

Fiscal Year 2010 Second Quarter Financial Results

August 5th, 2010
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 Results of FY2010 Second Quarter and Strategy

2 Operating Results of Key Businesses

1. Rakuten Ichiba Business
2. Travel Business
3. Credit Card Business
4. E-Money Business
5. Banking Business
6. Securities Business

Appendix

- Financial Information
- Other Information

1. Record high profit for the second quarter

- EBITDA ¥20.7 bn (+8.1%, YoY)
- Operating Profit ¥15.2 bn (+12.2%, YoY)

2. Accelerating global expansion

- Started merchants acquisition in China
- Acquired Buy.com (U.S.), PriceMinister (France)

3. Continuing over 20% sales growth in domestic Internet services (E-Commerce, Travel and Portal and Media Businesses)

4. Rakuten Eco-system keep growing

- Ready to integrate Edy into Rakuten Eco-system

■ Rakuten Ichiba



- Maintained growth momentum of GMS: +18.9%*(YoY)
- Keep adding new functions and services
- Change to new system

■ Rakuten Travel



- Continuing steady growth in GTV +20.6%(YoY)
- Increasing leisure trips

■ Rakuten KC

(Credit Card Business)



- Continuing increase in number of Rakuten Card applications
- Shopping Transaction Volume beyond 1 trillion yen (annualized basis)

■ Rakuten Toolbar



- Increasing market share in Internet search in Japan

* excluding the effect of “swine flu” factor

■ bitWallet

(E-Money Business)



- Transaction volume of E-Money settlement +20.8%(YoY)
- Edy to be added to Rakuten Card

■ Rakuten Bank



- Initiate full-scale loyalty program linked with Rakuten ID
- Stabilized basic profit

■ Rakuten Securities



- Growing income from FX and margin transaction
- Increased in profit, despite lowered commission rate of domestic stock

1. ENGLISH-nization
2. Recruit talented staff globally
3. Internationalize system development
4. Start cross-sharing of expertise and best-practices
 - Global executives join Monday-morning meetings and functional meetings
 - Post-merger integration process started
5. Achieved growth of LinkShare under Rakuten-style management

Rakuten Group Regulation stipulates rules for Group Official Language

- As a general rule, we must use English as an Official Language in Rakuten Group.
 - English Documentation: meeting materials, minutes, regulations, operational manuals, e-mail, etc.
 - Exceptions : legal documents, clients/service related materials, etc.
 - Verbal Communication in English
- Transitional period: August 2010 – March 2012.

- Board Meetings and Management Meetings in English
- Meeting material, daily reports, intra-net in English
- Internal English school opened
- Provide English-speaking environment for employees; “English-hour,” “English lunch” started

Internal English School (over 800 employees attended from Japan and Taiwan)



“English Lunch” in Tokyo Office



- Promote efficient communication
 - Avoid “ambiguous” communication in Japanese
- Enable agile decision-making
- Increase desire of employees to reach valuable information around the world

Management from each region



All Employees Meeting at PriceMinister



Conference for Rakuten Ichiba Taiwan merchants



Employee meeting at Buy.com



1 **Results of FY2010 Second Quarter and Strategy**

Summary of Consolidated Results FY2010 Q2 Rakuten

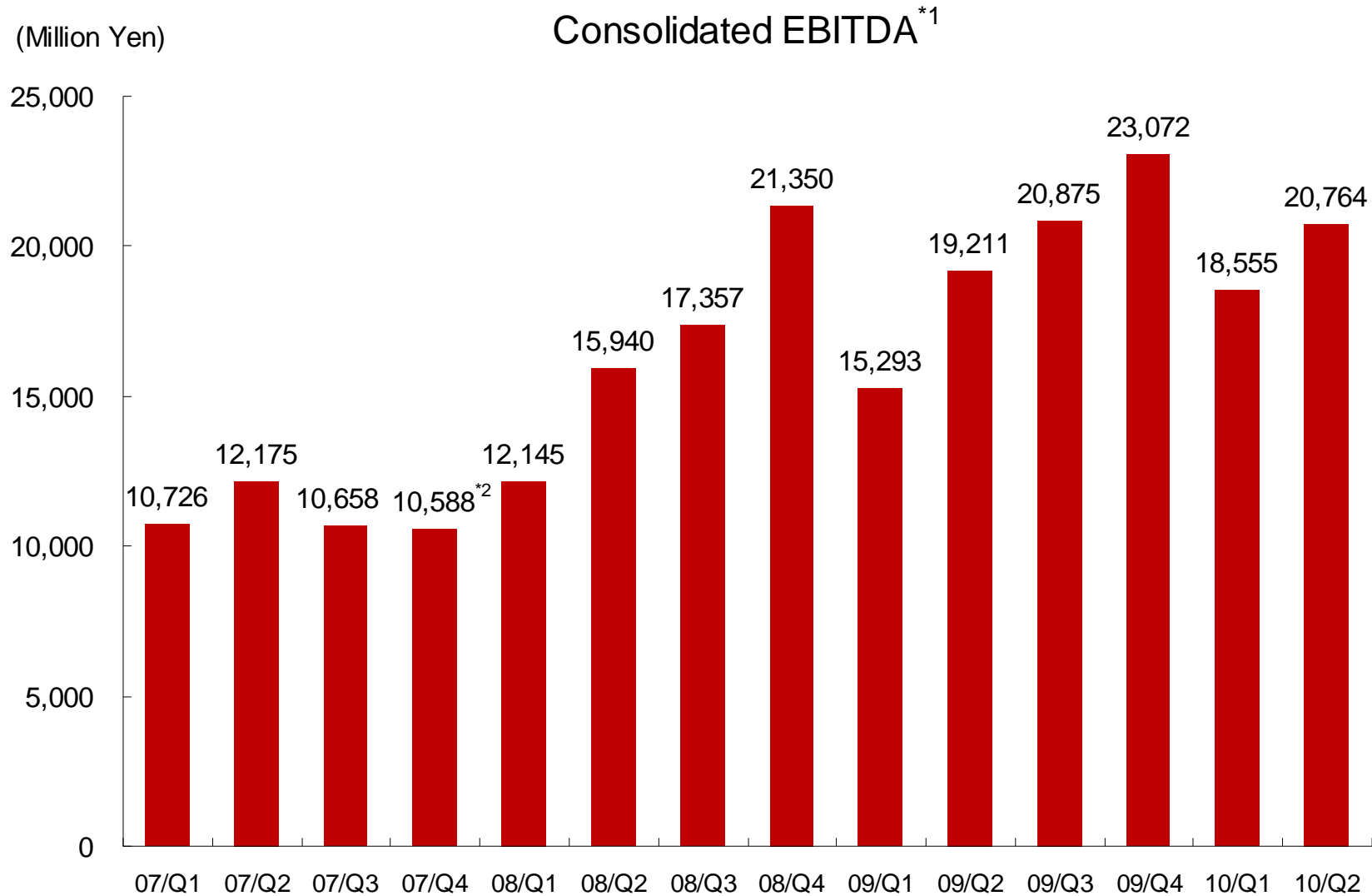
(Billion Yen)

	2009/Q2(Apr-Jun)		2010/Q2(Apr-Jun)			
	Consolidated	Excluding Credit Card Business	Consolidated	YoY	Excluding Credit Card Business	YoY
Sales	73.4	58.7	84.9	+15.6%	68.4	+16.5%
Operating Profit	13.6	13.0	15.2	+12.2%	15.0	+16.0%
Operating Profit Margin	18.5%	22.1%	18.0%		22.1%	
Ordinary Profit	13.2	12.5	14.8	+12.0%	14.6	+16.8%
EBITDA*	19.2	17.4	20.7	+8.1%	19.9	+14.6%

*EBITDA=Ordinary Profit +Interest expense + Depreciation + Amortization of good will - Effect of securitizing loan receivables

11

Quarterly Trend of EBITDA



*1 EBITDA=Ordinary Profit +Interest expense + Depreciation and Amortization of goodwill-Effect of securitizing loan receivables

*2 07/Q4 figure excludes a one-time expense of ¥24.5 billion due to additional provisions for allowance relating to interest repayment claims

Summary of Consolidated Results FY2010 Q2 Rakuten by Business Category

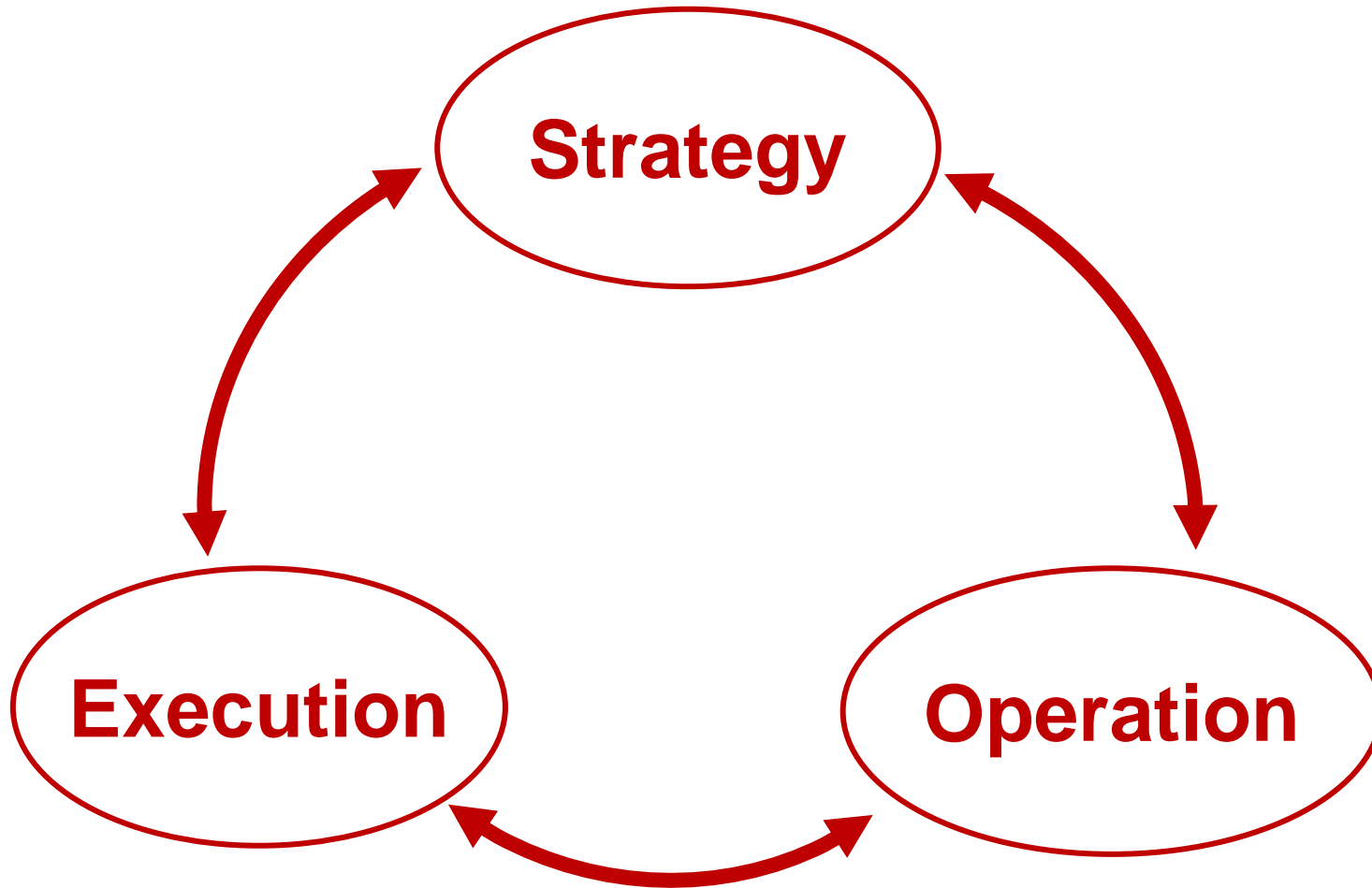
(Billion yen)

			2009/Q2(Apr-Jun)			2010/Q2(Apr-Jun)				
			Sales	EBITDA*1	EBITDA Margin	Sales	YoY	EBITDA*1	YoY	EBITDA Margin
Internet Services	E-Commerce Travel Portal and Media	Net*2	33.7	11.4	33.9%	41.3	+22.5%	13.2	+15.8%	32.1%
		Gross (accounting)	37.5	11.4	30.5%	47.1	+25.3%	13.2	+15.8%	28.2%
Internet Finance	Credit Card Banking Securities E-Money*3		29.2	5.7	19.5%	33.6	+15.0%	5.3	-5.8%	16.0%
Others	Telecommunication Professional sports		9.5	0.8	9.0%	8.8	-7.6%	0.8	-5.4%	9.2%
Corporate and Internal elimination			-2.9	1.1	-	-4.6	-	1.3	-	-
Consolidated		Net*2	69.6	19.2	27.6%	79.1	+13.6%	20.7	+8.1%	26.2%
		Gross (accounting)	73.4	19.2	26.2%	84.9	+15.6%	20.7	+8.1%	24.5%

*1 : EBITDA=Ordinary Profit +Interest expense + Depreciation and Amortization of goodwill-Effect of securitizing loan receivables

*2 reference: Calculated based on Gross Profit for Package Media (inventory-type business).

*3: Started consolidation with bitWallet, Inc. in 2010 Q1





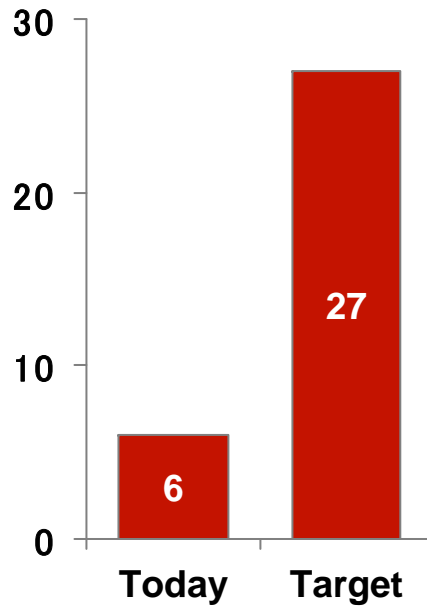
Strategy

Future Plan of Global Expansion: Goal of 27 countries, 20 trillion yen, 70%



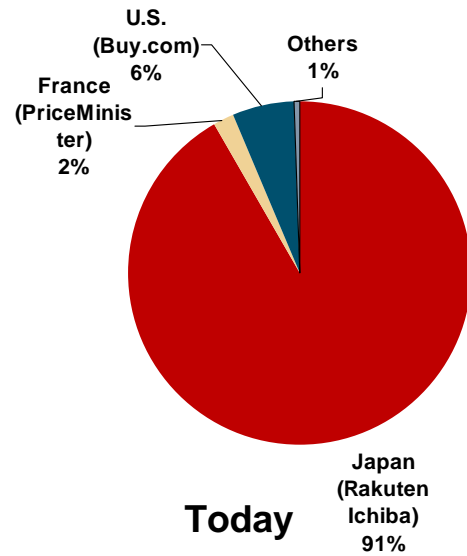
Operating Countries

(Countries)



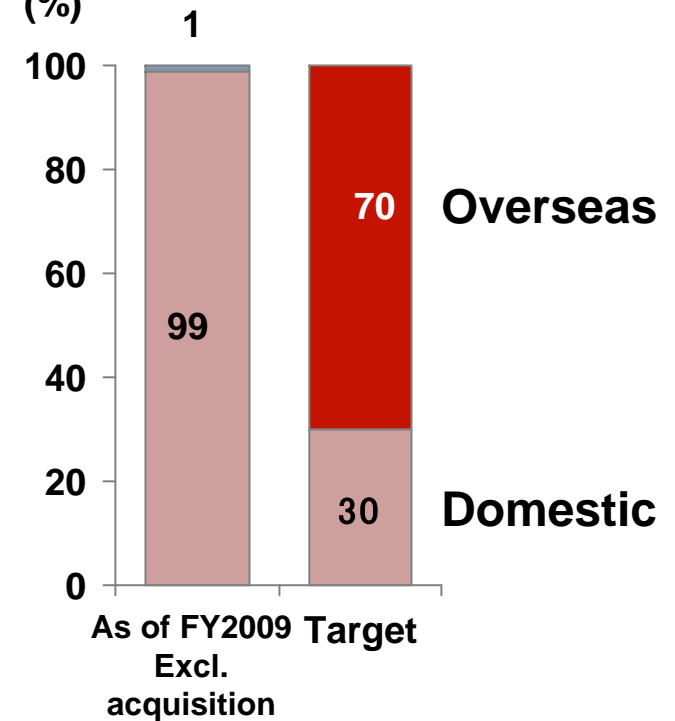
GMS (BtoC EC)

Overseas: 8% (2009)

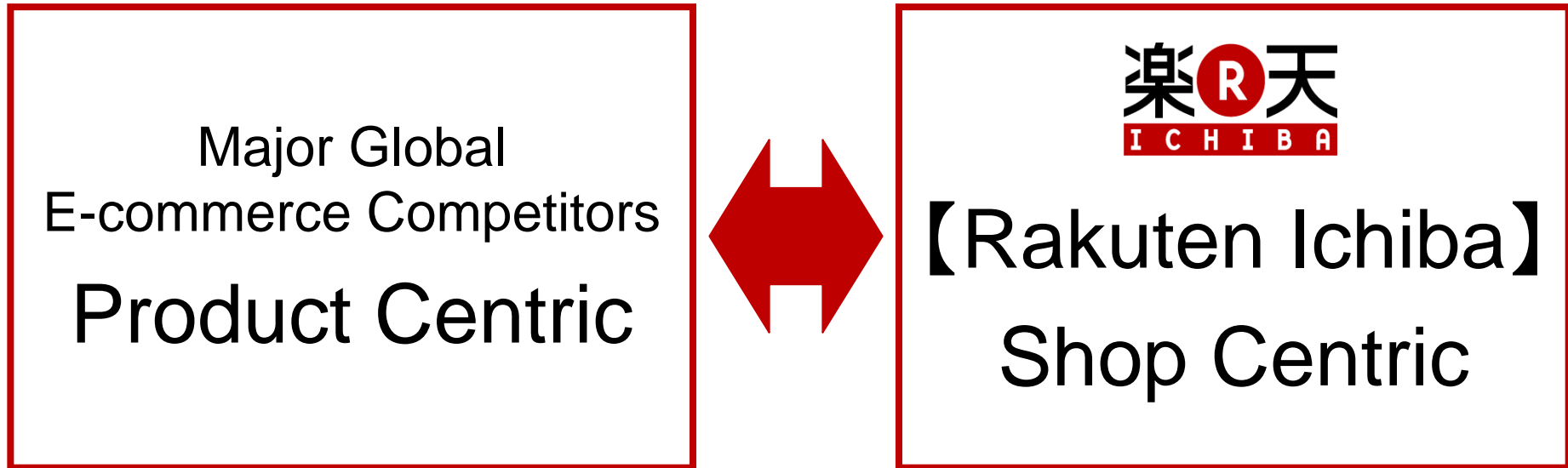


% of GTV from Overseas

(%)



The Difference between Competitors and Rakuten EC Sites



The Rakuten “Empowerment” model is very unique and difficult to replicate



Win-Win-Win

Mutual Prosperity Model

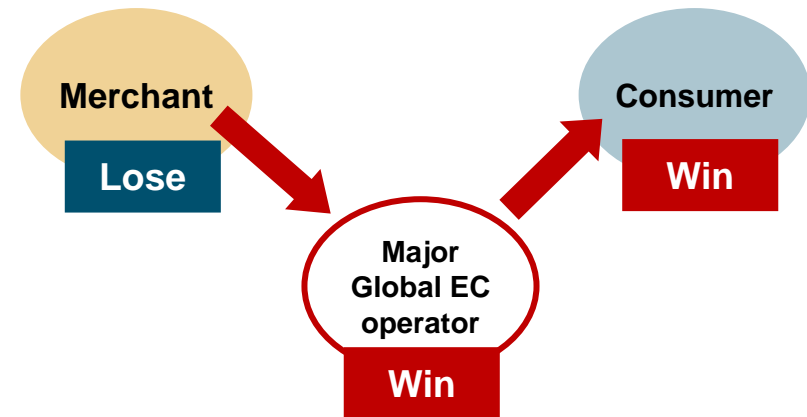
- Merchants' Benefit = Consumers' Saving = Rakuten's Benefit
- Empower merchants = Information and know-how sharing



Major Global EC BtoC operator Lose-Win-Win

Unbalanced Model

- Direct Sale: Maximize Own Profits, Push suppliers to provide discounts
- Mall: Trials before Direct Sale



- “樂酷天”(Rakuten) will be launched in 2010 Q4

“Shopping is Entertainment!”

乐酷天

 Rakuten &  百度

URL : www.rakuten.com.cn/

乐 (Le)	= Happy (樂)
--------	-------------

酷 (Ku)	= Cool
--------	--------

天 (Tian)	= Day
----------	-------

“No Counterfeit Items”, “Earning Reward Points”,
“Shopping with Fun Events”, “Varieties of Japanese Items”

Aiming for Safe and Fun Shopping Mall

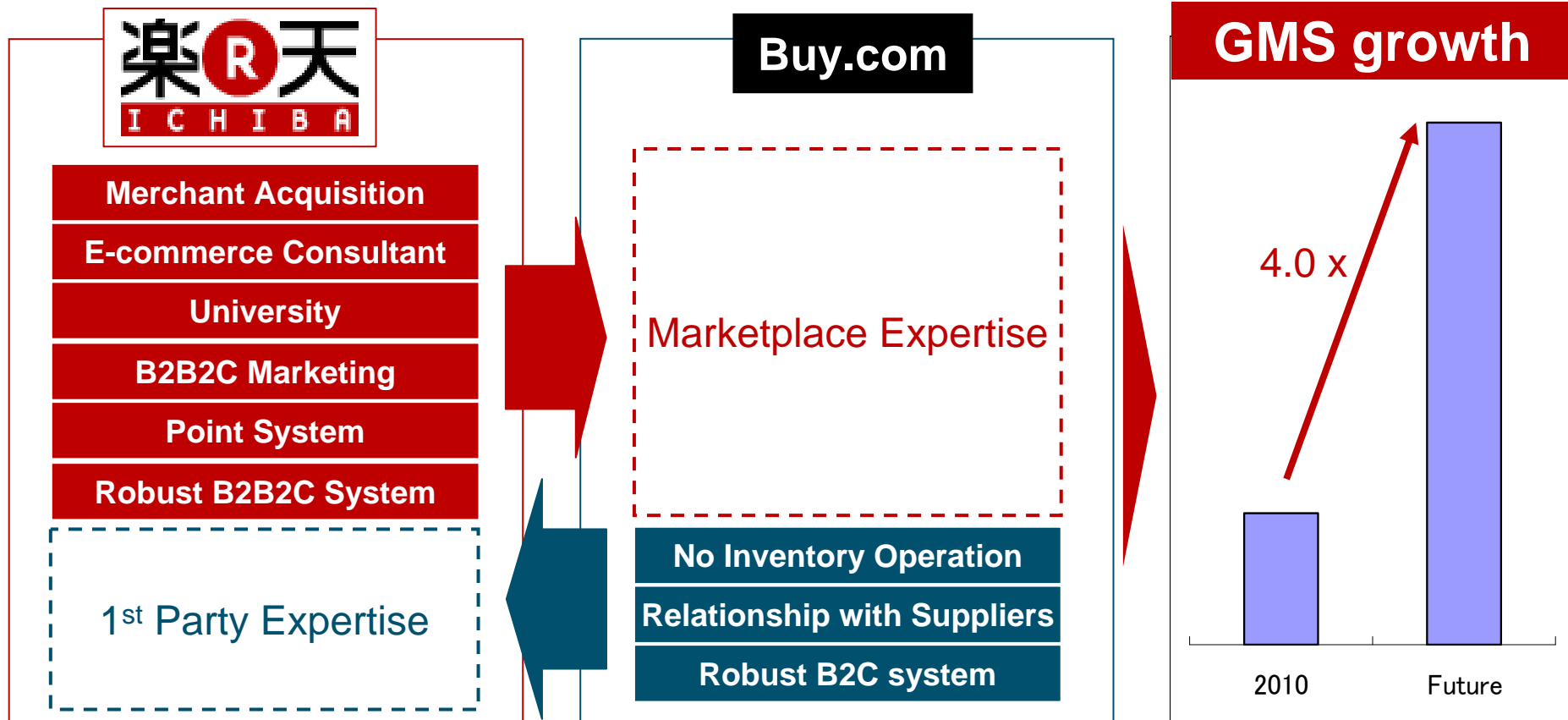
- Started acquiring merchants from June, received overwhelming response

- Offering competitive pricing scheme for merchants
 - Receive deposits (guarantee fee) and charge margin fee (sales link)

- System Development on schedule

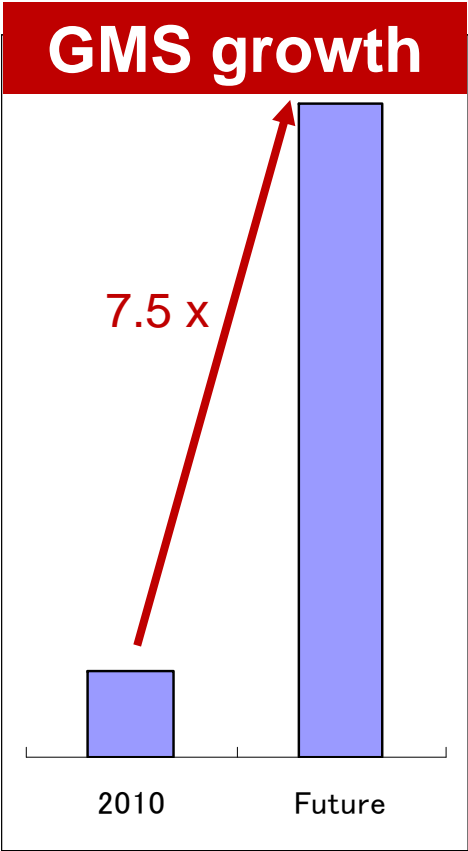
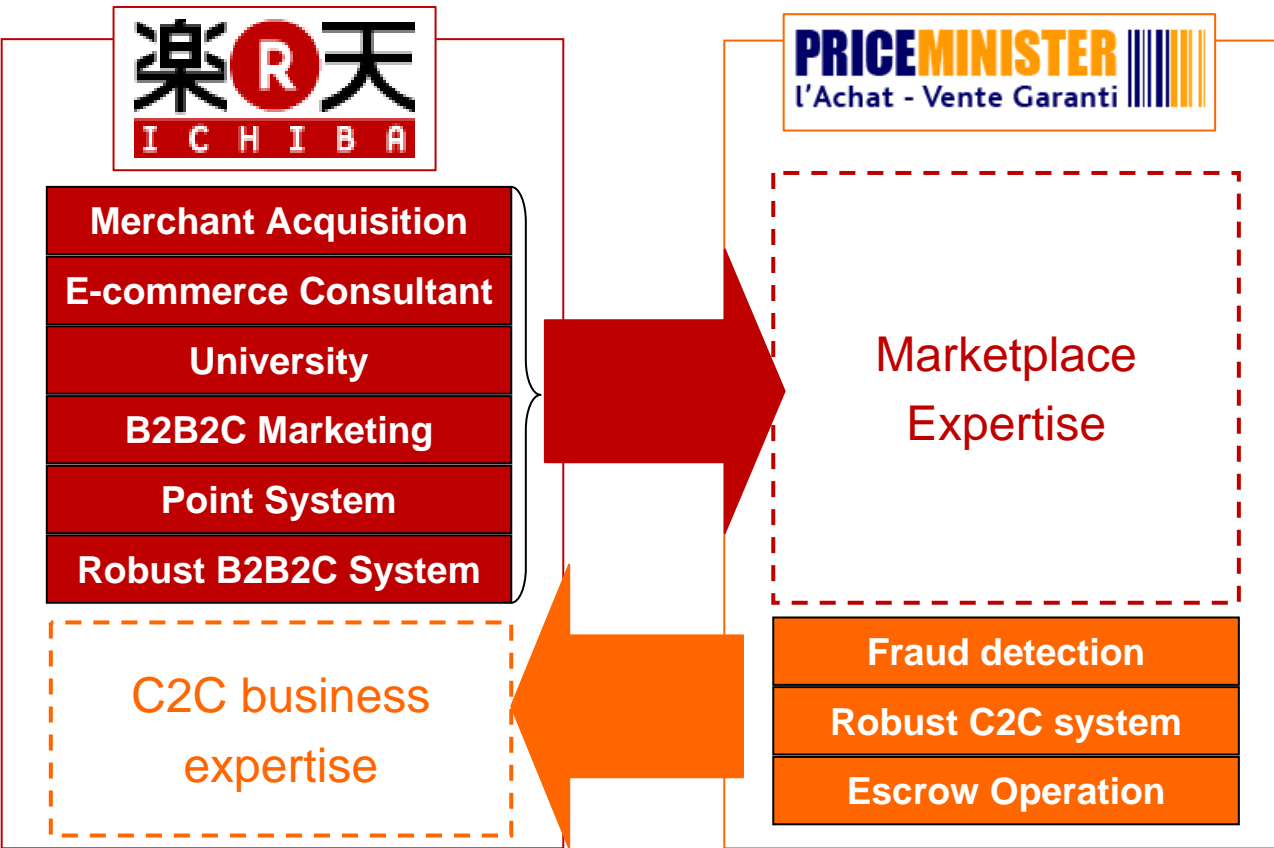
Opportunities

- Rakuten provides marketplace expertise
- Buy.com provides 1st party business expertise



Opportunities

- Rakuten provides marketplace expertise
- PriceMinister provides C2C business expertise



Deploy three different models according to market characteristics

楽天  天

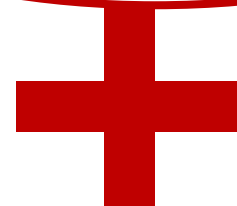
BtoBtoC Model

- Merchants support, contribution to local markets

PRICEMINISTER
l'Achat - Vente Garanti 

Safe/Secure CtoC Model

- Escrow, Counterfeit items compensation



Buy.com

1st Party Sales

- guaranteed product quality



Effective for CtoC and/or in growing markets

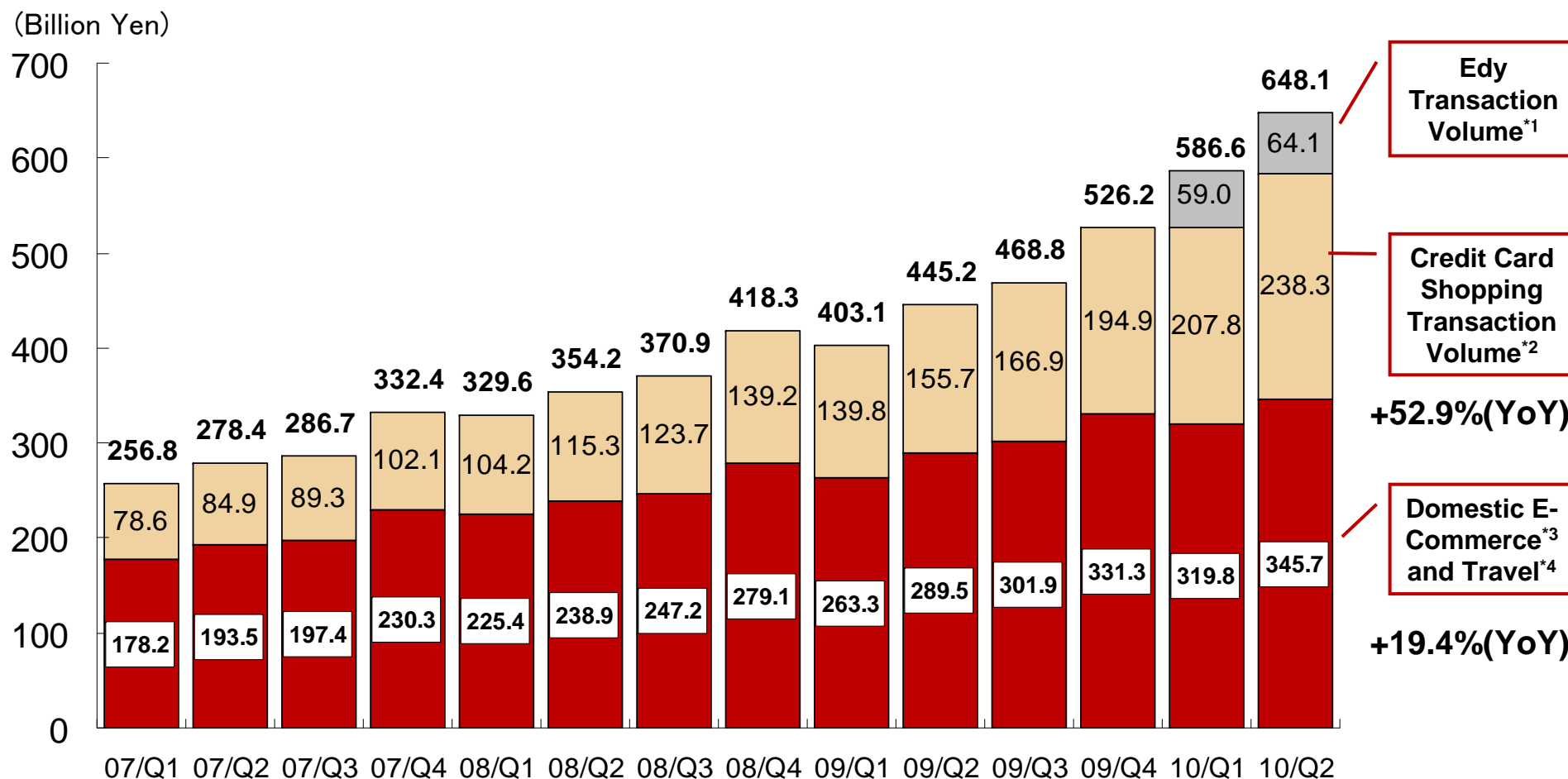


Effective for emerging markets



Execution

Group Gross Transaction Volume (Incl. Credit Card and E-Money)



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

*2:Credit Card Shopping Transaction Volume= Shopping Transaction Volume of credit cards issued by Rakuten KC, including Rakuten group service use

*3: Domestic E-Commerce =Mall (Fixed-price, Group purchase, Mobile, Business, Golf, Books, Auction (Flea market), download, tickets, Internet Supermarket, Check Out, Off-track betting, toto(09/Q1-) *5

*4:Travel (before cancellation, excl. tax) = Domestic/international accommodation booking, International air tickets, Domestic/international dynamic packaging, Domestic bus service, Rental car service

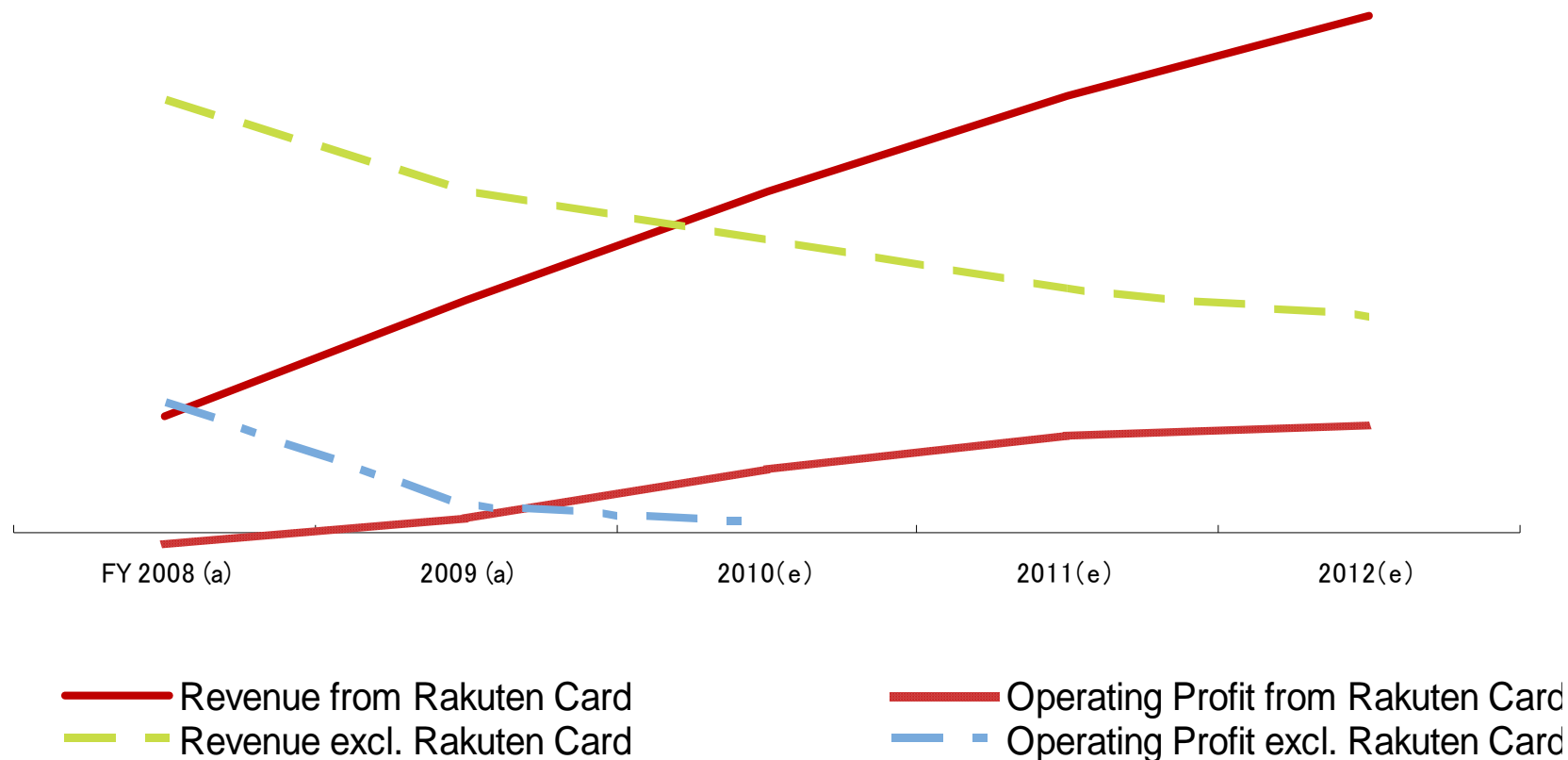
*5 Retroactively added to GMS since service start

- **Maximize stickiness of Rakuten services**
- **Increase ARPU at E-commerce and Travel services**
- **Revenues from off-line activities through Credit Card and E-Money**
- **Accelerate cross-use in Rakuten Eco-system**

Transition Image of Rakuten KC Profit Structure Rakuten

- Profit from Rakuten Card rises despite increase in acquisition costs
- Offsetting profit decrease of legacy loan businesses

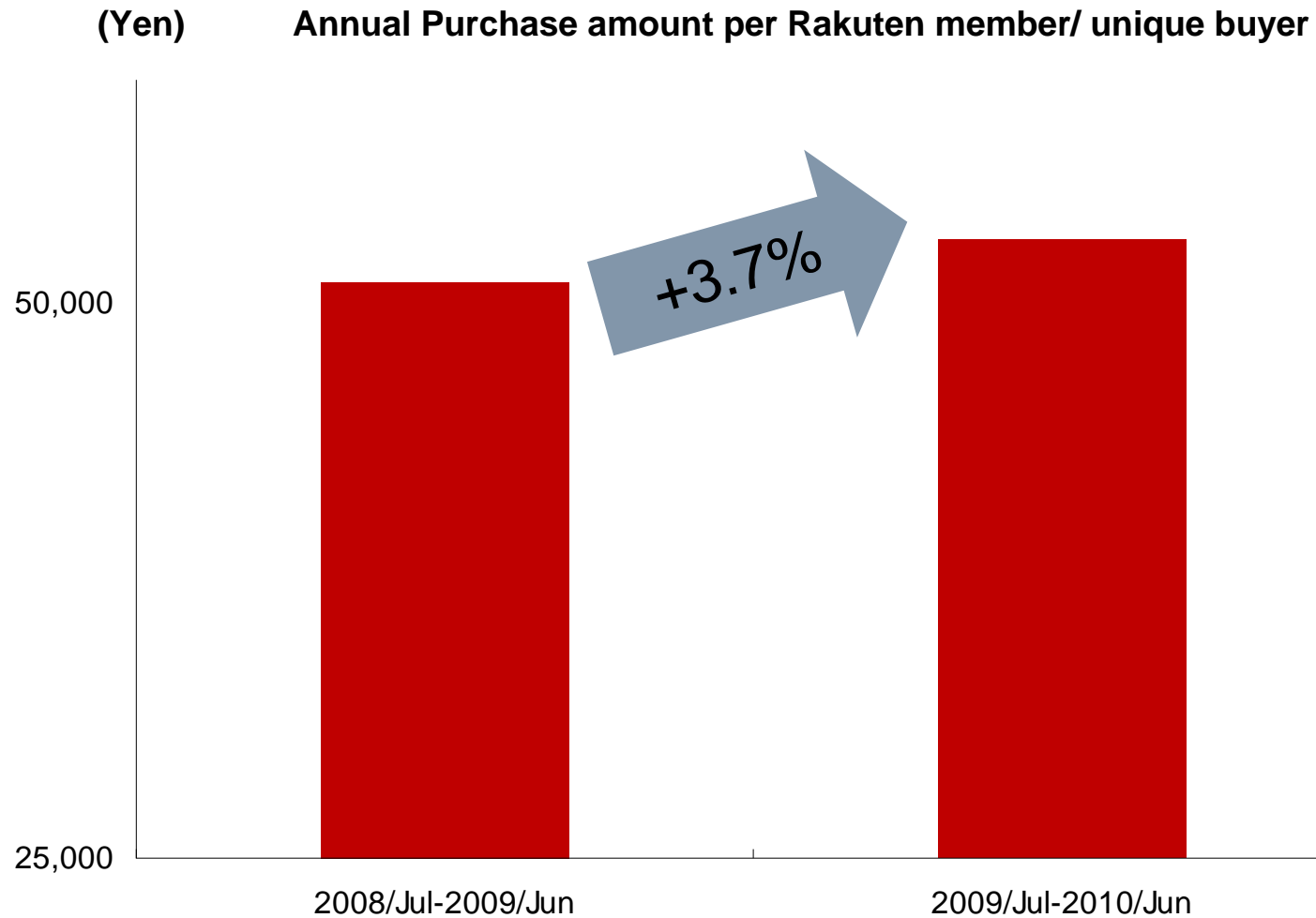
(Million Yen)





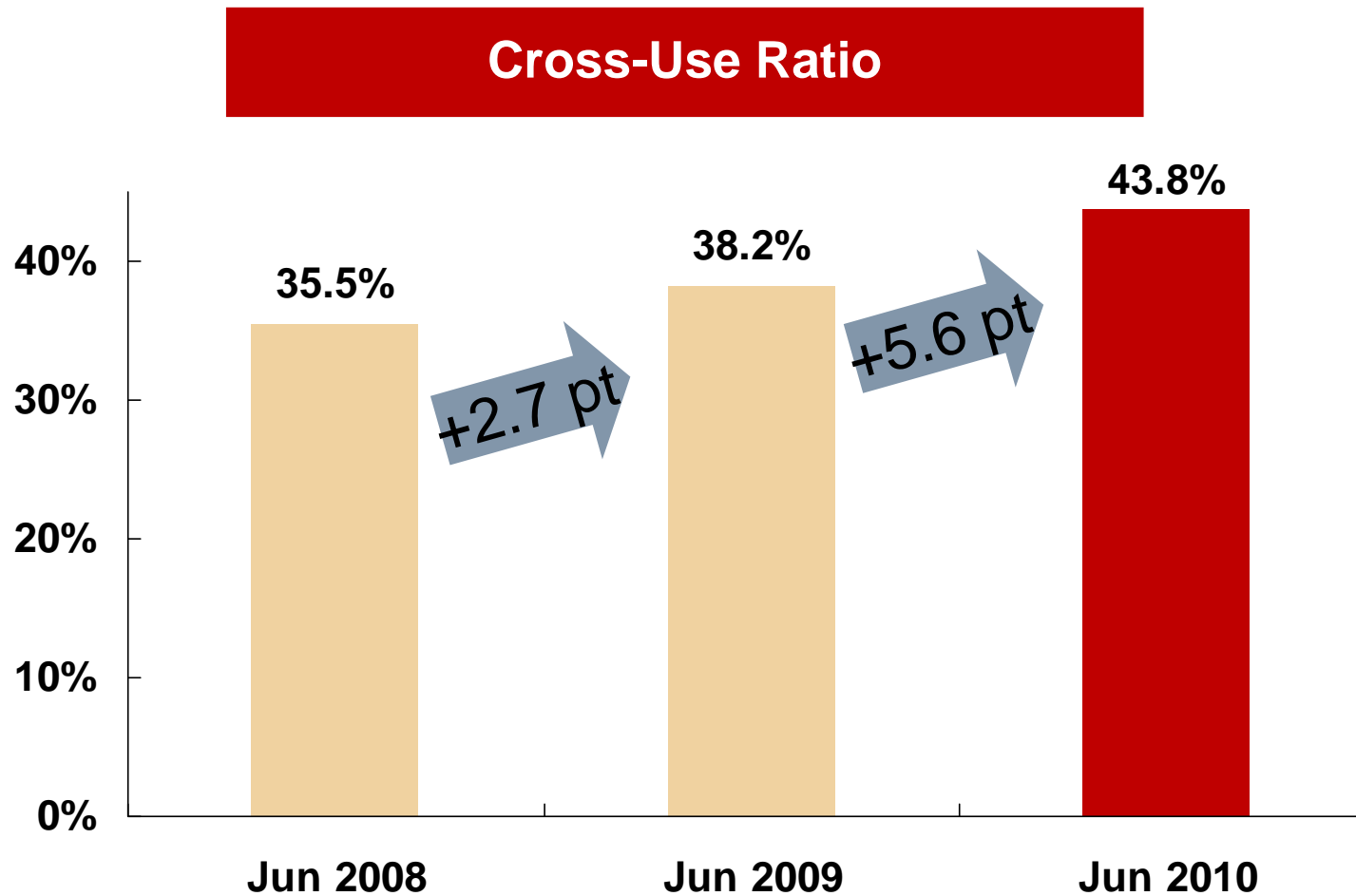
Operation

Increasing Annual GMS per Buyer at Rakuten Ichiba



*: Unique Buyers: Number of buyers (Rakuten member sorted by ID and non-Rakuten member sorted by e-mail address) with purchasing records during the listed 12 month period at Rakuten Ichiba and Rakuten Books.

- Accelerated due to group synergy



* Purchasing ratio of Rakuten members who have utilized other Rakuten services during the past 12 months of the listed month.

* Applicable services are limited to those which can earn Rakuten Super Points (excl. Securities)

2 Operating Results of Key Businesses

1. Rakuten Ichiba Business
2. Travel Business
3. Credit Card Business
4. E-Money Business
5. Banking Business
6. Securities Business

2 -1 Rakuten Ichiba Business

■ Sustainable Growth in GMS



- Growth of GMS: +16.5% (YoY)
- Excluding “swine flu” factor: +18.9% (YoY)

■ User Incentives



- Free shipping promotions
- Multi-genre shopping point campaigns

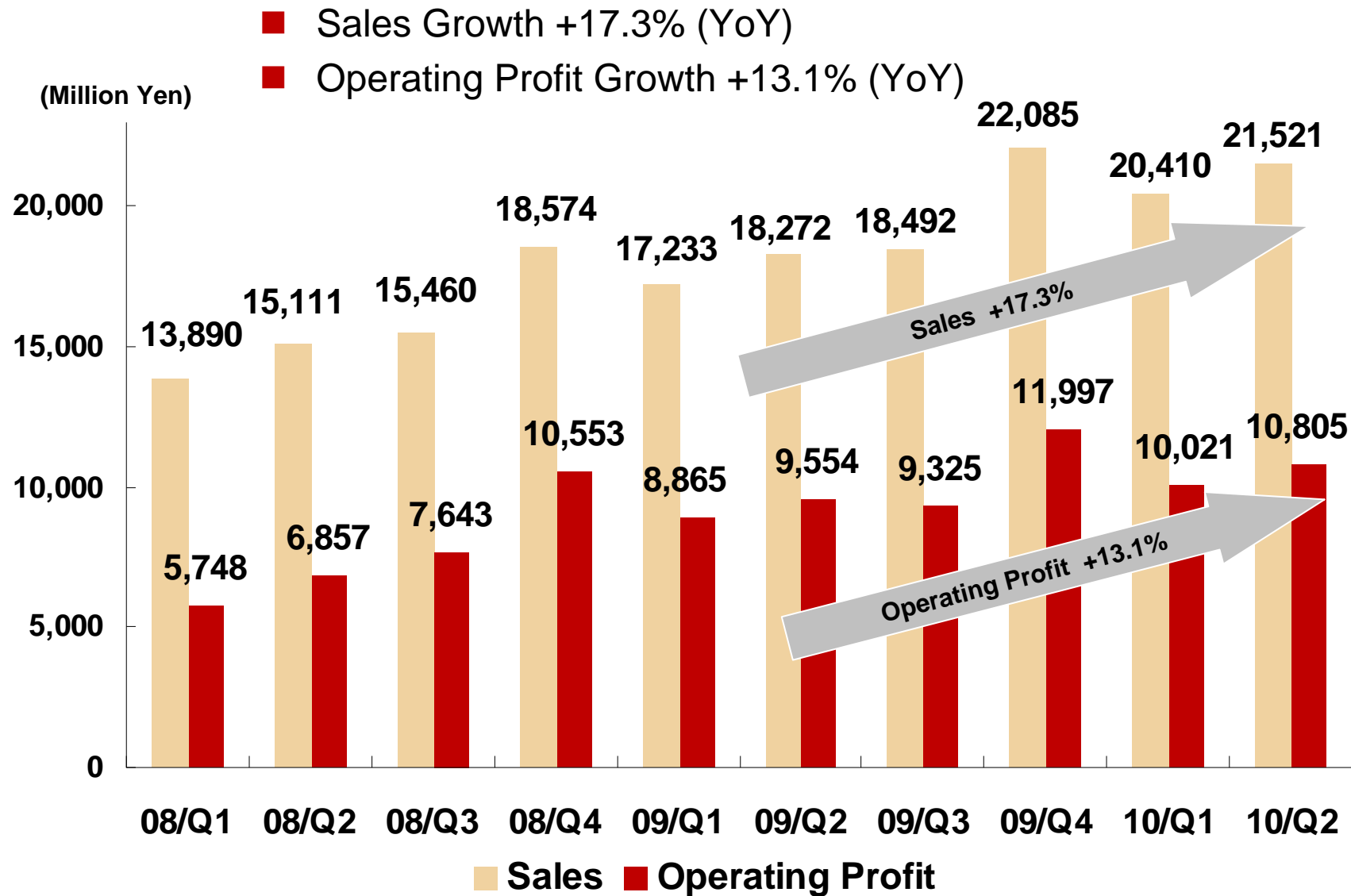
■ Penetration of “Asuraku”



- Growing “Asuraku” GMS thanks to increase in participating merchants

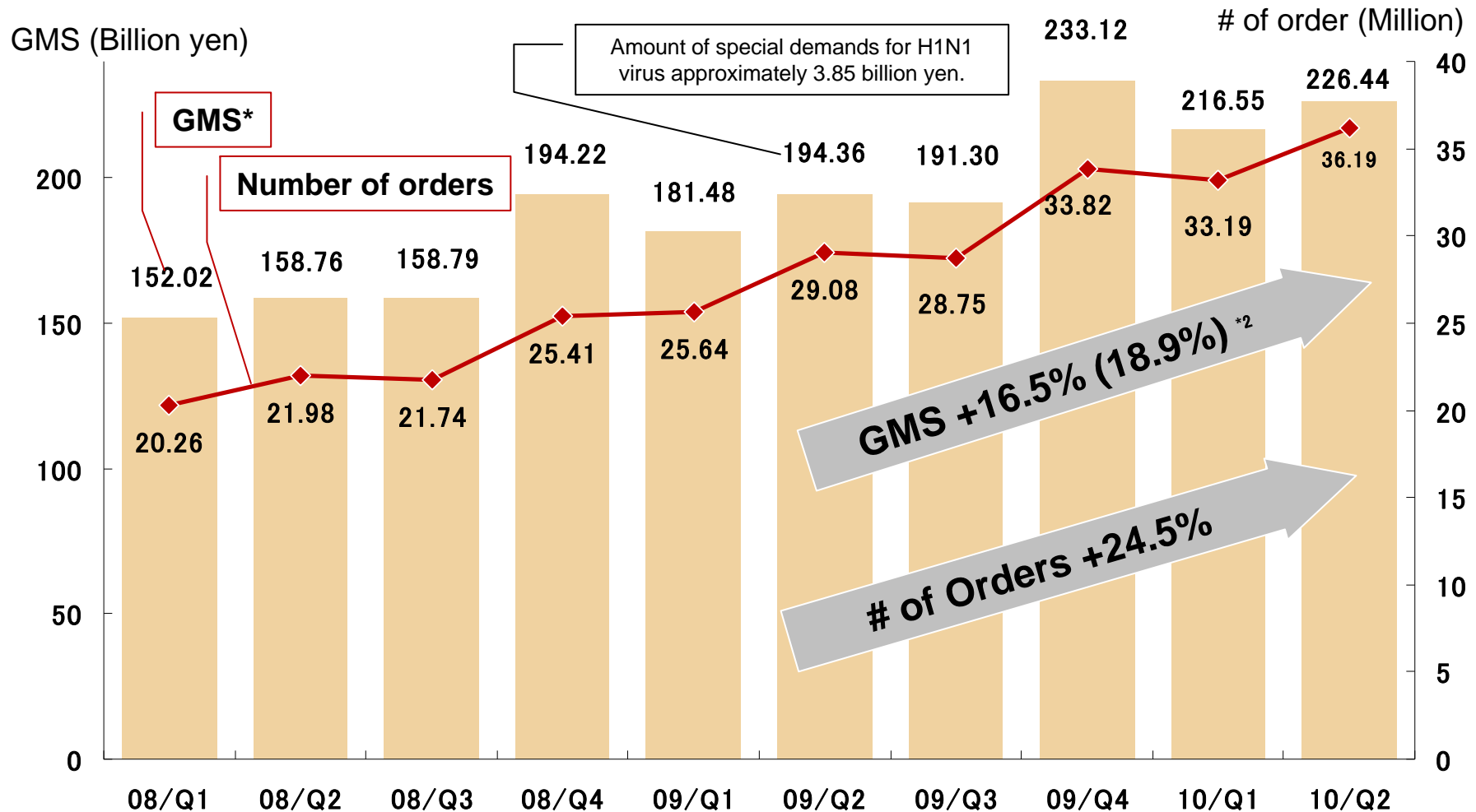
*“Asuraku”: Next day delivery service

Rakuten Ichiba Quarterly Results



GMS*¹ (Rakuten Ichiba and Rakuten Books) Rakuten

- **GMS of Rakuten Ichiba and Rakuten Books: + 16.5% (YoY)**
- **Excluding “swine flu” factor: +18.9% (YoY)**



*1 GMS =Mall (Fixed-price, Group Buy), Mobile (Fixed-price, Group Buy) and Rakuten Books

*2 Excluding H1N1 factor in Q2/2009

Rakuten Ichiba Buyer Metrics*1



- Unique Buyers Growth: +18.4% (YoY)
- Free shipping promotions led to a decline in average price per transaction

	2008/Q2	2008/Q3	2008/Q4	2009/Q1	2009/Q2	2009/Q3	2009/Q4	2010/Q1	2010/Q2
Unique Buyer*2 (million)	6.33	6.37	7.03	7.17	7.72	7.75	8.54	8.60	9.14
# of Transactions (million)	20.78	20.65	24.19	24.05	27.11	26.43	31.02	30.27	33.26
Average # of Transactions per Buyer	3.28	3.24	3.44	3.35	3.51	3.41	3.63	3.52	3.64
Average Price per Transaction	¥7,443	¥7,506	¥7,844	¥7,346	¥6,970	¥6,999	¥7,268	¥6,908	¥6,586
Quarterly GMS per Buyer *3	¥24,413	¥24,327	¥26,969	¥24,637	¥24,449	¥23,868	¥26,390	¥24,291	¥23,935

*1 Based on e-mail address: Fixed-Price and Group Buy introduced in Rakuten Ichiba and mobile

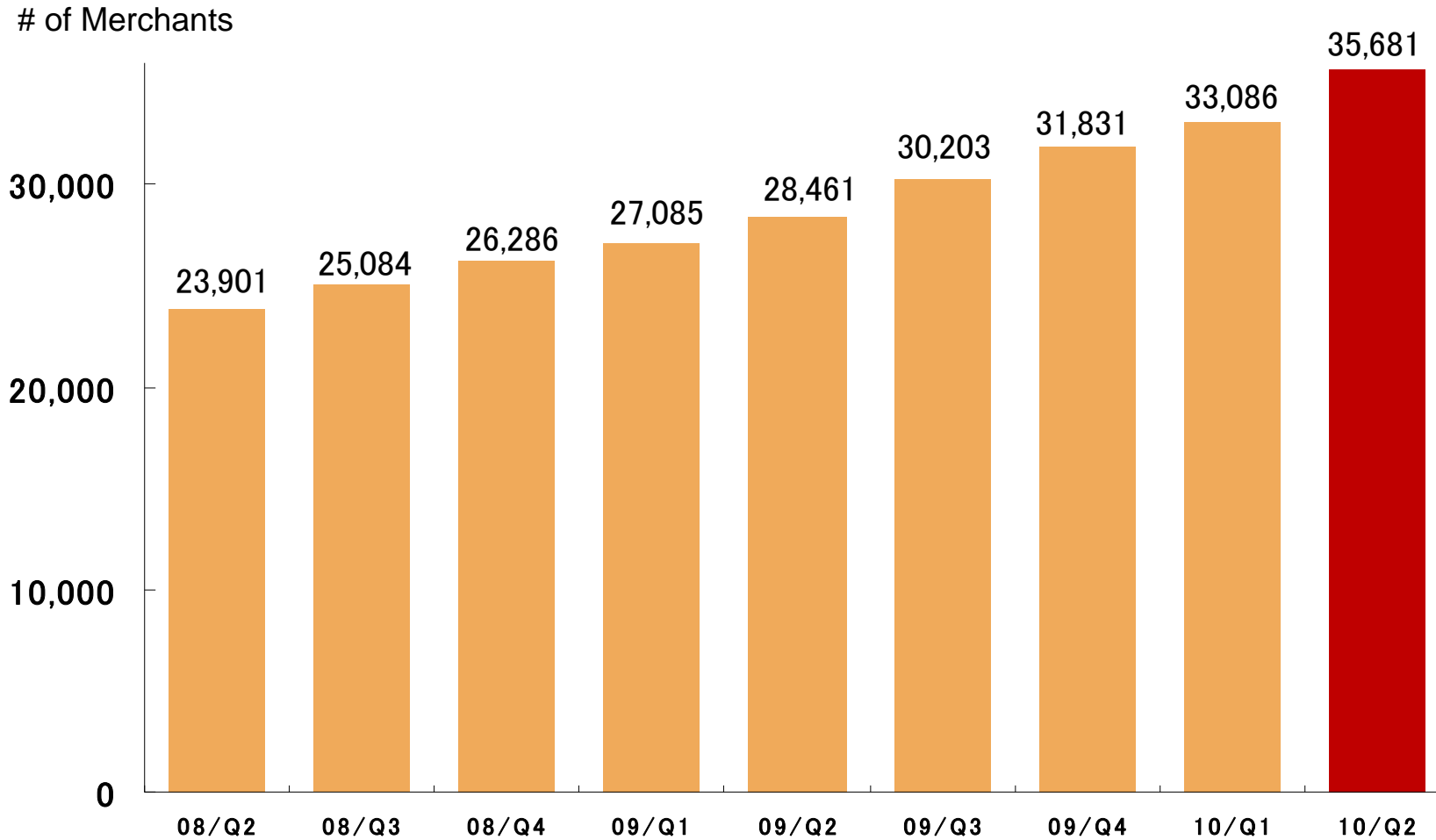
*2 Unique Buyers: Number of buyers sorted by e-mail address with purchasing records during the listed 3 month period.

*3 Quarterly GMS Per Buyer = GMS (Rakuten Ichiba) / Unique Buyers

Number of Merchants *



■ Total number of merchants (contract base): +25.4% (YoY), surpassed 35,000



*Method changed from 09/Q3 disclosure :New method is based on number of contracted merchants, old method was based on number of merchants who were charged fixed fee during the last month of each quarter.

Rakuten Ranking App for iPad was released on July 30th



Features

- Display top 100 items in over 1,000 genres at Rakuten Ichiba
- Unique items are recommended by Rakuten staff
- Hold one's favorite items for three months, sorted by date and genres
- Twitter function available

Ranked 1st* in iPad Apps



Source: company investigation for August 1st to 3th

2 -2 Travel Business

■ High growth of GTV

- ▶ ■ GTV +20.6% (YoY) due to steady growth of leisure trips

■ Expansion in Transportation Services

- ▶ ■ Expand High-way bus Services
 - The only site selling tickets for both highway buses and tour buses
- ▶ ■ Strengthen cooperation with JR EAST
 - “Shinkansen + Rent-A-Car + Hotel” for selected destinations

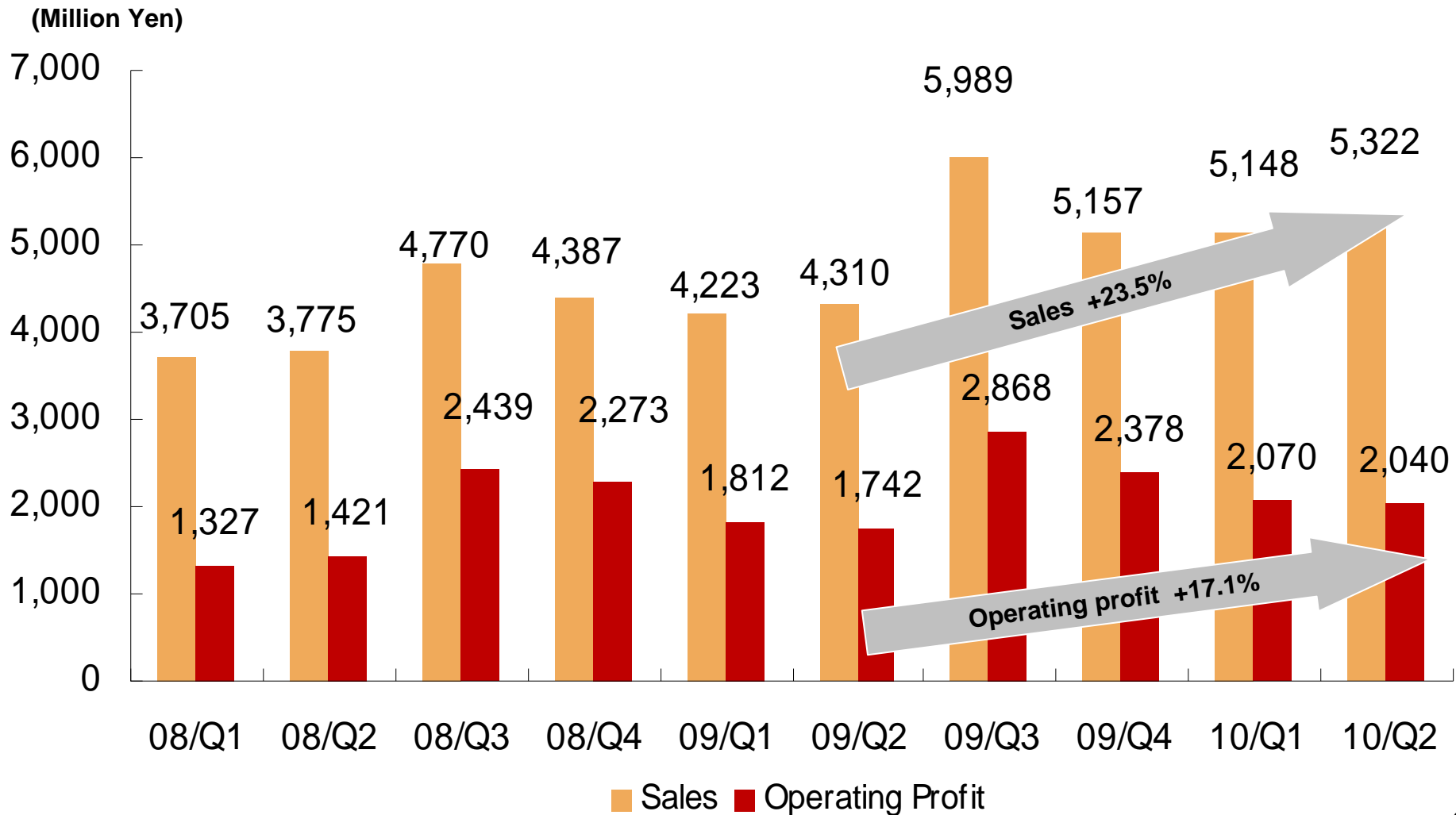
■ Strong growth in Group Bookings

- ▶ ■ Reinforced “Ainori” (Group booking) services
 - Linkage with SNS (Twitter, Facebook)
- ▶ ■ GTV: ¥ 500 MM per month

Travel Business Quarterly Results



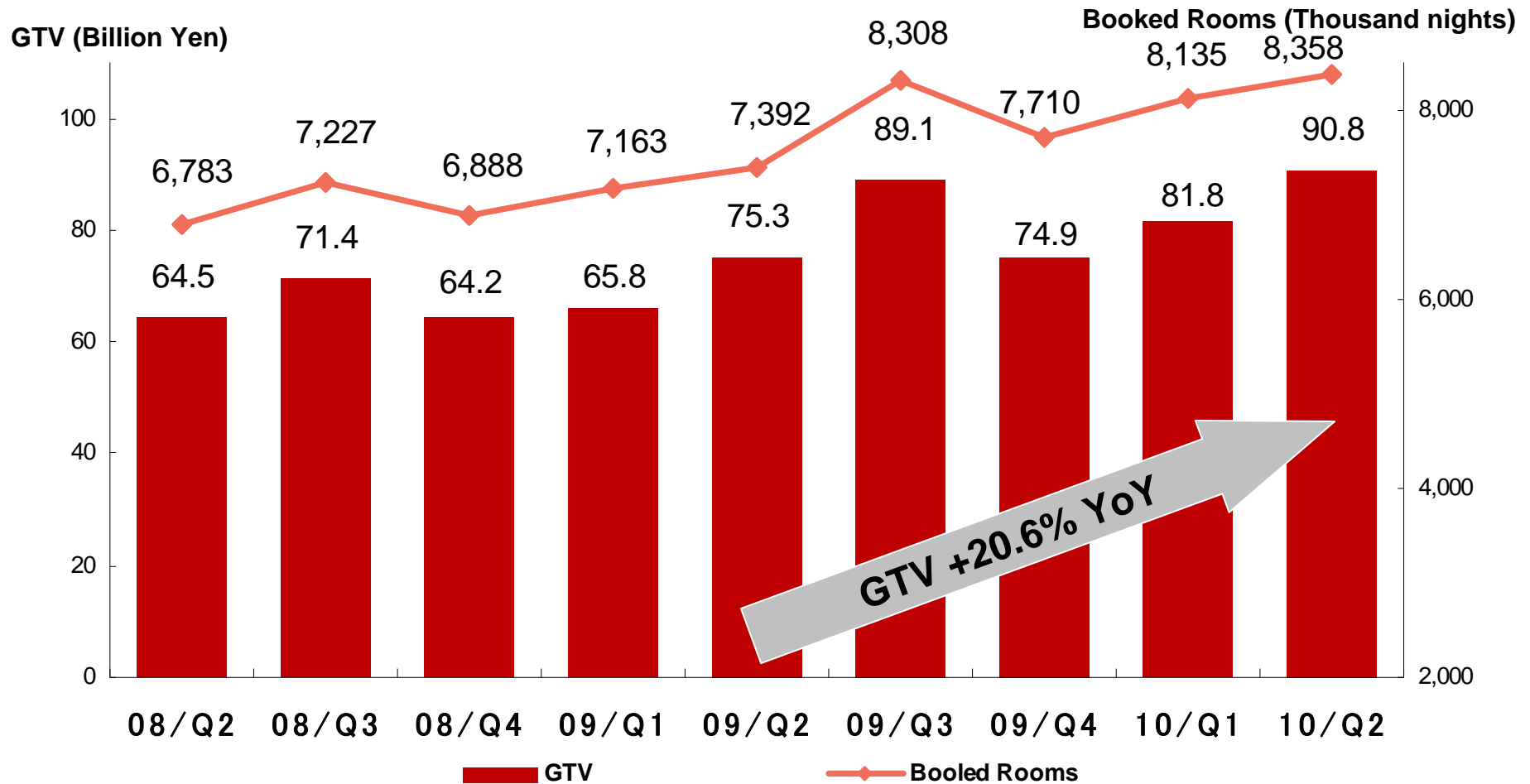
- Sales Growth: +23.5% (YoY)
- Operating Profit Growth: +17.1% (YoY)



Travel Business Gross Booking Transaction Volume



■ Steady growth of leisure trips led to higher Travel GTV* +20.6% (YoY)



* Travel GTV = Booking base (before cancellation, excl. tax)
= Domestic / International hotel room booking, International air tickets, Domestic/ International DP, Domestic bus, Rental car service

2 -3 Credit Card Business

■ Business Model Transformation in Process



- Card shopping transactions +52.9% (YoY)
- Shopping revolving balance +62.1% (YoY)

■ Continuing Membership Growth



- Credit card membership of Rakuten KC reached 5.1 Million

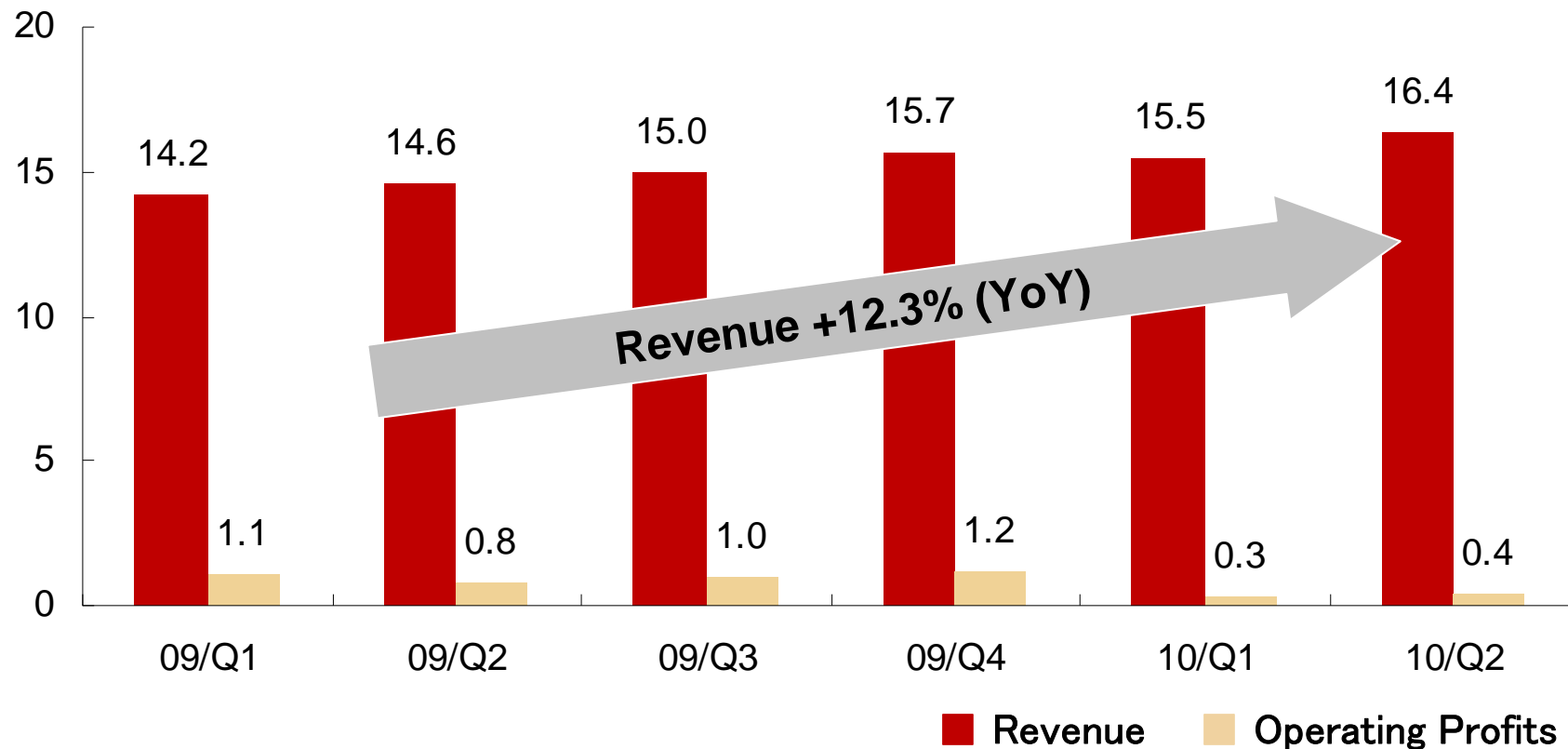
■ Stabilization in excess interest repayment



- Excess interest repayment related expense remained same level as the previous quarter

- The operating profits remain positive under the unfavorable market conditions

(Billion Yen)



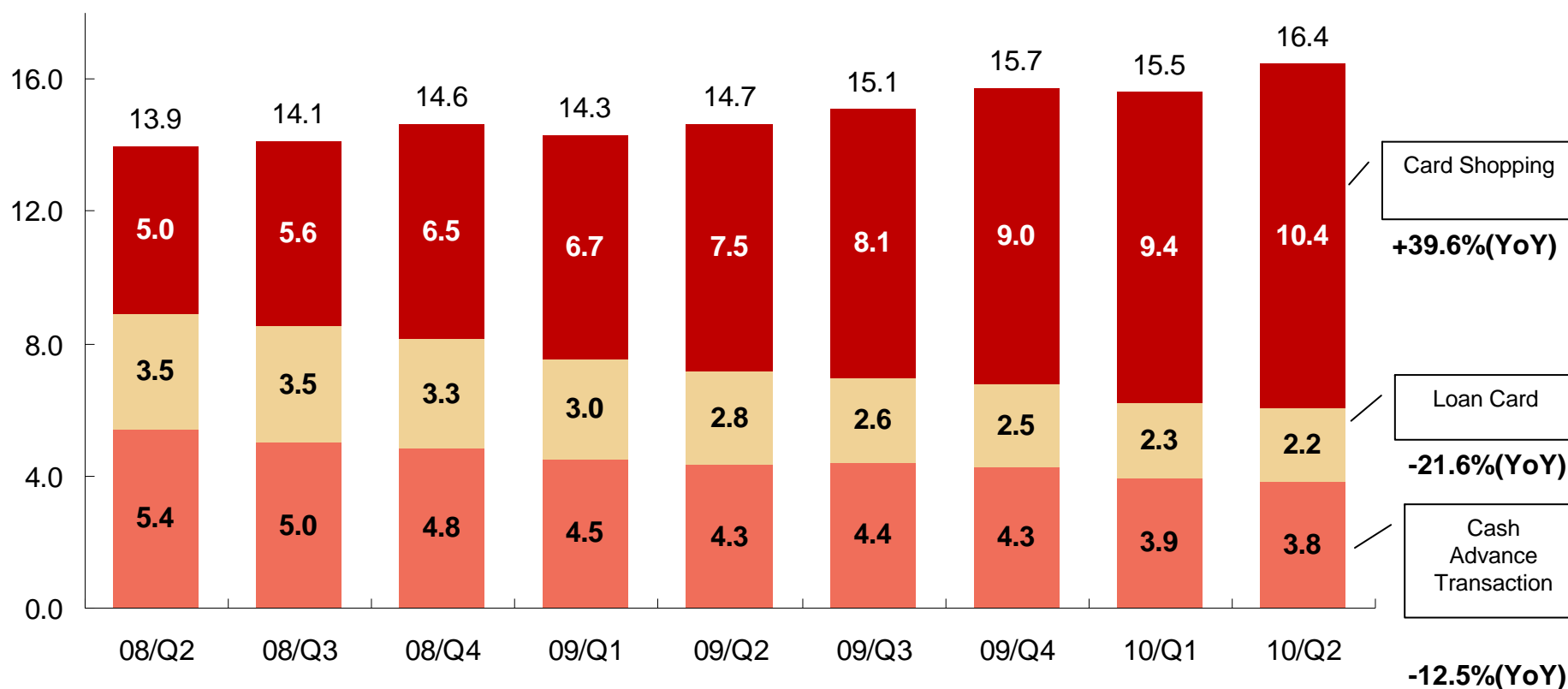
Rakuten KC

Change in the Composition of Quarterly Revenue




■ Increased focus in credit card business

(Billion Yen)



* Refer to appendix for the detail of revenue

- Under the current growth rate, Rakuten KC will become one of the major credit card companies

	(Billion Yen)				(Billion Yen)
	FY 2008	FY 2009	YOY		FY 011 (Estimate)
Credit Saison	3,891.0	3,844.6	-1.2%		3,753.5
AEON CREDIT SERVICE	2,030.8	2,186.7	7.7%		2,535.1
Cedyna	1,909.3	1,955.0	2.4%		2,049.8
Rakuten KC	518.1	657.5	26.9%		1,208.4
Orient Corporation	1,017.8	1,048.0	3.0%		1,111.1
APLUS	452.9	453.5	0.1%		454.5

*Source: Numbers are Based on Gekkan-Shohisya-shinyou, company data

*Figures of Rakuten KC are calculated on 2010 first half performance and annual growth rate from Sep 2008.

Figures of other companies are calculated on FY2009 performance and annual growth rate from Sep 2008.

2 -4 E-Money Business

■ Cooperation within Rakuten Group



- Edy to be added to Rakuten Card
- Preparing Edy based settlement service for Rakuten Ichiba



■ Edy GTV increasing



- GTV growth: +20.8% (YoY) thanks to CVS campaigns

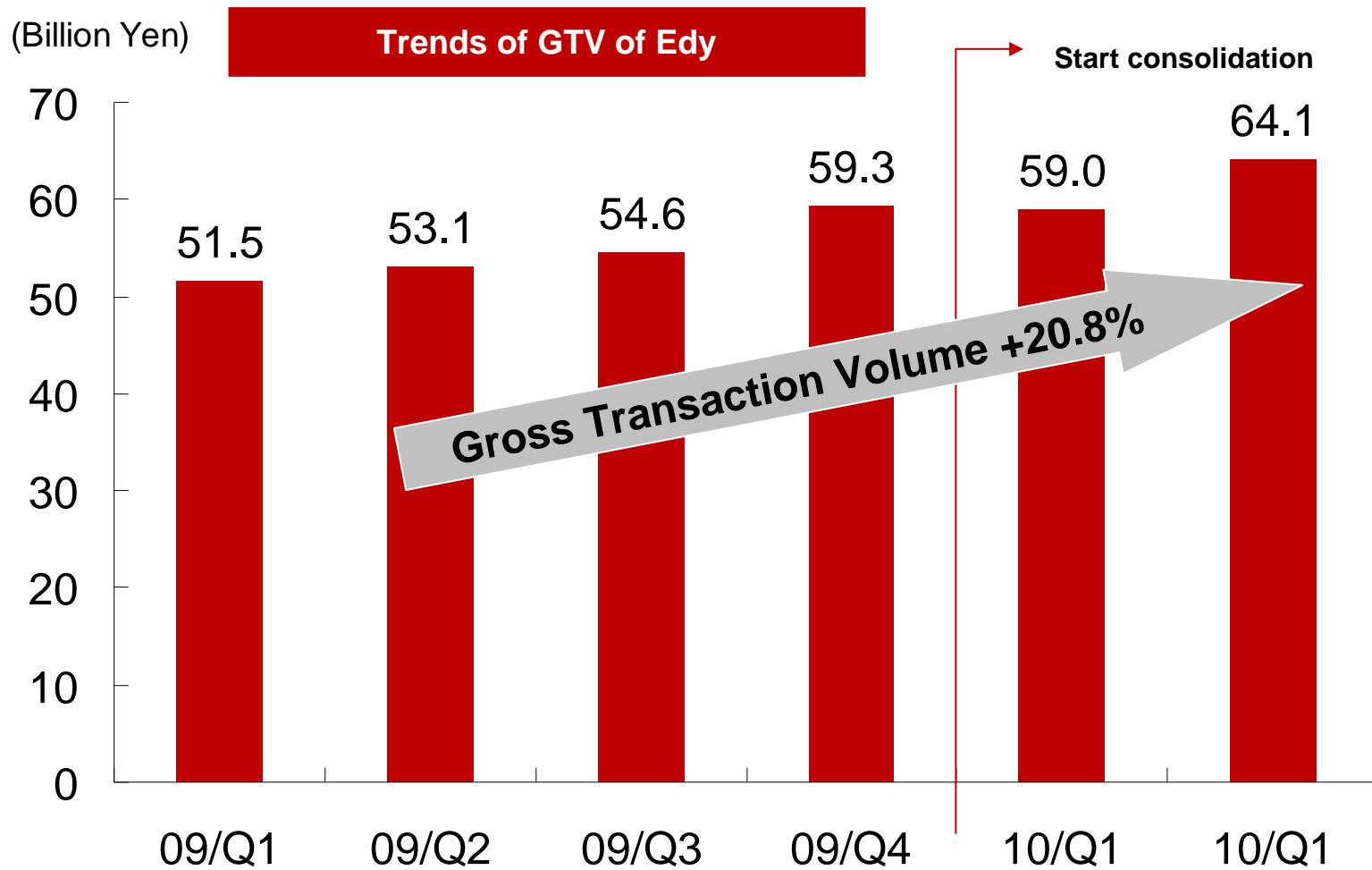
■ Increasing service point



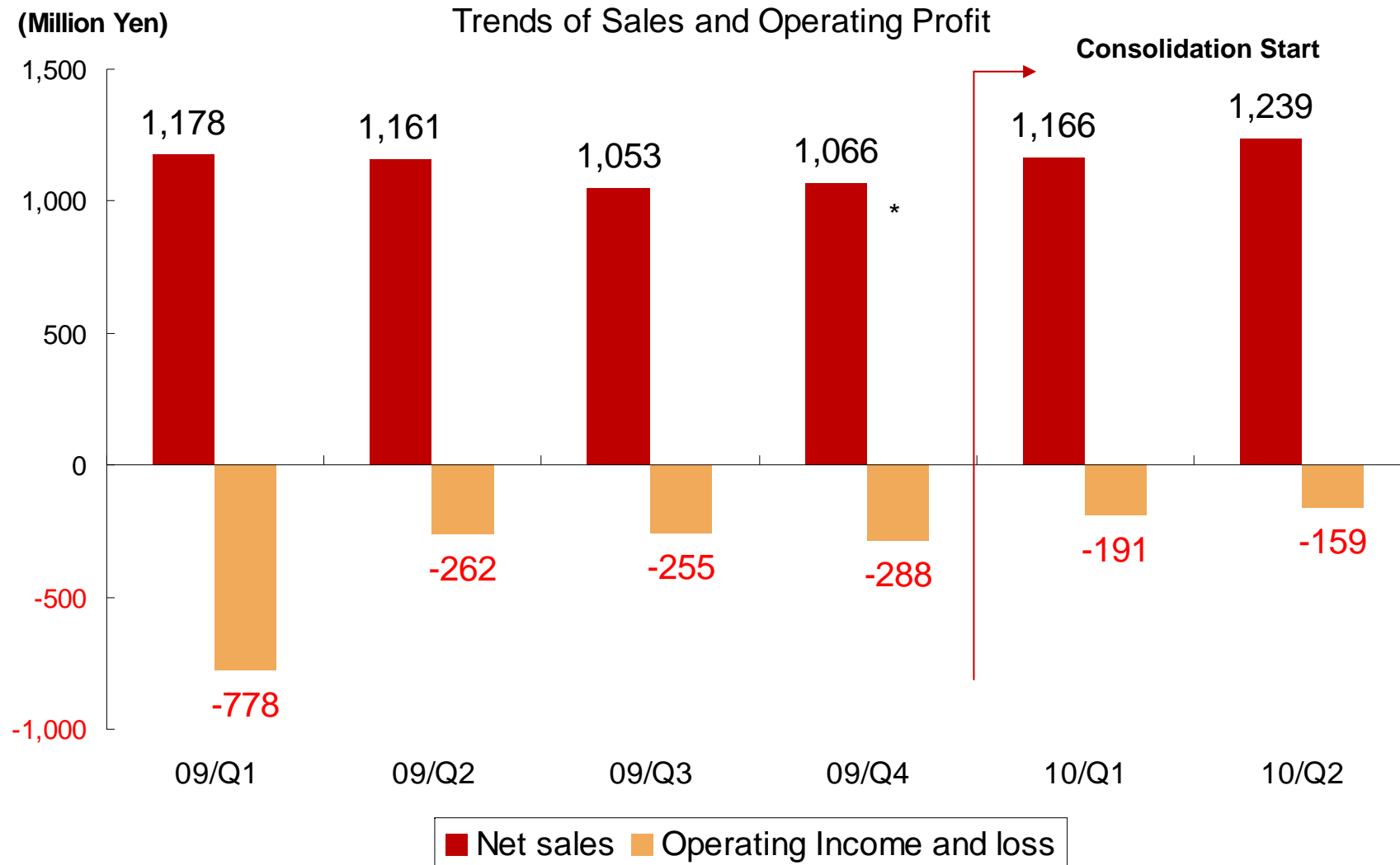
- Number of service points at 231,000, +60.4% (YoY)

Transaction Volume of E-Money settlement Rakuten

■ GTV Growth :+20.8% (YoY)



E-Money Business Quarterly Results



*: Figures until 09/Q4 are non-consolidated results of bitWallet, Inc. Figures since 10/Q1 are E-Money business segment of Rakuten group consolidated results (amortization of goodwill included)

2 -5 Banking Business

■ “Basic profit^{*1}” remain black



- Initiated full-scale loyalty program, linked with Rakuten ID
- Progress in encouraging settlement within the Rakuten Group

■ New initiatives to increase usage



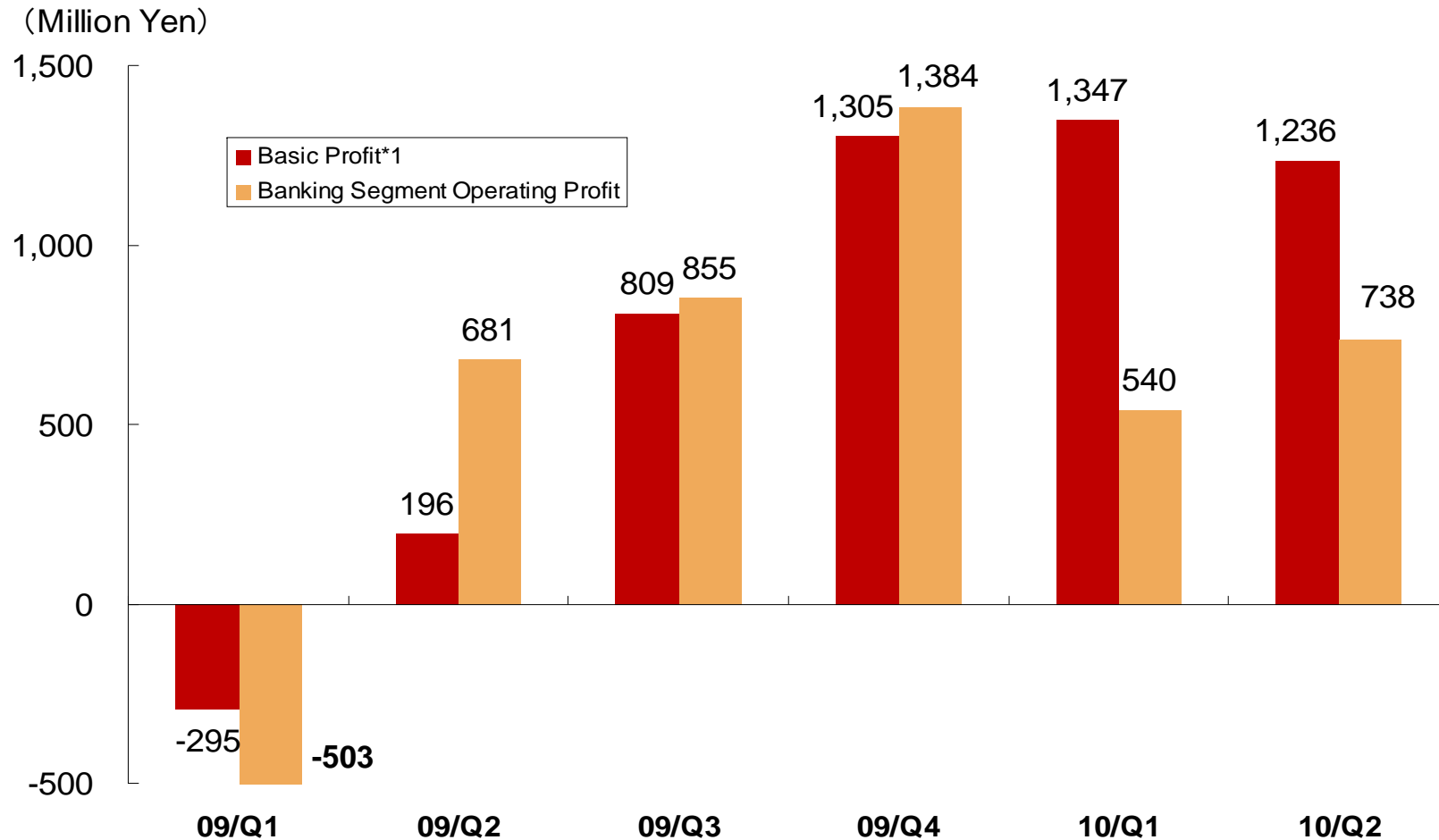
- Inter-mediate agency alliance with Rakuten Securities
- Announced Internet based overseas remittance

*1:Basic profit = Income or loss deducted from income (loss) due to changes in market price or sales of investment products. Income or loss from main business of Rakuten Bank excludes temporary evaluation gains (losses) such as investment.

Rakuten Bank Profit Improvement



■ Secured Basic profit despite cost increase (renaming, loyalty program and intra-net integration)



*1: Basic profit = Income or loss deducted from income (loss) due to changes in market price or sales of investment products. Income or loss from main business of Rakuten Bank excludes temporary evaluation gains (losses) such as investment.

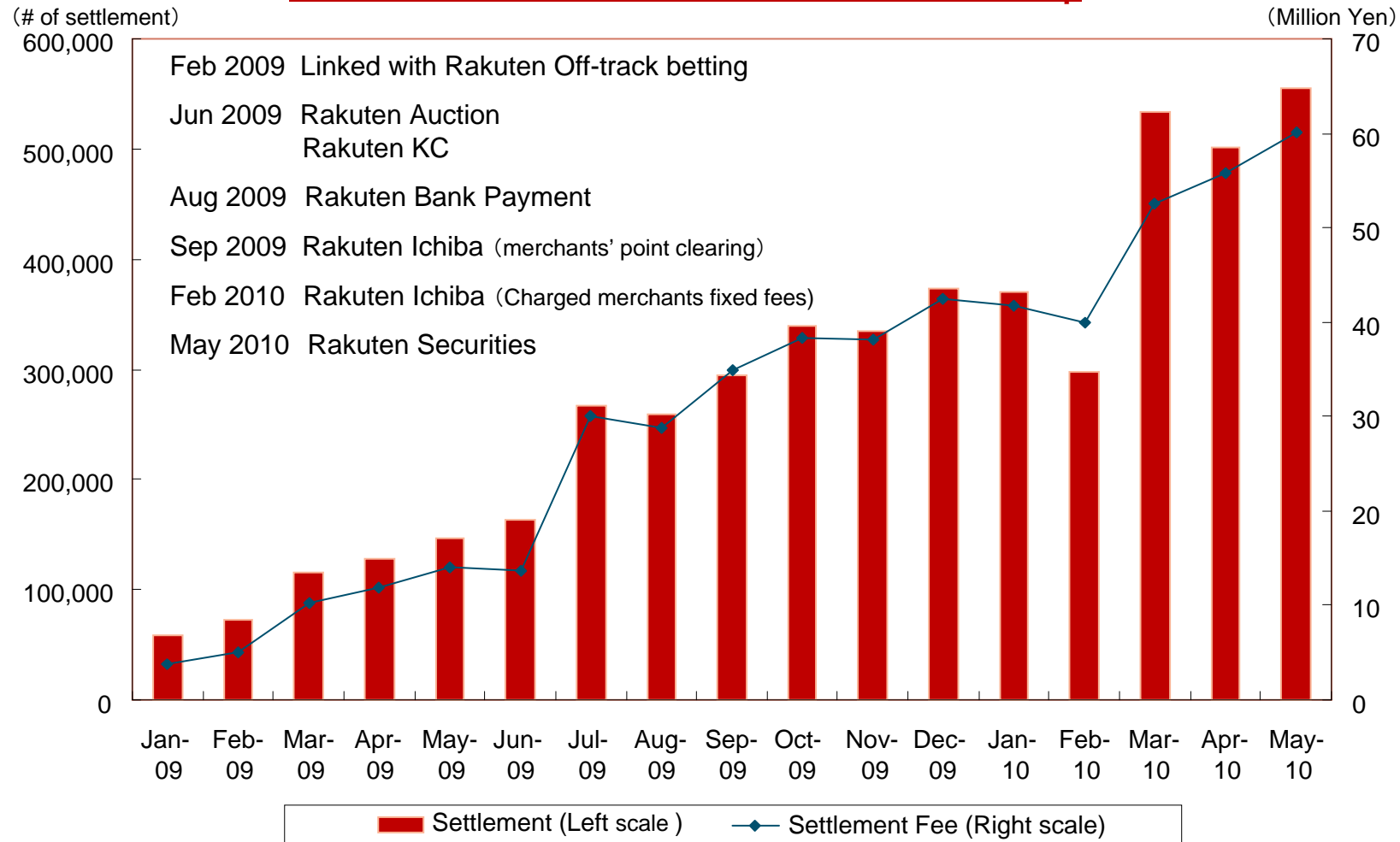
Rakuten Bank

The Number of Settlement related to the Group



■ Collaboration within Rakuten Group progressed

The Number of Settlement within the Rakuten Group



2 -6 Securities Business

■ Improved Revenue



- Revenue: ¥63.9bn, +5.7%(YoY)
- Increased net assets of investment trusts ,sales of investment trust and FX revenue

■ Increased Monthly New Accounts



- New accounts have an instant contribution to profit

■ Strengthen Group Synergy

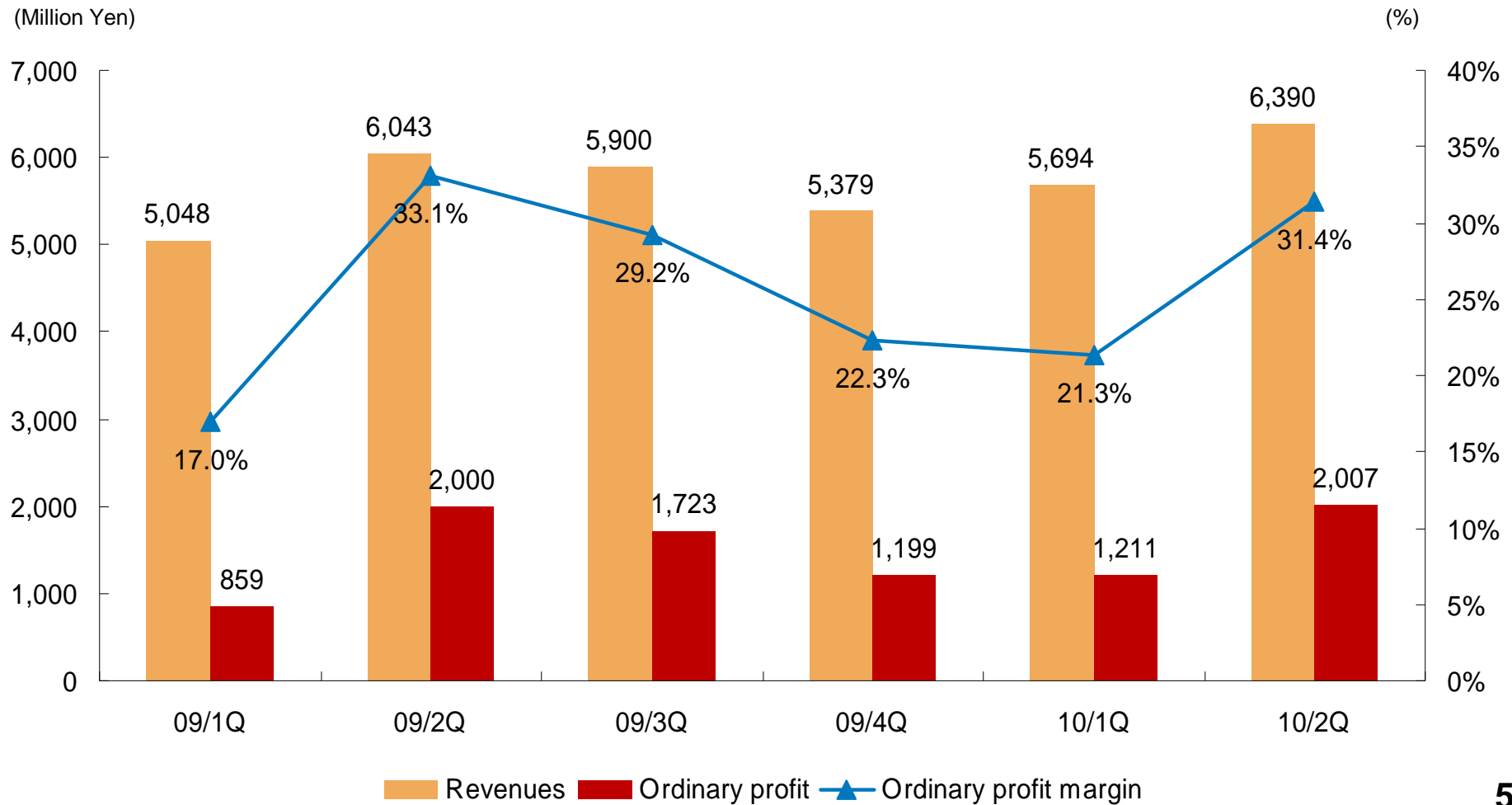


- Intermediate agency alliance with Rakuten Bank

Rakuten Securities Quarterly Results



- Revenue: +5.7% (YoY)
- Ordinary Profit: +0.4% (YoY)

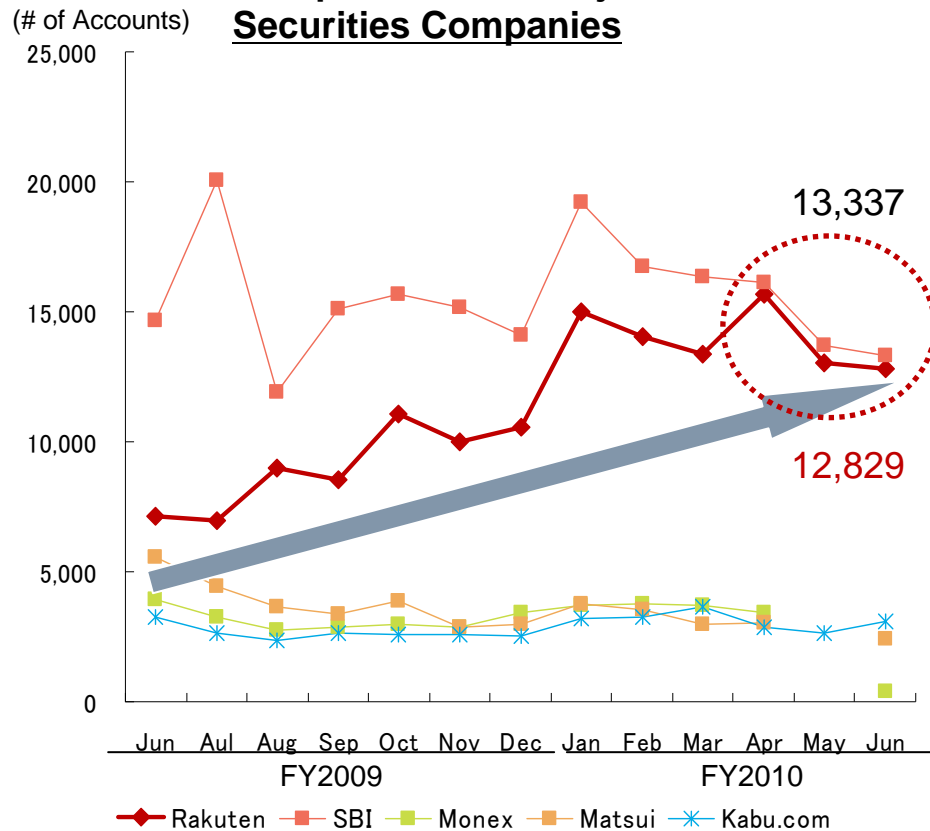


Rakuten Securities New Accounts / Ratio of Application via Rakuten Group

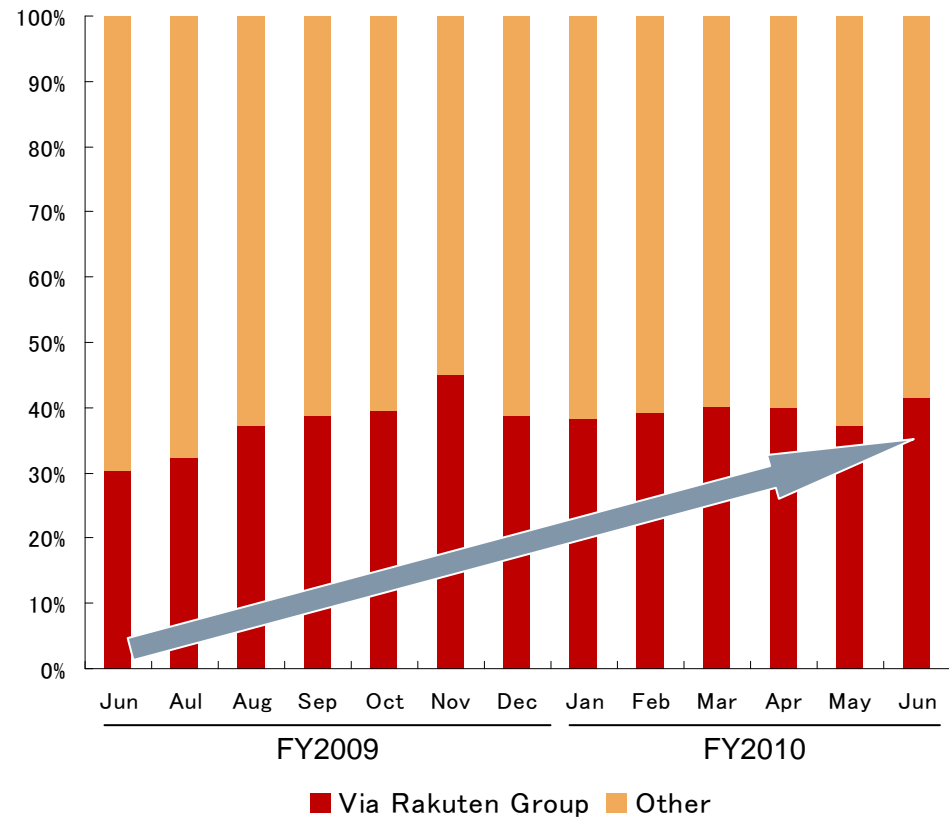


- Coming close to SBI in number of monthly new accounts
- Acquired 40% of new accounts from Rakuten Group

Monthly new accounts : Comparison with Major Online Securities Companies



% of new accounts from Rakuten group



◆ Rakuten ■ SBI ■ Monex ■ Matsui * Kabu.com
 Note : Matsui was not disclosed May FY2010 date. Monex was not disclosed May FY2010 date because of the merger with Orix

Source: disclosed data by each company

Source: the company data



Appendix

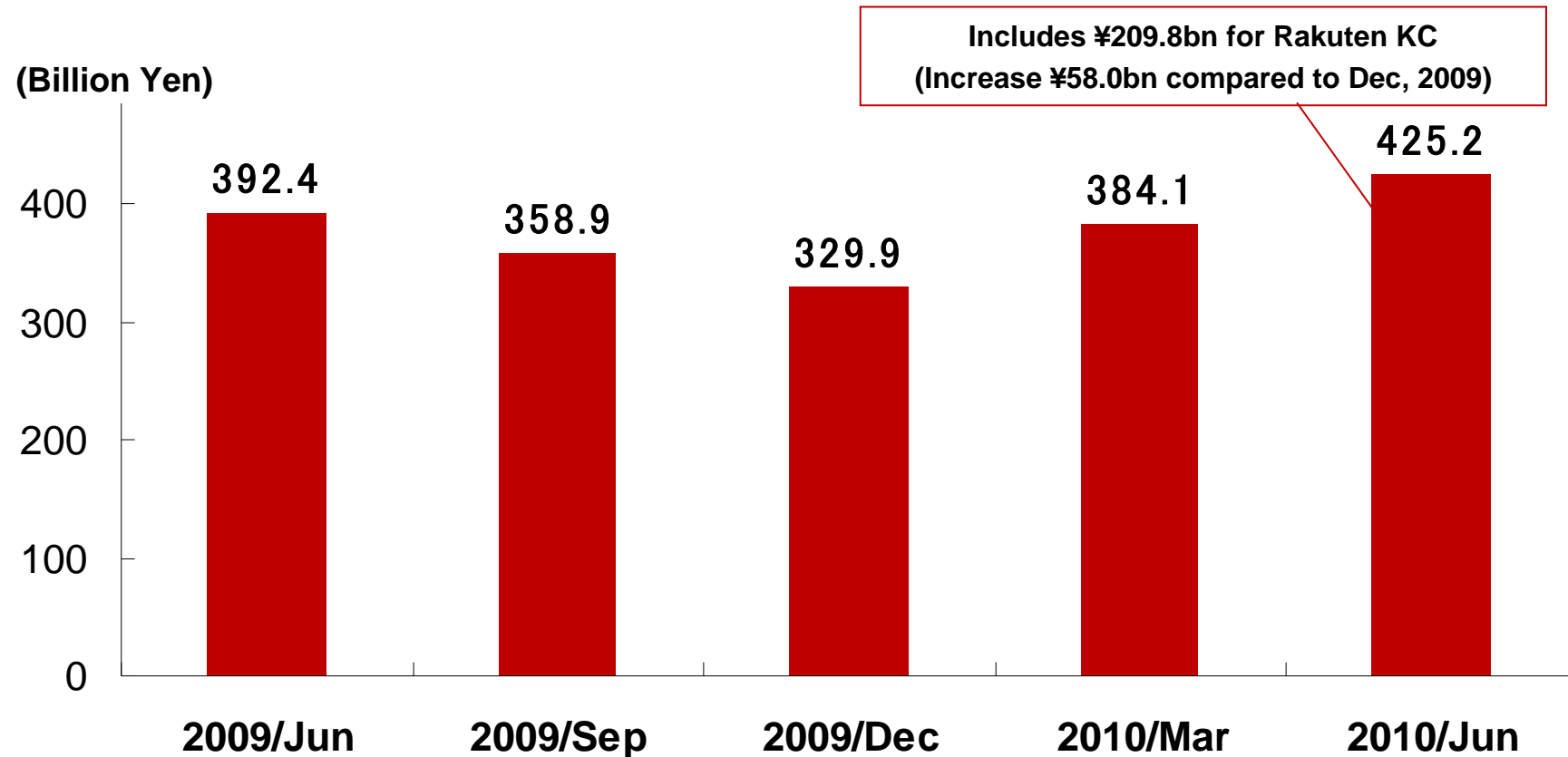
- **Financial Condition**
- **Other Information**

Financial Information

Trends of Borrowings from Financial Institutions

- Increased borrowing at Rakuten KC due to expansion of card shopping business

Debt from Outside Financial Institutions

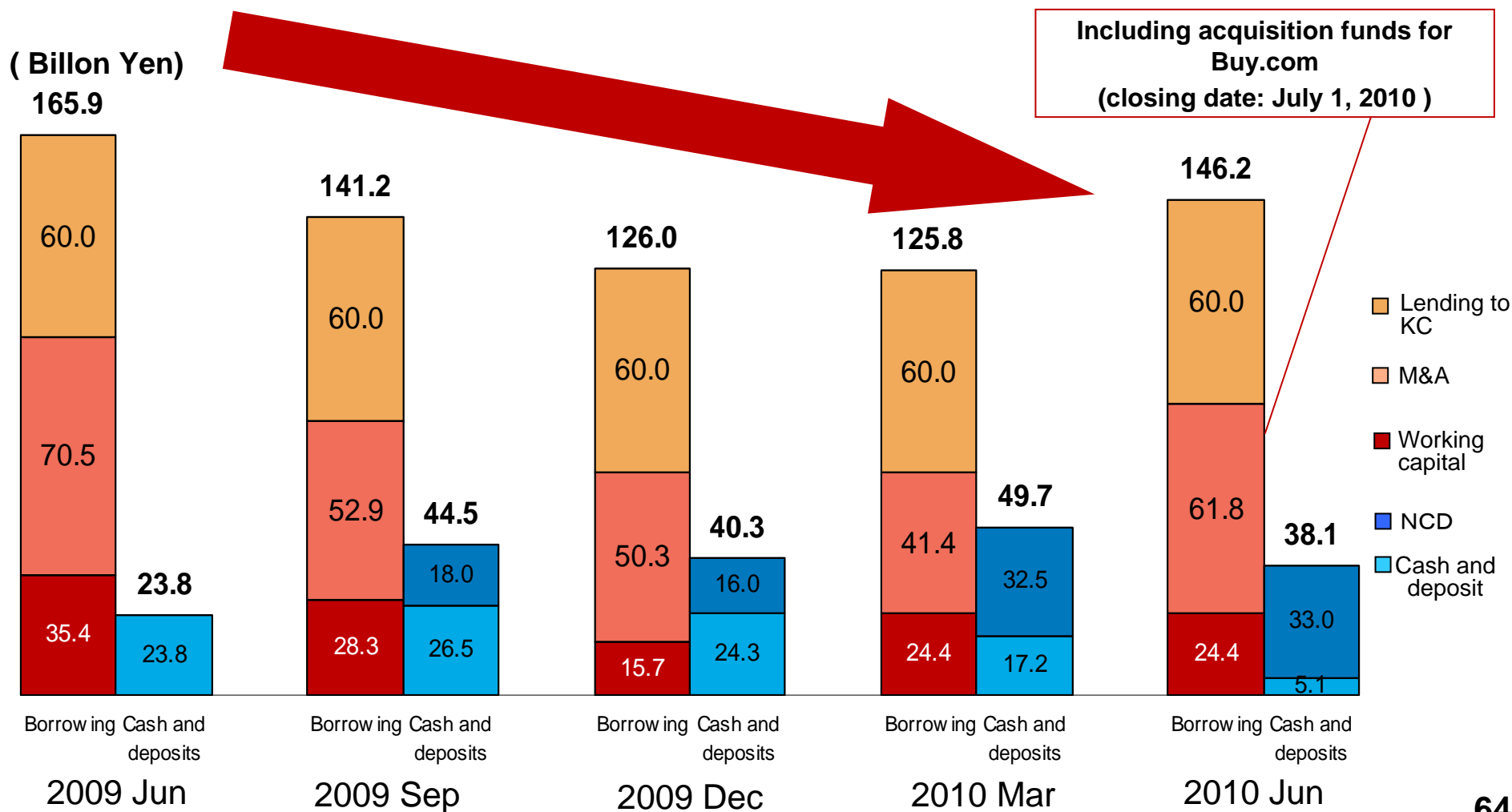


*Debt from outside financial institutions = bond + CP + short-term debt + long-term debt

Rakuten, Inc. (Non-consolidated) Debt and Cash



Debt Balance and Cash and Deposits Balance of Rakuten, Inc.

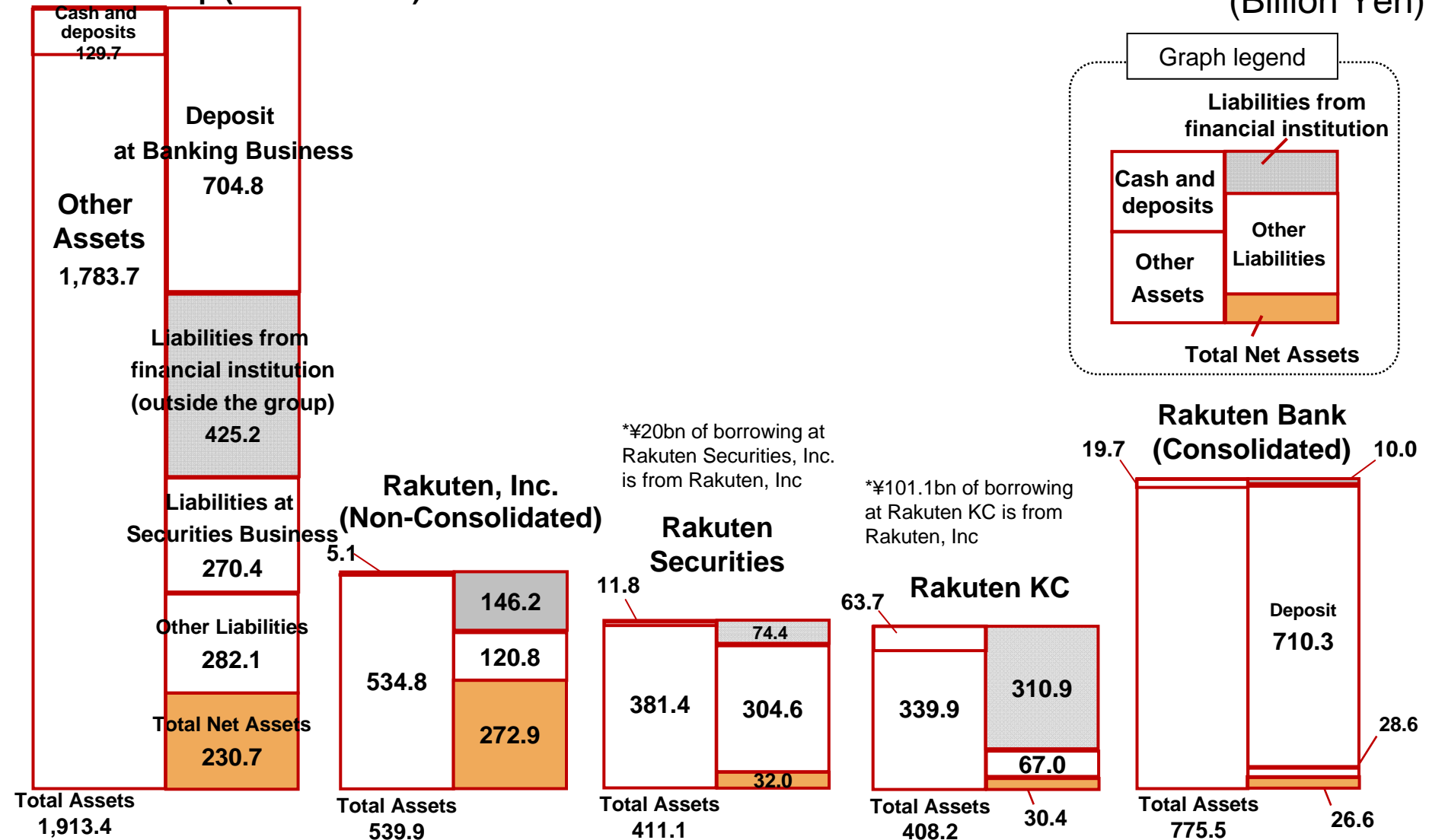


Rakuten Group : Balance Sheets (As of Jun 30, 2010)



Rakuten Group (Consolidated)

(Billion Yen)



* Rakuten Securities, Rakuten KC, Rakuten, Inc. (non-consolidated) and Rakuten Bank also including internal elimination.

* Liabilities from financial institution (outside the group) = Corporate bonds + CP + Short-term borrowings + Long-term borrowings

Balance Sheets (As of Jun 30, 2010)

(Billion Yen; Amounts Less Than 0.1 Billion Omitted)

CURRENT ASSETS	108.8	CURRENT LIABILITIES	174.0
Cash and deposits	5.1	Account payable-trade	2.7
Accounts receivable-trade	26.7	Short-term debts	49.3
Other current assets	77.5	Accounts payable	13.2
Allowance for doubtful accounts	- 0.6	Income taxes payable	9.1
		Advance receipt	4.8
		Reserve for point program	10.7
		Other current liabilities	83.9
		LONG-TERM LIABILITIES	92.9
		TOTAL LIABILITIES	266.9
NONCURRENT ASSETS	431.1	SHAREHOLDERS' EQUITY	271.9
Property, plant and equipment	5.6	Capital stock	107.6
Intangible assets	11.5	Capital surplus	113.2
Investment and other assets	413.9	Retained earnings	51.0
(Allowance for doubtful accounts)	- 0.3	Treasury stock	- 0.0
(Loss on investment)	- 1.1	VALUATION AND	0.2
		TRANSLATION ADJUSTMENTS	
		Valuation difference on available-for-sale securities	0.6
		Deferred gains or losses on hedges	- 0.3
		Subscription rights to shares	0.7
		TOTAL NET ASSETS	272.9
TOTAL ASSETS	539.9	TOTAL LIABILITIES AND NET ASSETS	539.9

Income Statements (Three months ended Jun 30, 2010)

(Billion Yen; Amounts Less Than 0.1 Billion Omitted)

Sales	33.1
Cost of Sales	6.9
Gross Profit	26.1
Operating Expense	15.8
Personnel costs	6.4
Advertising and sales promotion	4.2
Depreciation	1.2
Communication and maintenance	1.0
Outsourcing	3.3
Others	- 0.4
Operating Profit	10.2
Non-Operating Profit	0.8
Non-Operating Expense	0.6
Ordinary Profit	10.4
Extraordinary profit	- 0.0
Extraordinary loss	2.1
Net income before tax	8.2
Income taxes-current	4.6
Income taxes-deferred	- 1.3
Net Income	4.8

Balance sheet (As of Jun 30, 2010)

(Billion Yen)

CURRENT ASSETS	356.7	CURRENT LIABILITIES	254.3
Cash and cash equivalents	63.7	Account payable; guarantee contracts	2.6
Installment accounts receivable	275.3	Short-term borrowings	196.9
Installment accounts receivable; guarantee contract	2.6	Other current liabilities	54.8
Beneficial interest in securitized assets	34.3		
Other current assets	15.1	LONG-TERM LIABILITIES	123.3
Allowance for doubtful accounts	-27.4	Long-term borrowings	113.9
		Allowance for loss on investment repayment	8.2
		Other long-term liabilities	1.0
FIXED ASSETS	44.3	TOTAL LIABILITIES	377.7
Property, plant and equipment	12.3	SHAREHOLDERS' EQUITY	30.4
Land and buildings	11.6	Common stock	3.0
Other tangible fixed assets	0.6	Capital surplus	41.1
Intangible fixed assets	2.7	Retained earnings	1.9
Investment and other assets	30.7	Treasury stock	-15.7
Allowance for doubtful accounts	-1.5	VALUATION, TRANSLATION ADJUSTMENT AND OTHERS	0.0
		TOTAL NET ASSETS	30.4
TOTAL ASSETS	408.2	TOTAL LIABILITIES AND NET ASSETS	408.2

Balance Sheets (As of Jun 30, 2010)

(Billion Yen; Amounts Less Than 0.1 Billion Omitted)

Cash and deposits	19.7	Deposits	710.3
Call loans	71.0	Ordinary Deposits	302.0
Monetary claims bought	184.1	Time Deposits	343.0
Money held in trust	13.6	Other Deposits	65.1
Securities	354.0	Bond payable	5.8
Allowance for investment loss	-	Other liabilities	10.0
Loans and bills discounted	107.1	Provision for bonuses	19.3
Foreign exchanges	0.3	Reserves for points	0.0
Other assets	22.4	Contingency reserve	0.2
Tangible fixed assets	0.4	Reserves under the special laws	0.3
Intangible fixed assets	4.8	Deferred tax liabilities	0.0
Diferred tax assets	0.0		2.6
Allowance for loan losses	-2.4	TOTAL LIABILITIES	748.8
		Capital stock	23.4
		Capital surplus	-
		Retained earnings	2.8
		Treasury stock	-4.1
		Shareholders' equity	22.2
		Valuation difference on available-for-sale securities	4.2
		Deferred gains or losses on hedges	-
		Valuation and translation adjustments	4.2
		Minority interests	0.2
		TOTAL NET ASSET	26.6
TOTAL ASSETS	775.5	TOTAL LIABILITIES AND NET ASSETS	775.5

Income Statements (Three months ended Jun 30, 2010)

(Billion Yen; Amounts Less Than 0.1 Billion Omitted)

Ordinary income	9.0
Interest income	4.3
(Interest on loans and discounts)	2.4
(Interest and dividends on securities)	1.0
Fees and commissions	3.5
Other ordinary income	1.0
Other income	0.1
Ordinary expenses	7.9
Interest expenses	0.8
(Interest on deposits)	0.7
Fees and commissions payments	2.3
Other ordinary expenses	0.2
General and administrative expenses	4.1
Other expenses	0.3
Ordinary profit	1.1
Extraordinary Income	0.0
Extraordinary losses	0.2
Income before income taxes	0.8
Income taxes-current	0.0
Income taxes-deferred	0.0
Minority interests in income	-0.0
Net income	0.8

Breakdown of Cash Flows by Financial Businesses and Non-financial Businesses : Jan-Jun, 2010 (1)



Breakdown by financial businesses and non-financial businesses are based on internal estimation and non-audited. (Unit: Billion Yen)

Overview of Cash flow statements for six months ended June 30, 2010	Consolidated	Financial	Non-Financial	Other
I Net cash provided by (used in) operating activities				
Income (loss) before income taxes and minority interests	27.6	5.1	22.5	-
Amortization of goodwill	3.1	1.4	1.6	-
Depreciation and amortization	7.8	3.5	4.2	-
Loss on valuation of securities for banking business	0.7	0.7	-	-
Gain on sales of securities for banking business	0.0	0.0	-	-
Decrease in allowance for doubtful accounts	(4.5)	(4.2)	(0.3)	-
Decrease in allowance for doubtful accounts	(1.9)	(1.9)	-	-
Other loss	2.7	-	-	2.7
Increase in notes and accounts receivable-trade	1.2	0.0	1.2	-
Decrease (increase) in accounts receivable-installment	(14.6)	(14.6)	-	-
Decrease in beneficial interests in securitized assets	7.3	7.3	-	-
Decrease in deposits for banking business	6.5	6.5	-	-
Decrease in call loans for banking business	(18.0)	(18.0)	-	-
Decrease in loans for banking business	(8.6)	(8.6)	-	-
Increase in notes and accounts payable-trade	(2.3)	(0.7)	(1.6)	-
Increase (decrease) in accounts payable-other and accrued expenses	(3.0)	(4.3)	1.3	-
Increase (decrease) in advances received	1.7	0.1	1.6	-
(Increase) decrease in operating receivables for securities business	(31.3)	(31.3)	-	-
Increase (decrease) in operating payable for securities business	(20.2)	(20.2)	-	-
Increase (decrease) in loans payable secured by securities for securities business	19.8	19.8	-	-
Increase in operating loans receivable	(2.6)	(2.6)	-	-
Other, net	7.5	7.2	0.3	-
Subtotal	(20.9)	(54.8)	33.8	2.7
Payments for guarantee deposits for business operation	(4.3)	(4.3)	-	-
Proceeds from guarantee deposits for business operation	3.0	3.0	0.0	-
Income taxes paid	(12.6)	(0.1)	(12.4)	-
Other, net	(0.2)	(0.2)	-	-
Net cash provided by (used in) operating activities	(35.2)	(56.5)	21.3	2.7

Breakdown of Cash Flows by Financial Businesses and Non-financial Businesses : Jan-Jun, 2010 (2)



Breakdown by financial businesses and non-financial businesses are based on internal estimation and non-audited.

(Unit: Billion yen)

Overview of Cash flow statements for six months ended June 30, 2010	Consolidated	Financial	Non-Financial	Other
II Net cash provided by (used in) investment activities				
Purchase of securities for banking business	(200.9)	(200.9)	-	-
Proceeds from sales and redemption of securities for banking business	208.9	208.9	-	-
Proceeds from a exercise of appraisal rights for investment securities	8.8	-	8.8	-
Purchase of investments in subsidiaries	(17.4)	-	(17.4)	-
Purchase of investments in subsidiaries resulting in change in scope of consolidated subsidiary	7.0	-	7.0	-
Purchase of property, plant and equipment	(3.1)	(0.1)	(2.9)	-
Purchase of intangible assets	(6.9)	(2.9)	(4.0)	-
Other payments	(6.2)	(4.4)	(1.7)	-
Other proceeds	3.9	2.8	1.0	-
Interest and dividends income received	0.5	-	0.5	-
Net cash provided by (used in) investment activities	(5.3)	3.3	(8.6)	-
III Net cash (used in) provided by financing activities				
Net (decrease) increase in short-term loans payable	62.8	54.3	8.5	-
Increase in commercial papers	28.9	28.9	-	-
Proceeds from long-term loans payable	45.4	22.4	23.0	-
Repayment of long-term loans payable	(39.9)	(30.3)	(9.6)	-
Redemption of bonds	(6.0)	(4.0)	(2.0)	-
Purchase of treasury stock of consolidated subsidiary	Δ0.0	Δ0.0	-	-
Interest expenses paid	(0.7)	-	(0.7)	-
Proceeds from stock issuance to minority shareholders	0.0	-	0.0	-
Cash dividends paid	(1.3)	-	(1.3)	-
Proceeds from payment of investments in capital by minority shareholders	(0.2)	(0.2)	-	-
Other	Δ0.0	(0.1)	0.1	-
Net cash (used in) provided by financing activities	88.7	70.7	18.0	-
IV Effect of exchange rate change on cash and cash equivalents	(0.5)	-	-	(0.5)
V Net (Decrease) increase in cash and cash equivalents	47.6	17.5	30.0	-
VI Cash and cash equivalents at beginning of the year	103.6	-	-	-
VII Increase in cash and cash equivalents from newly consolidated subsidiary	0.6	-	-	-
VIII Cash and cash equivalents at end of the year	151.9	-	-	-

Other Information

E-Commerce	E-Money *4	Securities
Rakuten Ichiba*2	Edy	Securities
Business Services *2		Insurance
Golf *2	Travel	Professional Sports
Auto *2	Travel	Professional Sports
Delivery *2	Portal and Media	Telecommunications
Package Media *2	Infoseek	Telecommunications (Fusion Communications)
Media Rental *2	Advertising	Banking
Auction	AD solution	Banking (Rakuten Bank)
Dining	Blog	Personal Finance (Rakuten Credit)
Ticket	Research	toto*5
Global Net Marketing*6 (Former Performance Marketing)	College Students' Portal Community*3	
Off-track betting *2	Marriage consultant (O-net)	
Logistics Service*2	Rakuten Photo	
Global Ichiba *2	Content	
Net Super Market	Wedding*4	
Check Out*2	Tool bar*4	
Credit Card	Net Marketing*5	
Rakuten KC		

*1. Some new businesses are not included as of the end of Mar 2010

*2. E-commerce business operated by Rakuten, Inc.

*3. Reorganization since FY09 Q3

*4. Established in FY10 Q1

*5. Established in FY10 Q2

*6. Reorganization since FY10 Q1

Amortization of Goodwill



(Million Yen)

	09/Q1	09/Q2	09/Q3	09/Q4	10/Q1	10/Q2	Companies
E-Commerce Business	542	542	691	599	832	581	LinkShare Traffic Gate FreeCause
Credit Card Business	246	246	246	290	246	246	Rakuten KC Group
E-Money Business	-	-	-	-	30	58	bitWallet
Banking Business	175	308	293	273	282	429	Rakuten Bank Group
Portal and Media Business	44	78	61	61	81	61	ShowTime O-net
Travel Business	12	12	12	12	12	12	Rakuten Travel Rakuten Bus Service
Securities Business	95	95	189	95	95	99	Rakuten Securities Dot Commodity Rakuten Investment Management
Professional Sports Business	-0	-0	-0	-0	-0	-0	Rakuten Sports Properties
Telecommunication Business	-4	-6	-2	-5	-5	-5	Fusion Communications
Consolidated	1,111	1,275	1,492	1,327	1,575	1,483	

* Amortization of goodwill is included in SG&A items

Rakuten Group's CAPEX*



(Billion yen)

		2009				2010		2010
		Q1	Q2	Q3	Q4	Q1		Q2
		Operating Base				Operating Base	Acquisition Base	Acquisition Base
Non Consolidated	Hardware	0.14	0.09	0.17	0.17	1.15	1.59	0.83
	Software	0.63	0.90	0.76	1.25	1.13	1.39	1.48
	Total	0.77	1.00	0.94	1.42	2.28	2.98	2.32
Consolidated	Hardware	0.99	0.59	0.42	0.45	1.87	2.81	1.26
	Software	2.69	1.61	2.38	2.70	3.12	3.47	3.10
	Total	3.68	2.21	2.81	3.15	5.00	6.29	4.37

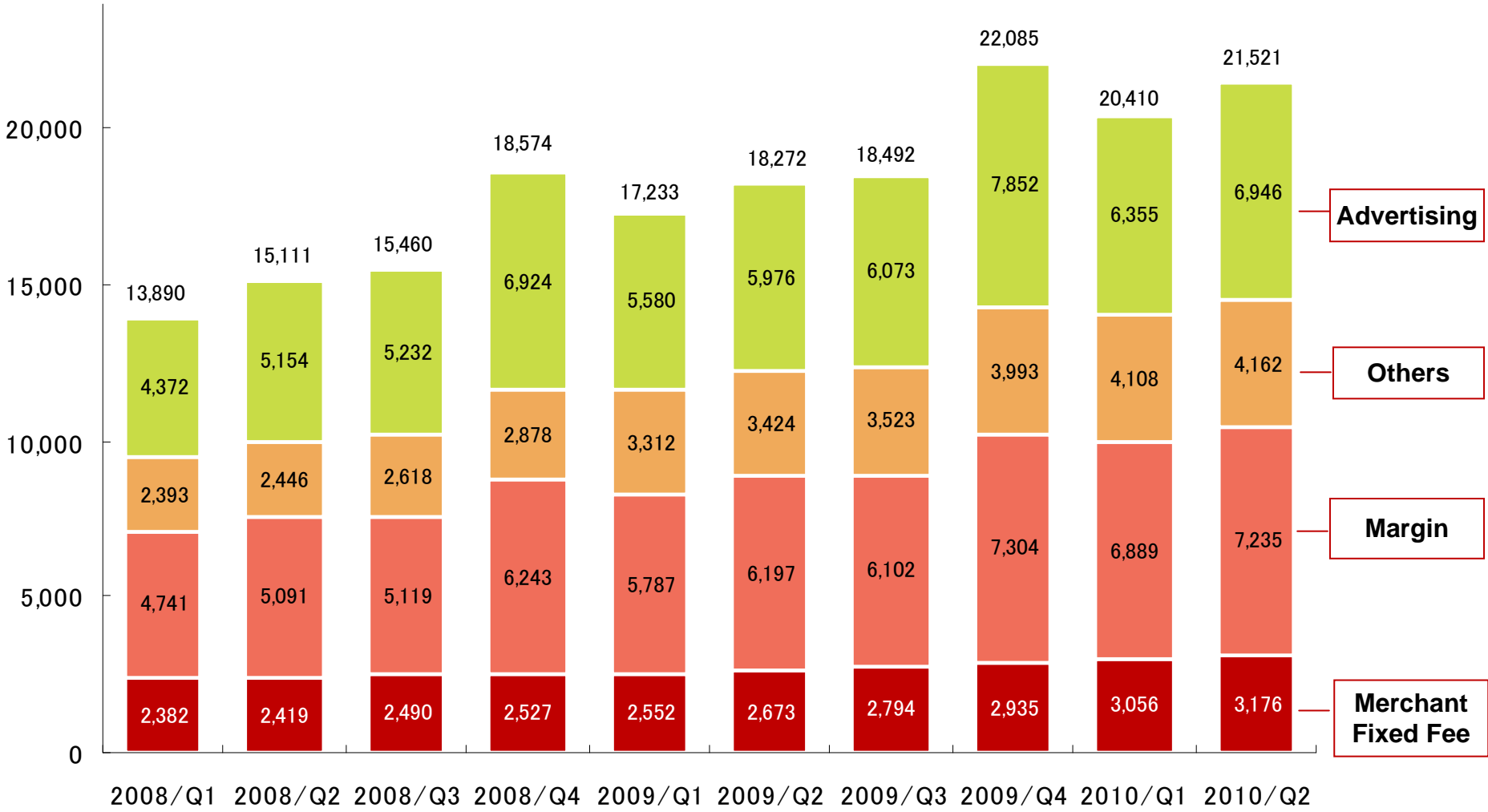
*Before 09/Q4 : Operating Base (Excluding Professional Sports Business)

*Since 10/Q1 : Acquisition Base (Including Professional Sports Business)

Rakuten Ichiba Sales Breakdown



(Million Yen)



Profit and Loss Statement

(Billion Yen)

	2009 (Apr-Jun)	2010 (Jan-Mar)	2010 (Apr-Jun)
Sales	14.6	15.5	16.4
Operating Expense	13.8	15.2	16.0
SG&A	11.9	13.2	14.2
Financial Costs	1.8	1.9	1.8
Operating Profit	0.8	0.3	0.4
Non-Operating Profit	0.0	0.0	0.0
Ordinary Profit	0.8	0.3	0.4
Extraordinary Profit (Loss)	-0.6	-0.1	0.0
Earning before Tax	0.2	0.2	0.4
Provision for income taxes	-1.0	-1.0	0.2
Net Income	1.6	1.2	0.1
Ordinary Profit (before securitizing effect)	1.3	0.4	0.4

Rakuten KC Composition of Revenues and Operating Expenses



(Million Yen)

	09/Q1	09/Q2	09/Q3	09/Q4	10/Q1	10/Q2		
						Results	% of total	YoY change
Revenues								
General services	4,179	4,596	4,996	5,830	6,205	6,995	42.4%	52.1%
Card shopping	4,138	4,561	4,965	5,803	6,180	6,971	42.3%	52.8%
Others	41	35	30	27	25	23	0.1%	- 31.2%
Financing	8,306	7,720	7,303	6,840	6,347	6,056	36.8%	- 21.5%
	(7,573)	(7,211)	(7,005)	(6,793)	(6,233)	(6,046)	36.7%	- 16.1%
Card cash advances	5,144	4,773	4,549	4,267	3,949	3,804	23.1%	- 20.3%
	(4,502)	(4,346)	(4,403)	(4,267)	(3,949)	(3,804)	23.1%	- 12.4%
Loan card	3,121	2,911	2,721	2,542	2,371	2,228	13.5%	- 23.4%
	(3,031)	(2,829)	(2,569)	(2,496)	(2,257)	(2,217)	13.5%	- 21.6%
Others	39	35	32	29	26	23	0.1%	- 33.0%
Installment	0	0	0	0	0	0	-	-
Credit guarantee	279	264	255	247	240	231	1.4%	- 12.6%
Others	2,230	2,553	2,830	2,834	2,890	3,159	19.2%	23.7%
Financing revenues	8	34	7	17	9	36	0.2%	6.7%
Total revenues	15,005	15,169	15,394	15,771	15,694	16,479	100.0%	8.6%
(excludes effect of securitization GAAP)	(14,271)	(14,660)	(15,096)	(15,725)	(15,579)	(16,468)	99.9%	12.3%
Operating expenses								
Personal costs	1,464	1,430	1,477	1,469	1,467	1,508	9.4%	5.5%
General expenses	6,142	6,500	6,628	7,505	8,412	8,961	55.9%	37.8%
Interest expenses	2,175	1,881	1,883	1,744	1,968	1,834	11.4%	- 2.5%
Expenses related to doubtful accounts	3,347	4,007	4,025	3,738	3,402	3,743	23.3%	- 6.5%
Interest repayment expenses	0	0	0	0	0	0	-	-
Cash-out	0	0	0	0	0	0	-	-
Write-off of principals	0	0	0	0	0	0	-	-
Total operating expenses	13,129	13,820	14,015	14,458	15,250	16,048	100.0%	16.1%
Operating profit	1,142	840	1,080	1,267	329	420	-	- 49.9%

*Amount of revenue in brackets"()" include effects of securitization and per incomestatement.

Rakuten KC Transaction Volume and Number of Cardholders



Composition of Transaction Volume

(Million Yen)

	09/Q1	09/Q2	09/Q3	09/Q4	10/Q1	10/Q2		
						Results	% of total	YoY change
General services	140,415	156,316	167,515	195,541	208,422	238,919	91.7%	52.8%
Card shopping	139,859	155,776	166,940	194,981	207,821	238,311	91.4%	52.9%
Others	555	539	574	559	601	607	0.2%	12.7%
Financing	21,147	20,154	19,558	18,948	18,613	17,410	6.7%	-13.6%
Card cash advances	14,782	14,369	14,057	13,915	13,837	13,569	5.2%	-5.5%
Loan card	6,364	5,785	5,501	5,033	4,775	3,841	1.5%	-33.6%
Installment	11	14	7	5	4	5	0.0%	-64.5%
Credit guarantee	1,189	1,026	1,077	1,029	1,139	867	0.3%	-15.4%
Others	1,677	2,387	3,265	3,456	3,443	3,408	1.3%	42.7%
Total transaction volume	164,440	179,900	191,423	218,981	231,623	260,610	100.0%	44.8%

Number of Valid Cardholders

(Thousand persons)

	09/Q1	09/Q2	09/Q3	09/Q4	10/Q1	10/Q2	
						Results	YoY change
Credit card	3,850	4,090	4,290	4,480	4,800	5,150	25.8%
Loan card	380	370	360	350	340	320	-12.2%

Balance of Loan Receivables

(Million Yen)

	09/Q1	09/Q2	09/Q3	09/Q4	10/Q1	10/Q2		
						Results	% of total	YoY change
General services	97,522	107,929	114,591	135,686	143,922	160,499	42.8%	48.7%
Card shopping	95,755	106,462	113,368	134,639	143,025	159,717	42.6%	50.0%
Card shopping(Securitized)	0	29,540	69,562	75,786	72,969	87,961	23.5%	-
(Securitized, off-balance)	(0)	(100)	(38,100)	(42,626)	(38,557)	(52,763)	14.1%	-
(Securitized, on-balance)	(0)	(29,440)	(31,462)	(33,159)	(34,411)	(35,197)	9.4%	-
Card shopping revolving payments	44,067	49,331	55,114	63,168	71,381	79,989	21.3%	62.1%
Others	1,767	1,467	1,222	1,047	896	781	0.2%	- 46.7%
Financing	211,111	204,122	197,810	191,238	186,075	179,294	47.9%	- 12.1%
Card cash advances	95,546	91,395	87,790	83,384	80,687	76,589	20.5%	- 16.1%
(Securitized, off-balance)	(48,804)	(26,303)	(0)	(0)	(0)	(0)	0.0%	- 100.0%
Loan card	76,353	72,029	67,823	62,930	59,103	54,369	14.5%	- 24.5%
(Securitized, off-balance)	(27,912)	(26,651)	(19,515)	(18,244)	(9,048)	(9,775)	2.6%	-
(Securitized, on-balance)	(26,906)	(25,414)	(26,277)	(25,322)	(23,838)	(22,337)	6.0%	-
Others	39,210	40,697	42,196	44,922	46,284	48,336	12.9%	18.7%
Installment	1,193	1,111	1,046	990	947	887	0.2%	- 20.1%
Credit guarantee	38,613	36,945	35,782	34,437	33,542	32,254	8.6%	- 12.6%
(Off-balance guarantees)	(35,276)	(33,815)	(32,801)	(31,603)	(30,822)	(29,618)	7.9%	- 12.4%
Others(Off-balance)	5,895	4,720	3,919	3,102	2,433	1,866	0.5%	- 60.4%
Total balance(Include off-balance)	354,336	354,830	353,150	365,455	366,921	374,803	100.0%	5.6%
Total balance(On balance)	236,447	263,239	258,812	269,877	286,059	280,779	74.9%	6.6%

Overdue Loan Receivable

(Million Yen)

Loan Receivable by Vintage	09/Q2			10/Q2			YoY		
	Apr	May	Jun	Apr	May	Jun	Apr	May	Jun
Payment overdue on Current Month*	3,718	3,851	3,334	3,155	3,582	3,263	-563	-269	-71
Payment overdue for 1 Month	3,199	2,779	2,621	2,301	2,251	2,221	-898	-528	-400
Payment overdue for 2 Months	2,750	2,907	2,464	2,000	2,021	1,935	-750	-886	-529
Payment overdue for 3 Month	2,307	2,536	2,638	1,719	1,750	1,727	-588	-786	-911

*Payment Past Due Current Month・・・Uncollected payment amount at the end of first 30 days of collection period.

Rakuten KC

NPL & Expenses for Doubtful Accounts



(Million Yen)

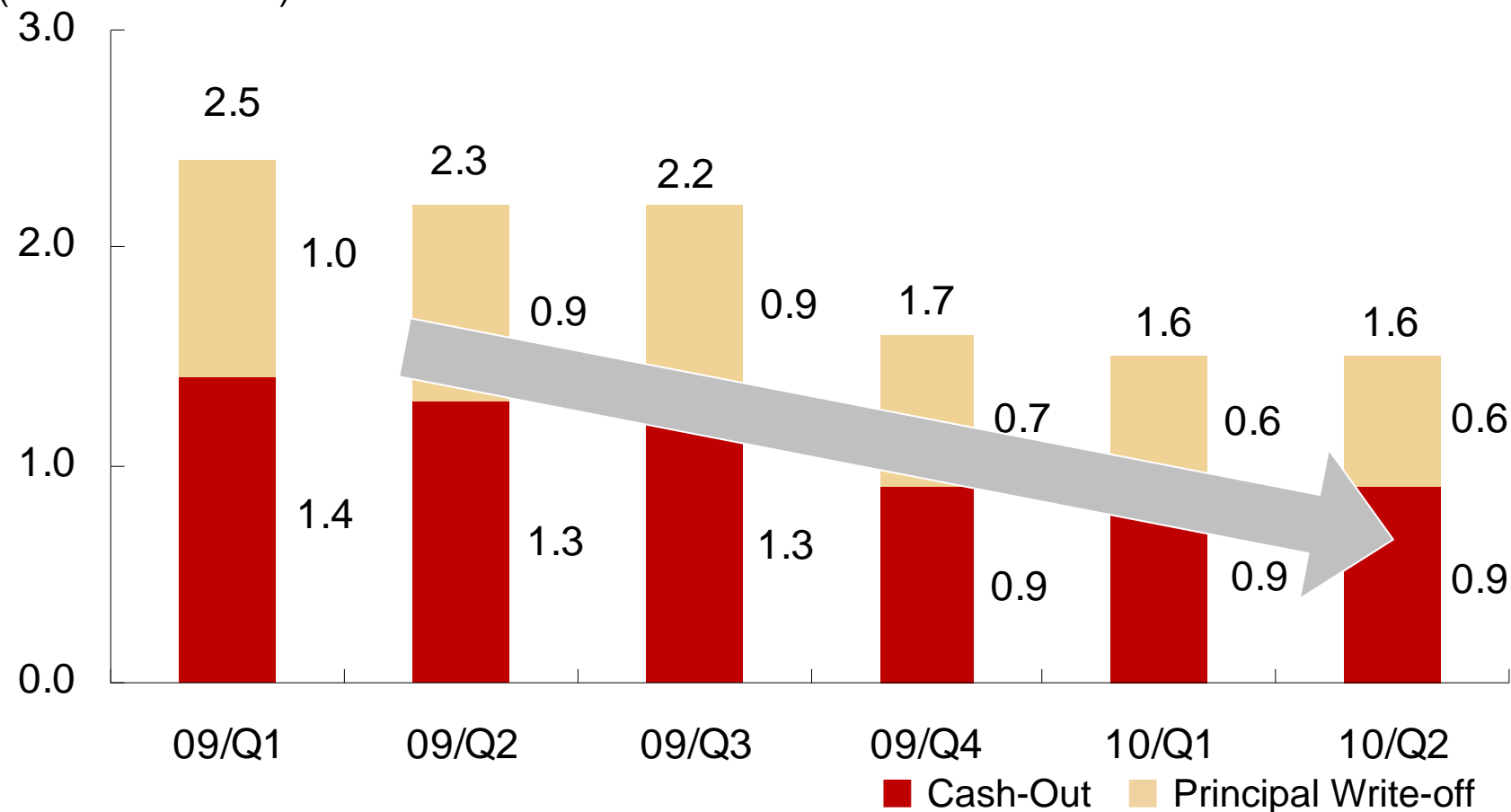
	09/Jun	09/Sep	09/Dec	10/Mar	10/Jun
Bunkrupt	16	16	16	16	17
Defact bankrupt	34,922	33,688	32,868	31,388	28,639
Doubtful	8,329	8,588	6,729	6,005	5,438
Special attention	6,391	5,452	4,582	4,693	4,520
Normal	268,856	269,578	286,038	290,331	302,671
Subtotal	318,514	317,322	330,233	332,433	341,285
Secured	5,627	5,623	5,508	5,331	5,238
Total	324,141	322,945	335,741	337,764	346,523
Allowance Ratio	10.48%	10.11%	9.40%	8.95%	8.37%
Excl. Write-off	6.77%	6.68%	6.34%	6.11%	5.79%
Write-off for Bad Debt	5,024	5,338	4,819	4,740	4,983
Reserve for Bad Debt	-70	-438	-306	-652	-600
Allowance for doubtful accounts	33,964	32,638	31,561	30,228	28,996
Excl. Write-off	21,952	21,561	21,284	20,636	20,064
Expenses for doubtful accounts	4,007	4,025	3,738	3,403	3,743
Write-off ratio (per quarter)	1.55%	1.65%	1.44%	1.40%	1.44%

Rakuten KC Interest Repayments Claims



■ Decreased in amount of both repayments and claims

(Unit: Billion Yen)



* Amount of cash payment and write-off of principal. Any expenses related to interest repayments were not recorded on P/L since 08/Q1, because of the losses on interest repayments were reconciled with allowances

Rakuten KC Allowance for Losses on Interest Repayments and Allowance for Doubtful Accounts



- Slightly declined in both amount of cash out and write-off due to interest repayment claims

(Billion Yen)

		09/Q1	09/Q2	09/Q3	09/Q4	10/Q1	10/Q2
Allowance for loss on interest repayments	'Cash-Out' amount associated with interest repayment claims	13.8	12.5	11.1	10.2	9.2	8.2
	Write-offs of principal triggered by interest repayment claims	12.9	12.0	11.0	10.2	9.5	8.9
	Other allowance for doubtful accounts	22.0	21.9	21.6	21.2	20.6	20.0
Allowance for doubtful accounts total		34.9	33.9	32.6	31.5	30.2	28.9
Allowance for loss on interest repayment + Allowance for doubtful accounts		48.7	46.4	43.7	41.8	39.5	37.2

Allowances relating to interest repayment claims
¥17.2B
 2.6 years worth of annualized losses*1

Payments and write-offs relating to interest repayment claims*2

(Billion Yen)

	09/Q1	09/Q2	09/Q3	09/Q4	10/Q1	10/Q2
Cash-Out	1.4	1.3	1.3	0.9	0.9	0.9
Write-offs	1.0	0.9	0.9	0.7	0.6	0.6
Total losses relating to interest repayment claims	2.5	2.3	2.2	1.7	1.6	1.6

*1 Allowances relating to interest repayment claims / (cash out and write-offs relating to interest repayment claims in the most recent quarter x 4)

*2 Any expenses related to interest repayments were not recorded since 08/Q1, because the losses on interest repayments are reconciled with allowances

(Million Yen)		09/Q1	09/Q2	09/Q3	09/Q4	10/Q1	10/Q2
	Settlement	1,523	1,222	1,229	1,217	1,644	1,554
	Card	56	21	282	405	483	400
	Financial products	455	484	470	480	488	632
	Others	16	-8	23	47	95	148
	1. Income (loss) from commission	2,051	1,720	2,005	2,150	2,711	2,735
	2. Income (loss) from investment	673	966	1,302	1,510	1,567	1,519
	3. Operating expenses	3,020	2,766	2,835	2,808	2,962	3,206
	Basic profit*¹(exc. loan)	-295	-79	472	853	1,316	1,047
	Basic profit (loan)	-	275	336	452	31	188
	Total basic profit (A)	-295	196	809	1,305	1,347	1,236
	Non-basic profit*² (B)	1,432	-164	-1,380	59	-407	-127
	Ordinary profit (A+B)	1,136	31	-571	1,365	939	1,108
	Consolidated adjustments*³	-2,009*⁴	487*⁵	1,280*⁶	-124*⁷	-465*⁸	-495*⁹

*1:Basic profit = Income or loss deducted Income (loss) due to changes in market price or sales of investment products. Income or loss due to main business of Rakuten Bank instead if temporary income (loss) such as investment

*2:Non-basic profit = Income or loss due to changes in market price or sales of investment products

*3:Difference between ordinary profit of Rakuten Bank (consolidated) and operating profit of Banking Segment of Rakuten Consolidated.

*4:09/Q1 Consolidated adjustments=Amortization of goodwill -170M, one-time adjustment -930M, Transfer to extraordinary loss at Rakuten Group from other ordinary expenses at banking -380M, adjustment due to difference in book value of securities -1,280M

*5:09/Q2 Consolidated adjustments=Amortization of goodwill -300M, adjustment due to difference in book value of securities 370M, Internal elimination and other adjustments 420M

*6:09/Q3 Consolidated adjustments=Amortization of goodwill -290M, adjustment due to difference in book value of securities 940M, Internal elimination and other adjustments 620M

*7:09/Q4 Consolidated adjustments=Amortization of goodwill -270M, adjustment due to difference in book value of securities 40M, Internal elimination and other adjustments 100M

*8:10/Q1 Consolidated adjustments=Amortization of goodwill -280M, adjustment due to difference in book value of securities and other -180 M

*9:10/Q2 Consolidated adjustments=Amortization of goodwill -420M, adjustment due to difference in book value of securities and other -70M

Rakuten Bank Assets and Deposits (non-consolidated basis)



(Billion Yen)	Dec 31 2009 Market Value	Jun 30 2010 Market Value	Changes in Market Value from Dec/09 to Jun/10	Allowances (as of Jun 30 2010)	Unrealized gains and losses (Rakuten consolidated)	Unrealized gains and losses (Rakuten Bank standard)
JGB, Local government bonds, Corporate bonds	358.9	330.0	-28.8	0.0	3.3	6.6
JGB(Japanese Government Bonds)	213.1	159.3	-53.7	-	3.6	7.3
Others* ¹	145.8	170.6	24.8	0.0	-0.3	-0.7
Loan Receivables	95.1	105.2	10.0	1.0	-	-
Stocks	1.4	1.0	-0.4	-	0.0	-0.0
ABS (securitised loan receivables)	173.5	186.9	13.4	0.0	0.4	0.4
Funds	9.4	7.4	-1.9	-	0.0	0.1
Hedge funds (FOF)	5.7	4.0	-1.7	-	-0.0	0.0
Others	3.7	3.4	-0.2	-	0.0	0.0
ABS (Real estate products)	30.1	22.0	-8.1	1.3	-0.4	-0.9
Private funds* ²	13.4	6.7	-6.6	1.3	-0.1	-0.1
CMBS (with market value)	16.7	15.2	-1.5	-	-0.2	-0.7
CDO	3.9	4.4	0.4	-	0.0	-0.0
Total	672.6	657.2	-15.4	2.4	3.3	6.2

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

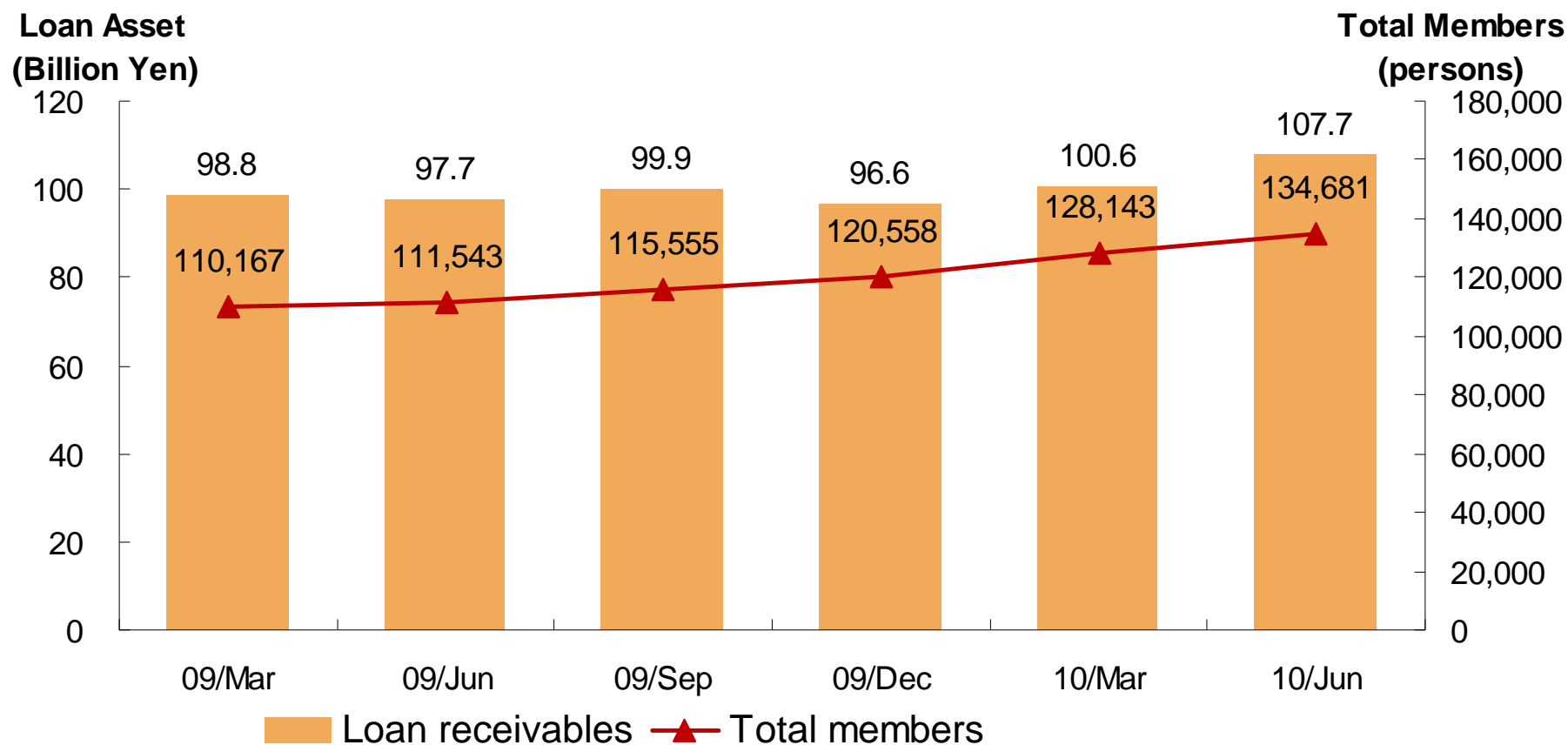
*2 Some of funds have been valued at market value since April 1, 2010

(Billion Yen)	Dec 31, 2009	Jun 30, 2010	Changes
Deposit Balance * ¹	701.7	710.8	9.0
Ordinary Deposits	285.7	302.5	16.7
Time Deposits	350.2	343.0	-7.1
Other deposits* ²	65.7	65.1	-0.5

*1 Deposits on Rakuten Bank non-consolidated basis

*2 Other deposits include deposits in foreign currency and others

Rakuten Bank Consumer Loan " Rakuten Bank Super Loan (previous My One)" Trends of Loan Receivables



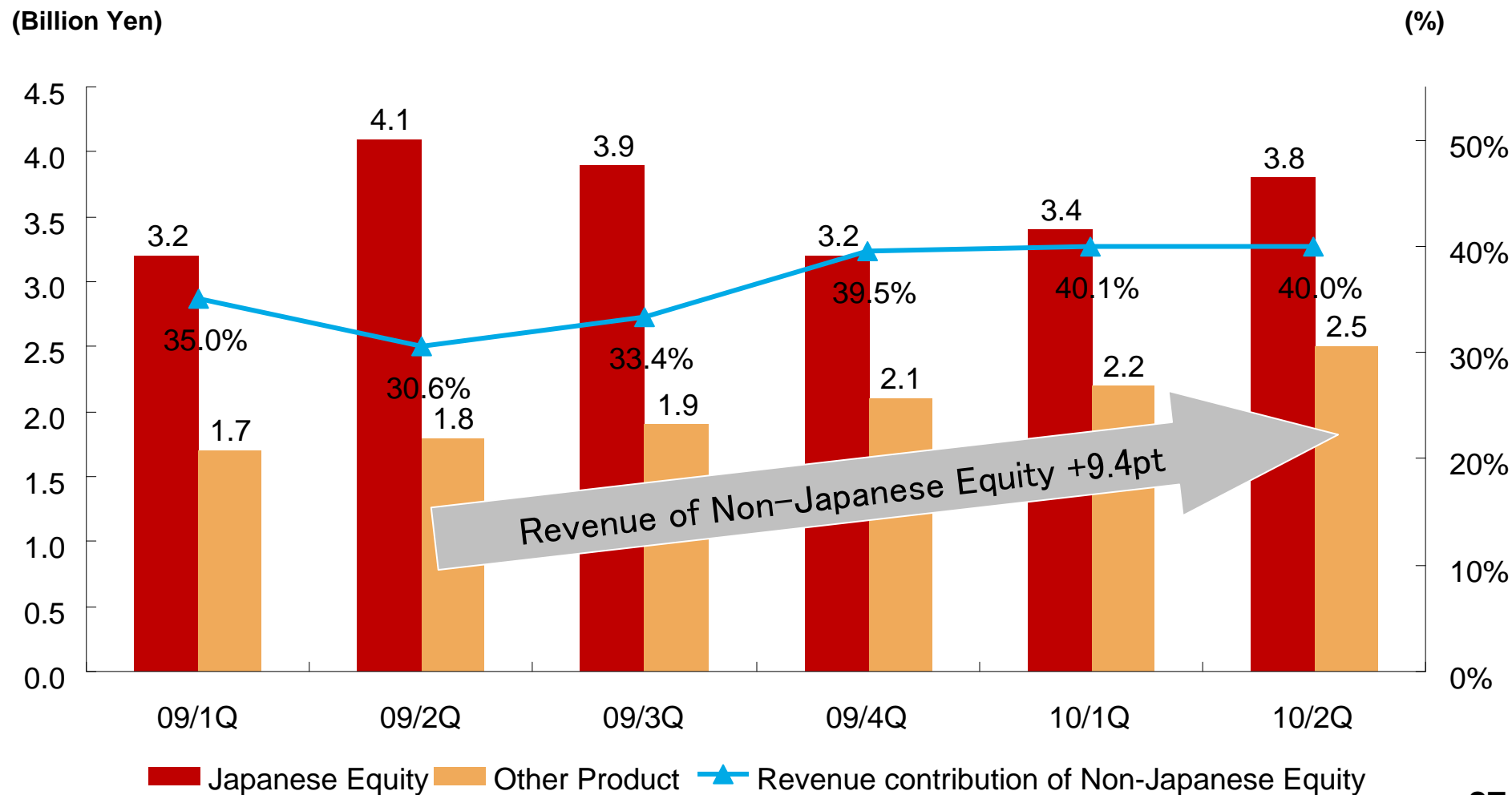
	09/Mar	09/Jun	09/Sep	09/Dec	10/Mar	10/Jun
Allowance ratio*	2.77%	2.85%	2.91%	3.02%	2.88%	2.79%

*Loan Receivables, Total Members and Allowance are total of Rakuten Bank and Rakuten Credit

*Allowance ratio (Allowance for doubtful account) ratio: balance of allowance/balance of loan assets

Rakuten Securities Quarterly Change in Revenues of Non-Japanese Equity (Inc. Margin Trading) Rakuten

■ Revenue by other than Japanese equity has contributed over 40% due to steadily increasing performance of FX and Investment Trusts



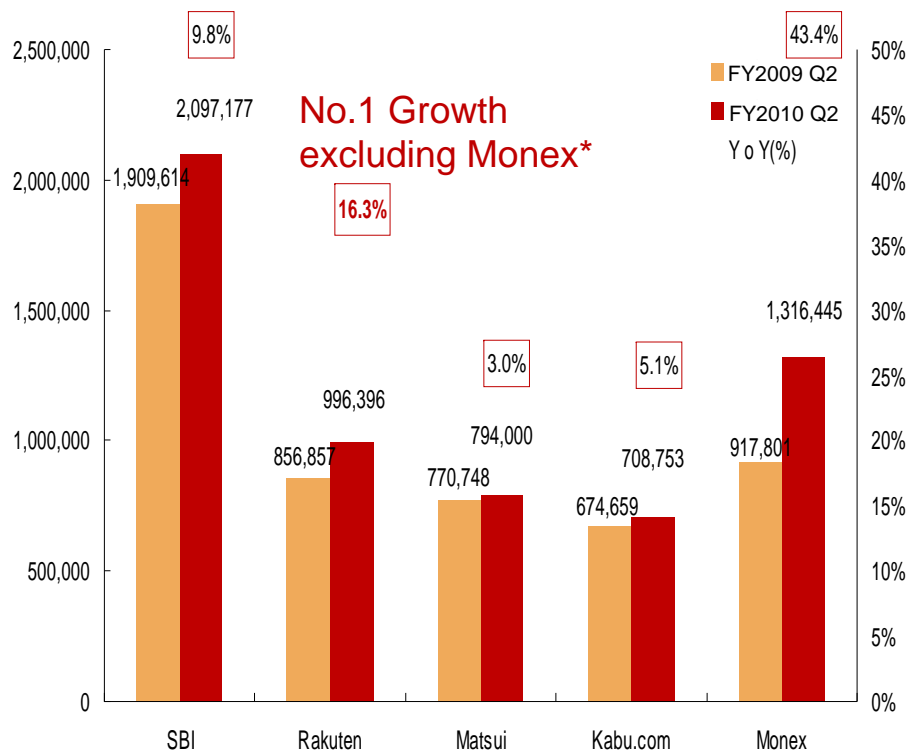
Rakuten Securities

New Accounts Contribution in Revenues



- Only Rakuten increased Revenues (YoY) among competitors.
- Number of general accounts increased: 16.3% (Y o Y)
- Revenue from new accounts: 16%

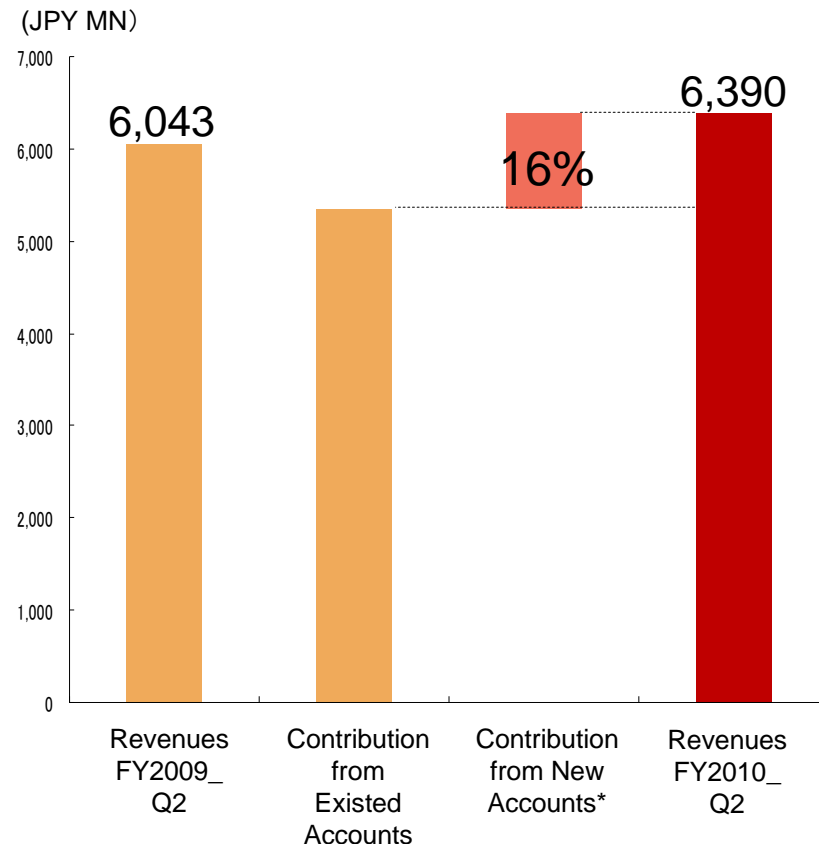
Change of Number of General Accounts(2009 vs 2010)



Note:*Monex included merged Orix Accounts

Source: disclosed data by each company

Contribution of New Accounts in revenues



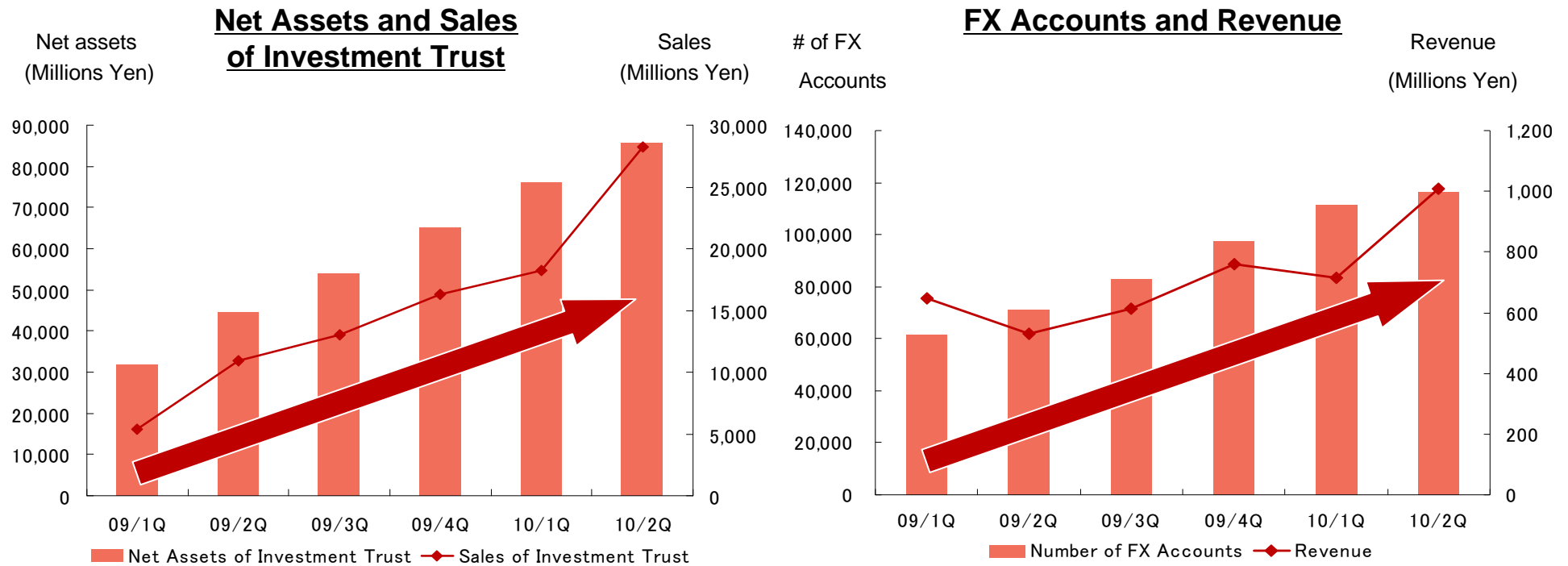
Note:*Accounts opened July 2009 - June 2010

Rakuten Securities

Contribution of Investment Trust and FX



■ Net assets : +91.8% (YoY), Sales of investment trust : +158.0% (YoY)



Source: investigation by Rakuten securities

■ **New Challenges for Asterisk**



- **Asterisk, a lower cost IP telephony service launched**
 - Turbo Solutions' "InfiniTalk" is now connected to FCC network
- **Promote "trixbox", next-generation PBX**
 - An Asterisk based, next-generation communication tool developed by Fonality

■ **Accelerate New Services**

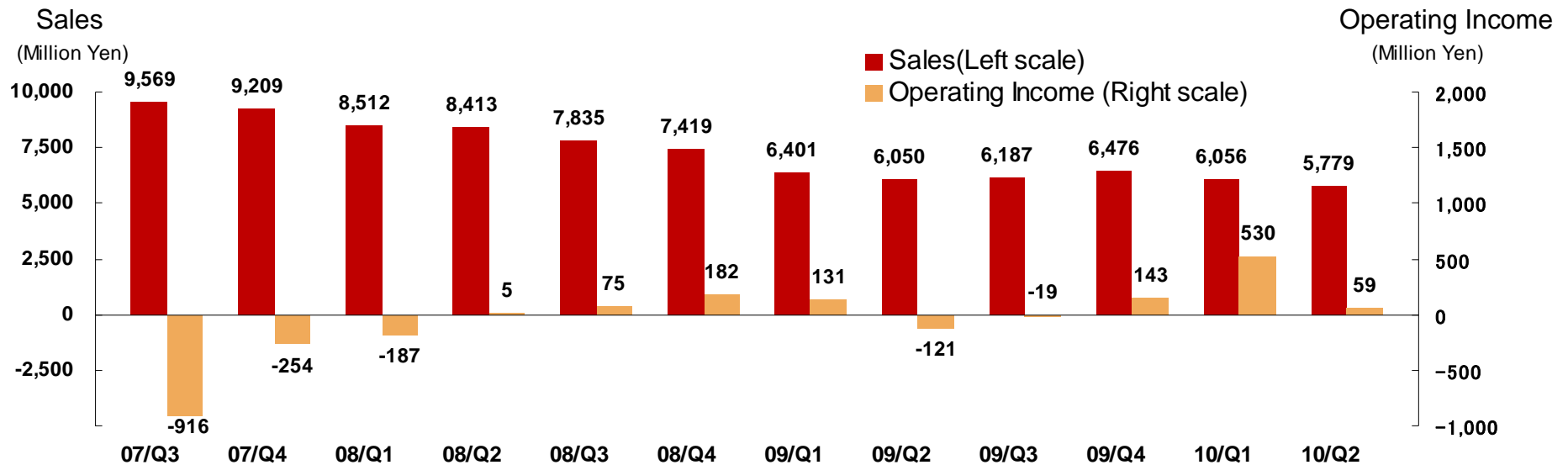


- **"Rakuten Mobile for Business"**
 - Promotion with a price advantages
- **"Rakuten Broadband"**
 - New subscribers increased +322.3%(YoY)

Fusion Communications (Non-consolidated) Quarterly Results



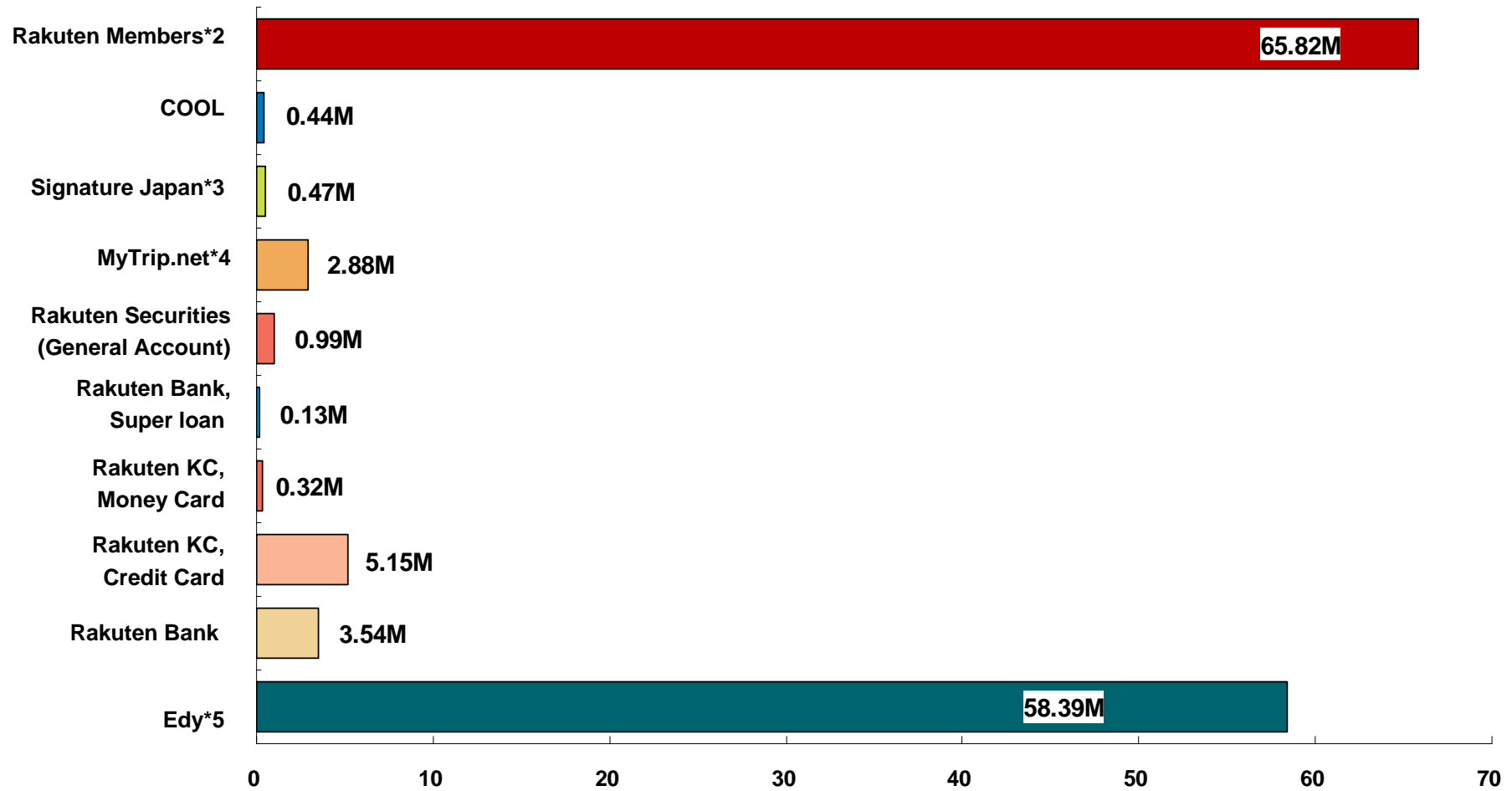
- Third consecutive profitable quarters, for the first time since joined the Rakuten Group



(Million Yen)

	07/Q3	07/Q4	08/Q1	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2	09/Q3	09/Q4	10/Q1	10/Q2
Operating Expenses	10,485	9,462	8,699	8,408	7,761	7,238	6,270	6,172	6,485	6,333	5,526	5,720
Variable Cost	5,398	5,160	4,611	4,296	4,046	3,792	3,279	3,656	4,071	4,007	3,310	3,628
Fixed Cost	4,252	3,529	3,354	3,384	3,023	2,767	2,331	1,904	1,691	1,633	1,561	1,398
SG&A	835	774	734	728	692	678	660	612	723	694	655	694

Group Membership*1



*1 Figures include members using duplicate services

*2 Rakuten Members excluding non-active users (who never use any Rakuten services) are 41.38M

*3 Excluding automatically registered card members

*4 MyTrip.net members exclude members converted into Rakuten ID

*5 Including mobile and cards

