professional Sports and realty funds

*Retroactive revision from 1Q 2006

Group Membership

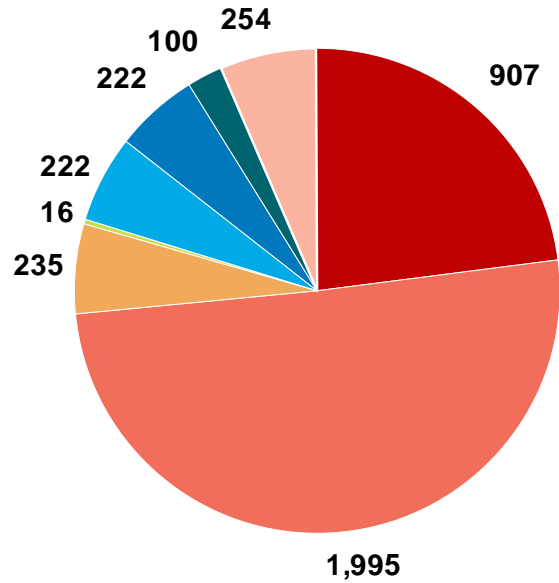


- *1 Figures include duplication among services
- *2 Includes members from co-branded services
- *3 Includes automatic registration to service
- *4 GORA members and Rakuten members merge
- *5 MyTrip.net excludes members converted to Rakuten ID
- *6 Ynot excluded members converted to Rakuten ID
- *7 Infoseek members and Rakuten members merge
- *8 Financial related business added from 2006/3Q

Group Employees

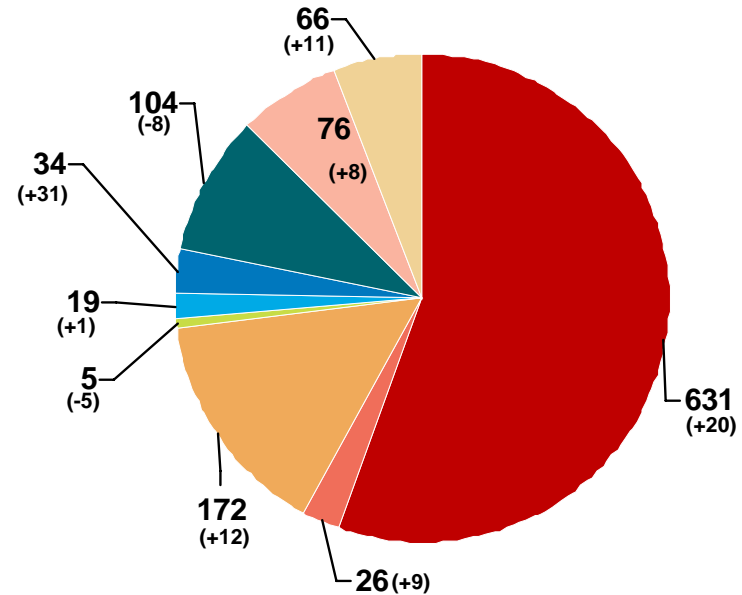


Rakuten Group: 3,951



- E-Commerce
- Portal and Media
- Travel
- Professional Sports
- Credit and Payment
- Contents and Media
- Securities
- Corporate Head Office

Rakuten, Inc.: 1,133



- Sales
- Greeting
- Development
- Bookd, MD
- Golf
- Administration
- Infoseek
- Entertainment
- Others

* As of Sep 30, 2006
 * Excluding Board of Directors
 * Figures in () represent change in numbers since Jun 30, 2006

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