



Fiscal Year 2011 Third Quarter Financial Results

November 9, 2011
Rakuten, Inc.

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

Names of companies, products, and services and such that appear in this material are trademarks or registered marks of their respective companies.

[Note] "Credit Card Business: Allowance for Doubtful Accounts" on page 58 was amended on November 18, 2011

1 FY2011 Third Quarter Results

2 Internet Services

3 Internet Finance

4 Others

5 Kobo Acquisition

Appendix

1 FY2011 Third Quarter Results

- **Record high Net Sales, Operating Profit, Ordinary Profit and Net Profit for Q3**
- **Rakuten Ichiba business in good shape, OP margin improved**
- **Rakuten Bank and Rakuten Card entering high growth stage**
- **Decided acquisition of Tradoria and Play.com to enter Germany and the UK**

(JPY bn)

	Q3/10 (Jul-Sep)	Q3/11 (Jul-Sep)	Margin	YoY
Sales (excluding discontinued business ^{*1})	82.3	91.3	-	+11.0%
Sales (Accounting)	88.4	92.8	100.0%	+4.9%
Operating Profit (Accounting)	15.9	18.9	20.4%	+18.8%
Ordinary Profit (Accounting)	15.5	17.7	19.1%	+14.0%
EBITDA^{*2}	22.3	25.2	27.3%	+13.4%

*1: Pro forma figures excluding sales of "KC Card" business sold on Aug. 1, 2011; Q3/10 JPY 6,086m, Q3/11 JPY 1,420m

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

Q3/11 Results by Segment

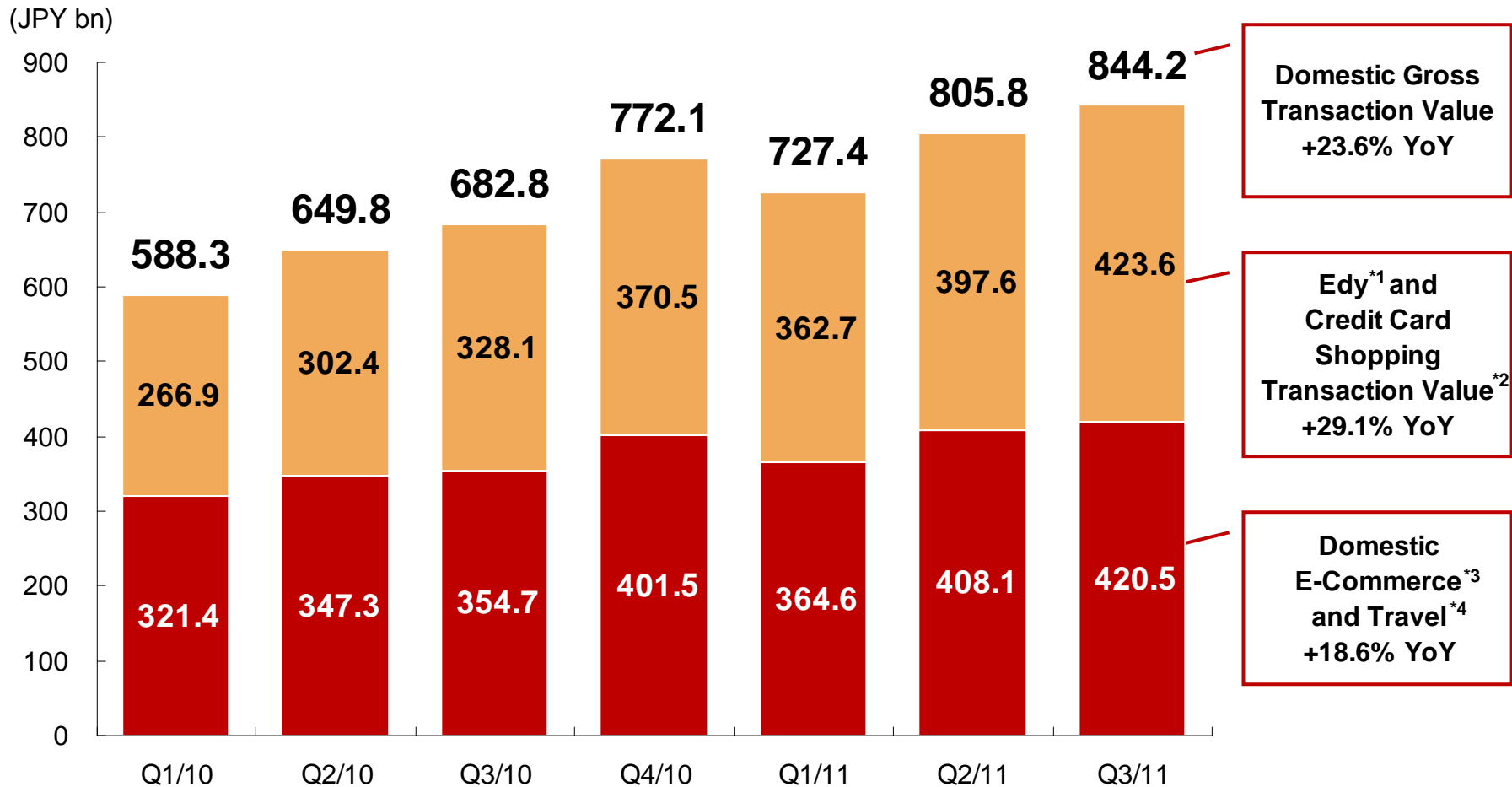
(JPY bn)

		Q3/11 (Jul-Sep)							
		Sales	YoY	Operating Profit	Operating Profit Margin	YoY	EBITDA ^{*2}	EBITDA Margin	YoY
Internet Services	Net ^{*1}	48.7	+14.5%	16.4	33.7%	+17.5%	18.3	37.7%	+14.9%
	Gross (Accounting)	54.3	+11.9%		30.2%			33.8%	
Internet Finance		35.1	+3.7%	3.7	10.7%	+59.2%	5.7	16.5%	+35.7%
Others		9.9	-2.3%	1.2	12.2%	+34.9%	1.6	17.0%	+25.7%
Adjustments		-6.6	-	-2.4	-	-	-0.5	-	-
Consolidated		92.8	+4.9%	18.9	20.4%	+18.8%	25.2	27.3%	+13.4%

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

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

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



*1: Edy Transaction Value = Amount settled by E-Money "Edy" (including mobile and cards) (Q1/10-)

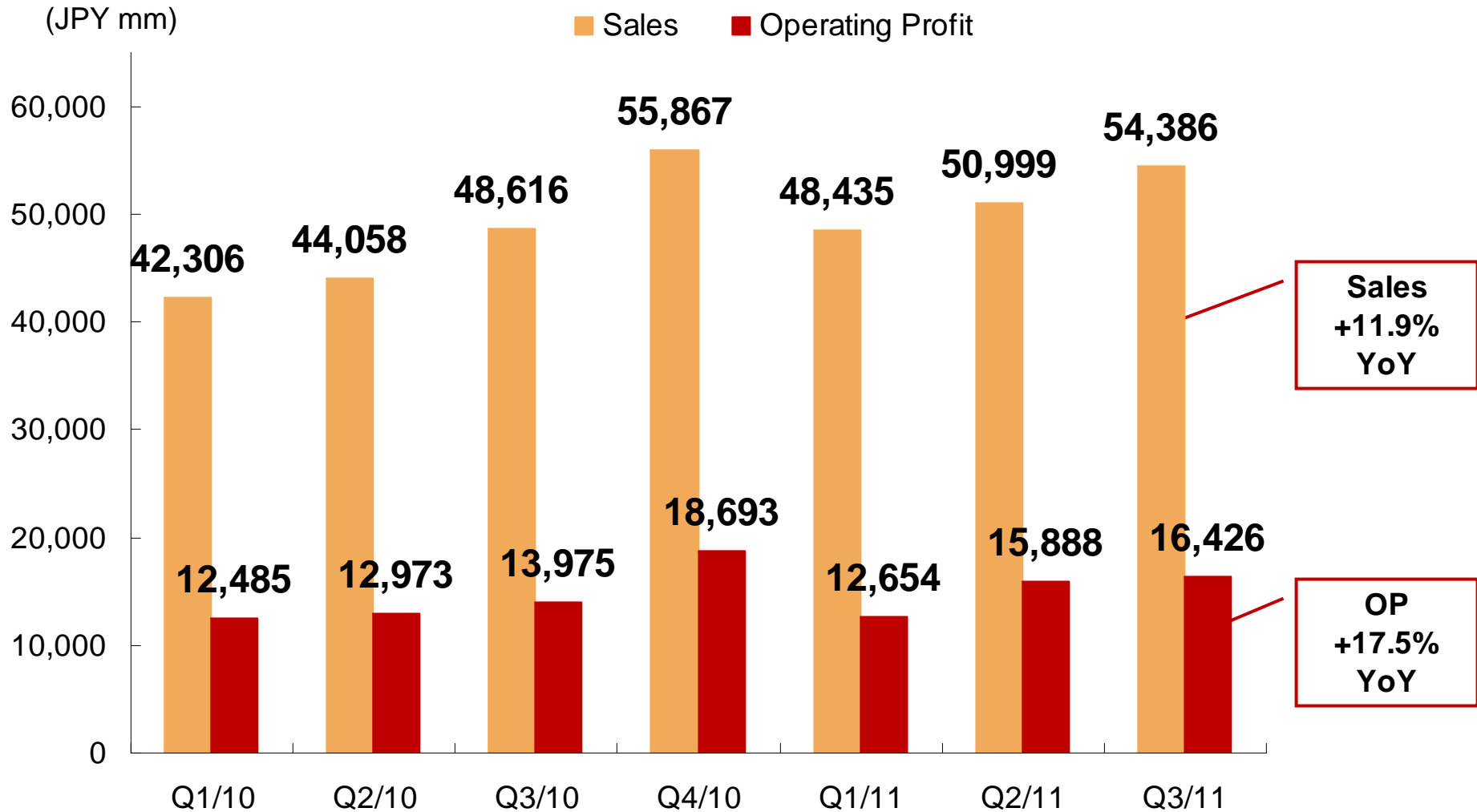
*2: Credit Card Shopping Transaction Value = Shopping Transaction Value of credit cards (including Rakuten group service use)

*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

*4: Travel (before cancellations, excluding tax) = Domestic/international accommodation bookings, International air tickets, Domestic/international dynamic packages, Domestic bus services, Rental car services

2 Internet Services

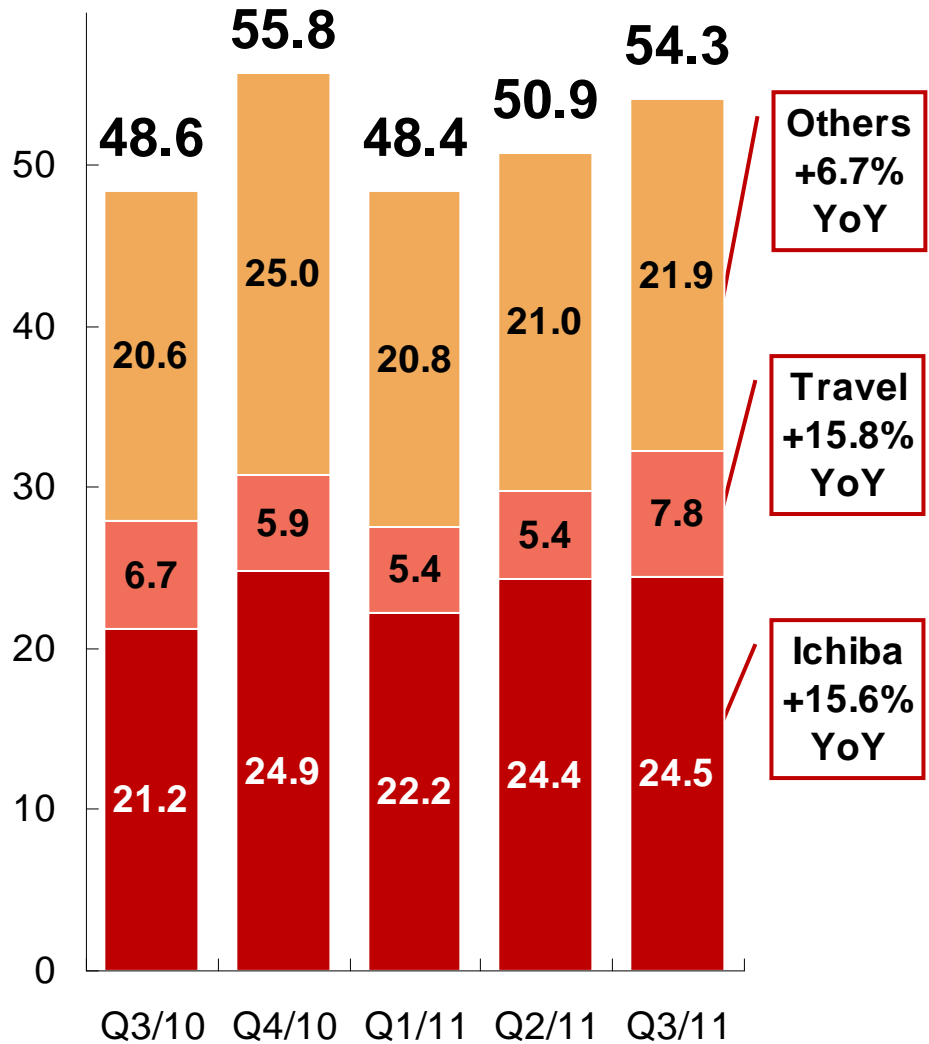
Internet Services Quarterly Results



Internet Services Breakdown

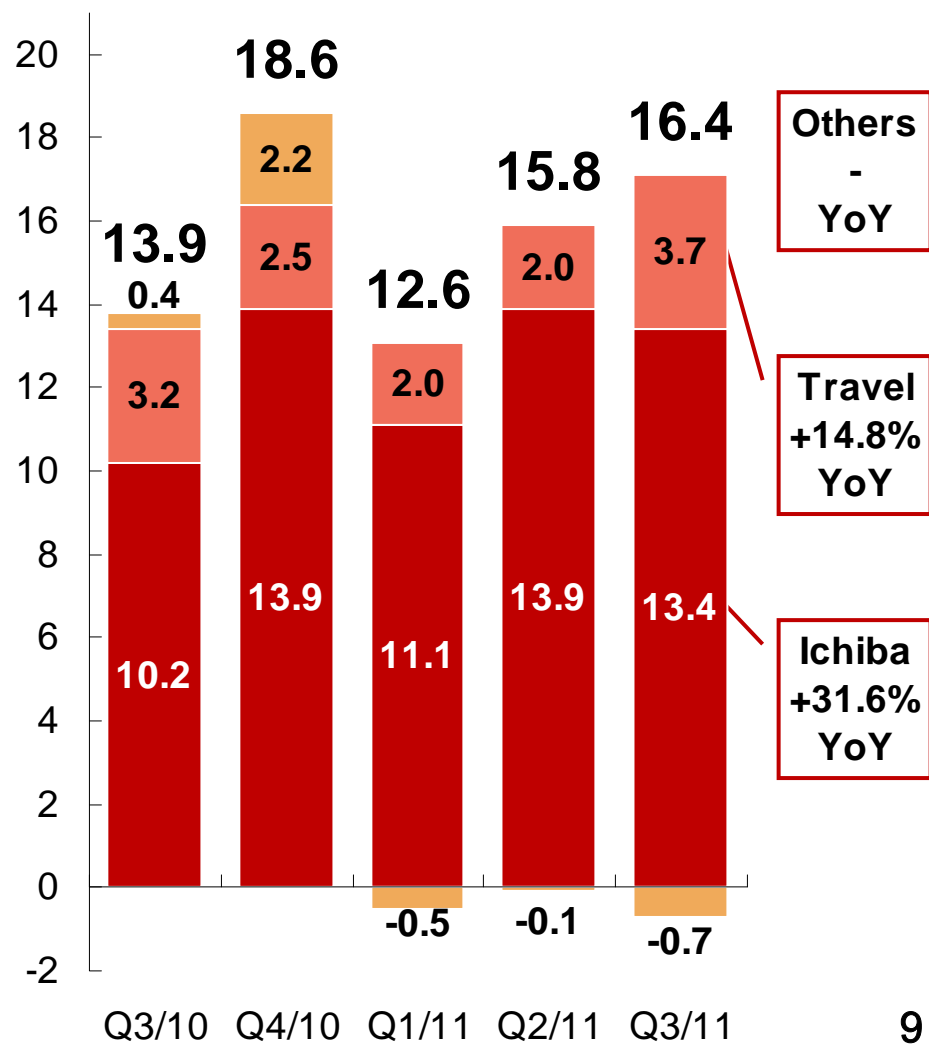
Sales

(JPY bn)



Operating Profit

(JPY bn)



■ Rakuten Ichiba



- OP growth: JPY 13.4bn +31.6% YoY
- New merchants contributed to GMS growth
- 'Asu-Raku' next-day delivery usage increasing
- Transactions via Smartphones growing rapidly

■ Rakuten Travel



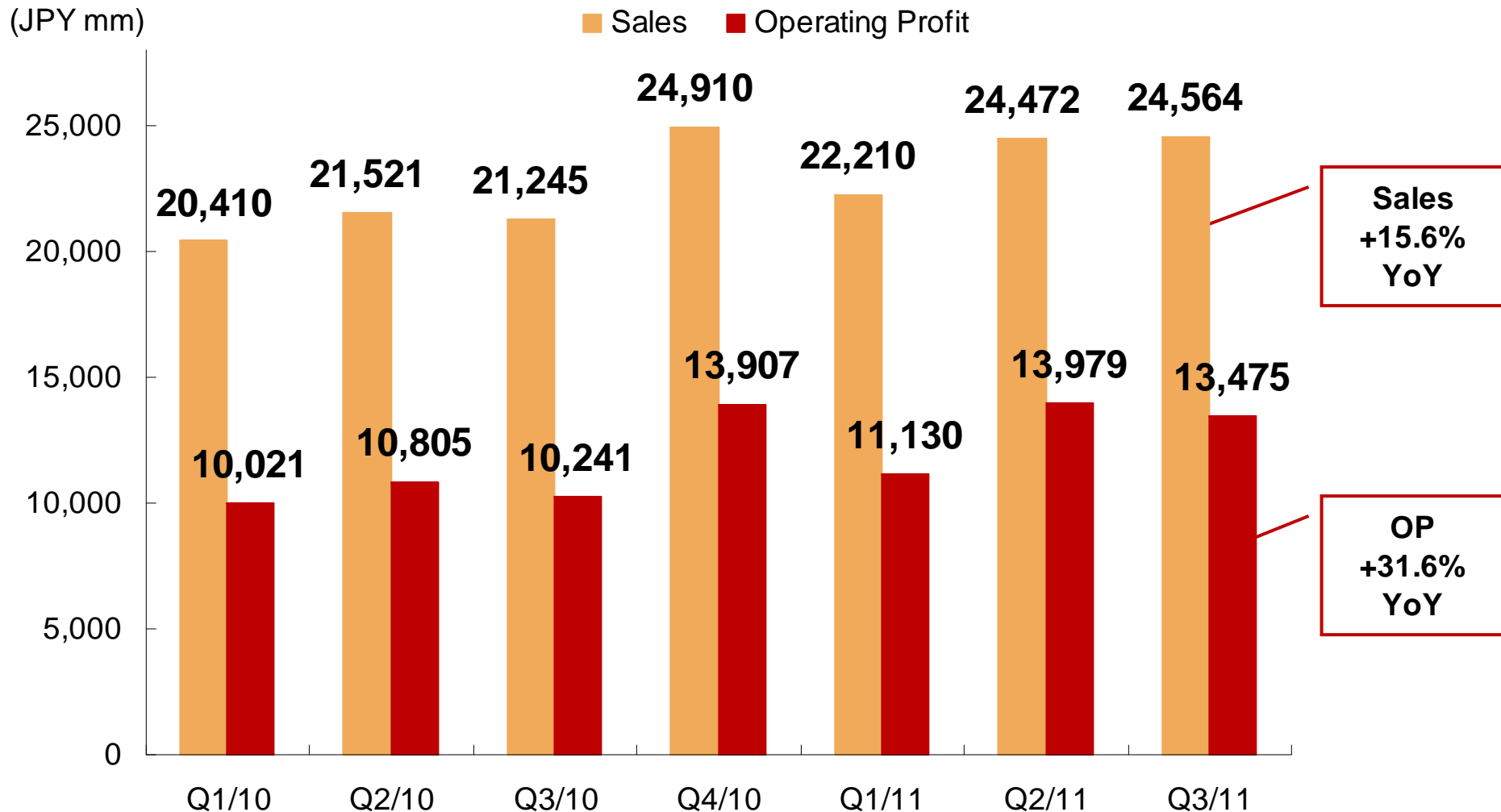
- Kept high GTV growth rate: +16.9% YoY
- 'Silver Week' domestic bookings: +24.1% YoY
- Growing Dynamic Package services (ANA/JAL)

■ Others

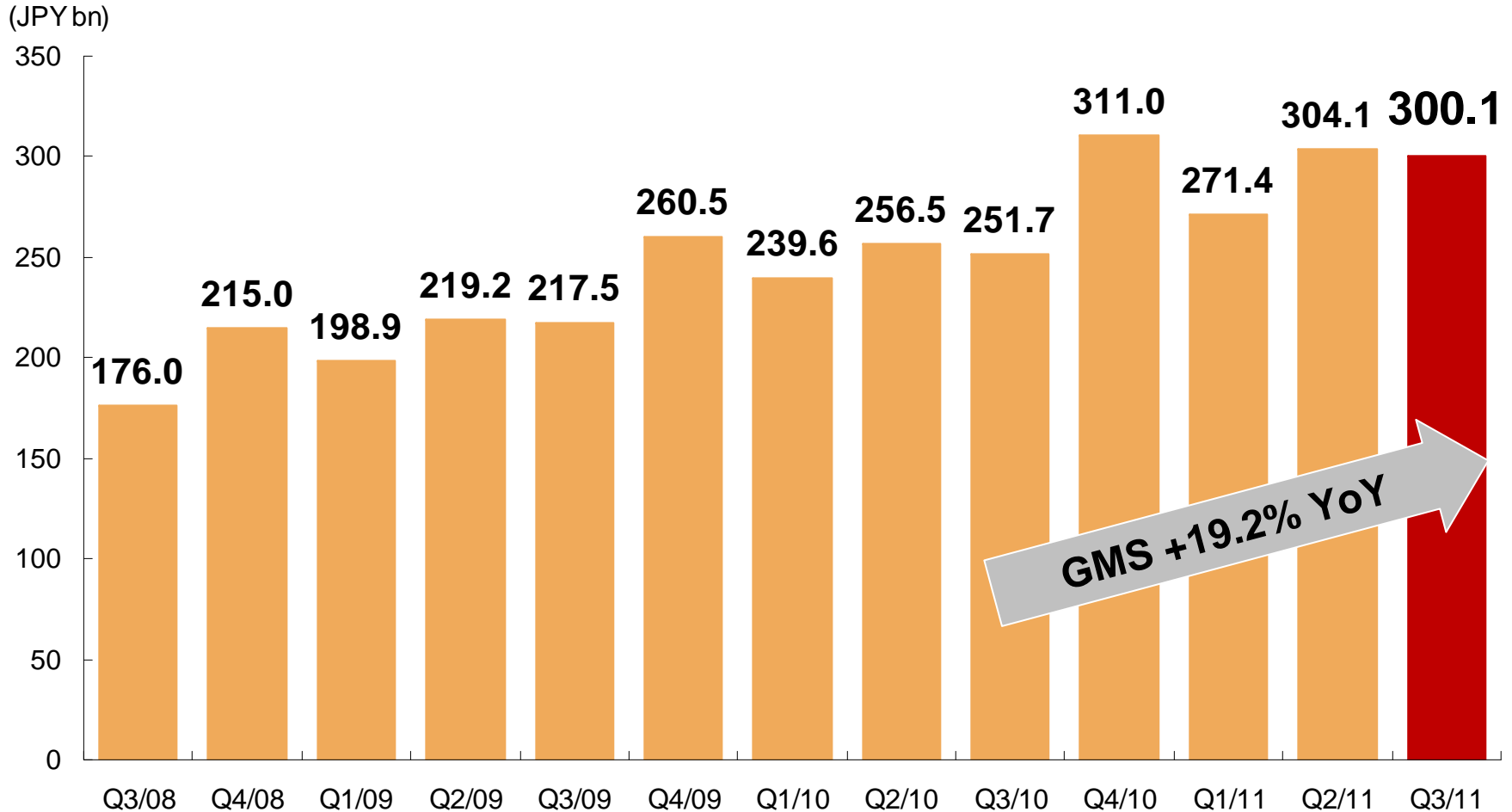


- Overseas GMS: +23.5% YoY
- Focusing on B2B2C marketplace model
- Advance investments in domestic e-commerce businesses

■ Sales and OP growth are accelerating



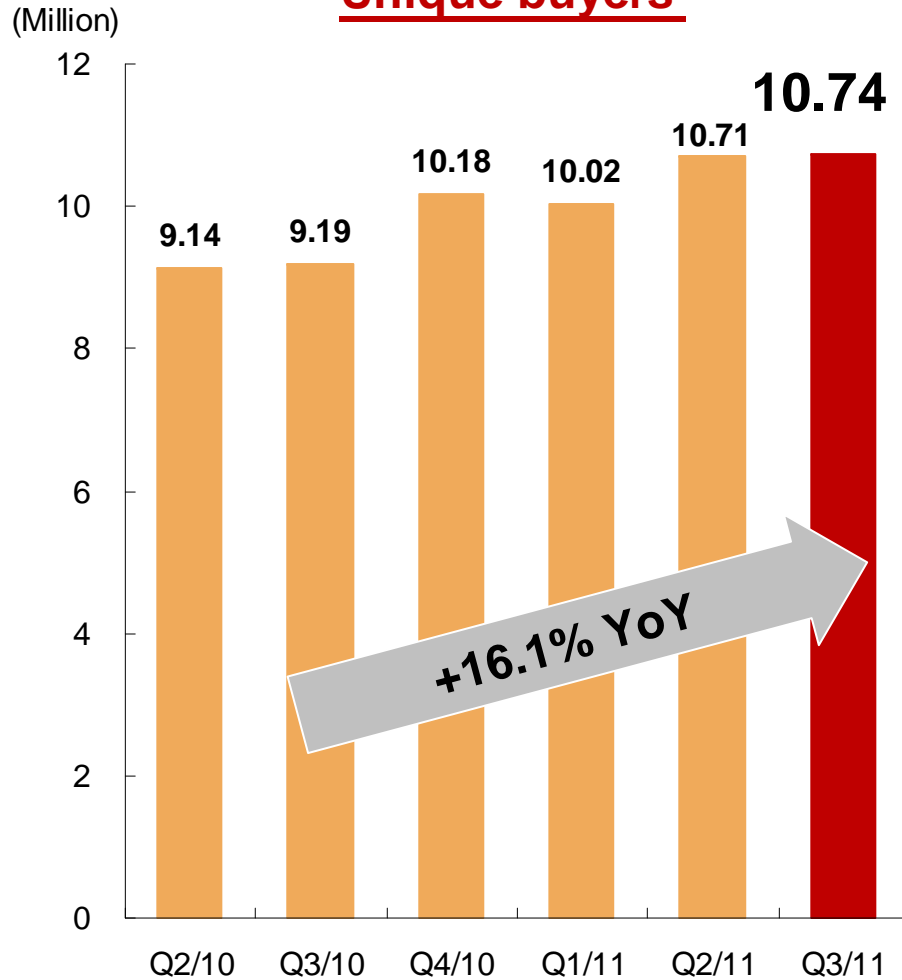
- Domestic E-Commerce GMS: +19.2% YoY
- GMS growth of Rakuten Ichiba and Books: +18.9% YoY



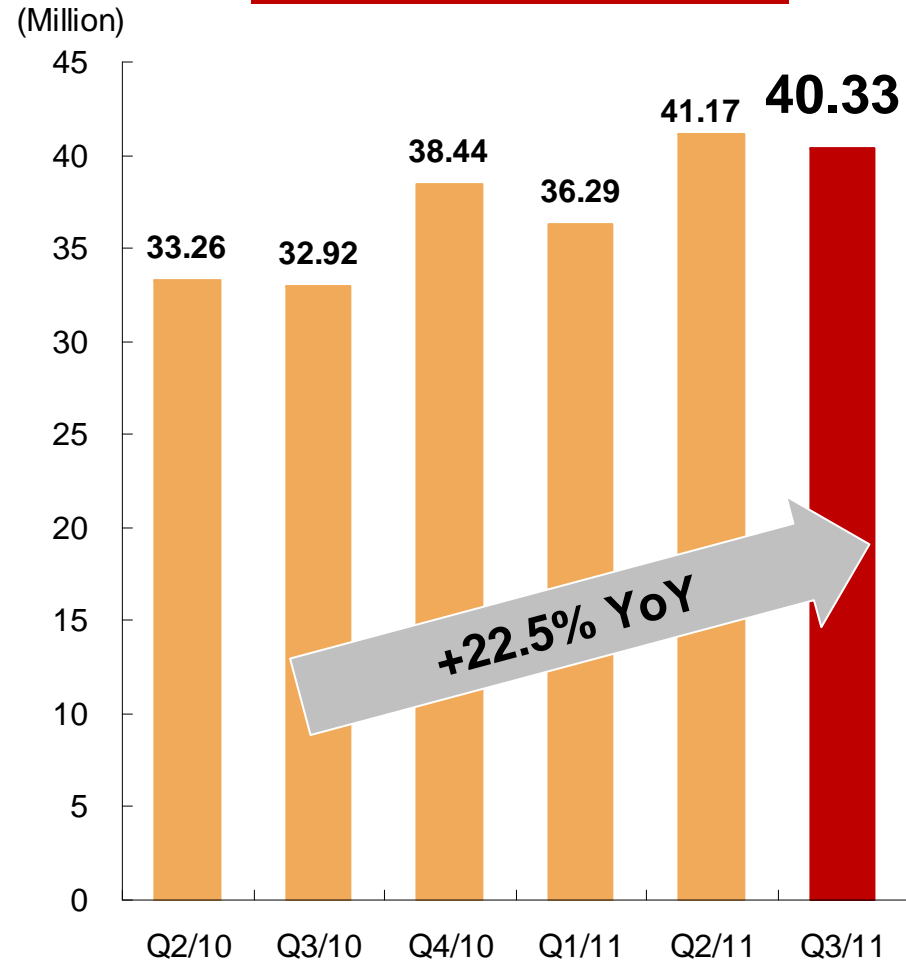
*Domestic E-Commerce = Mall (Fixed-price, Group purchase), Mobile, Business, Golf, Books, Auction (Flea market), download, tickets, Internet Supermarket, Check Out, Off-track betting, toto, ShowTime, Media rental

Rakuten Ichiba Unique Buyers* and Transactions Rakuten

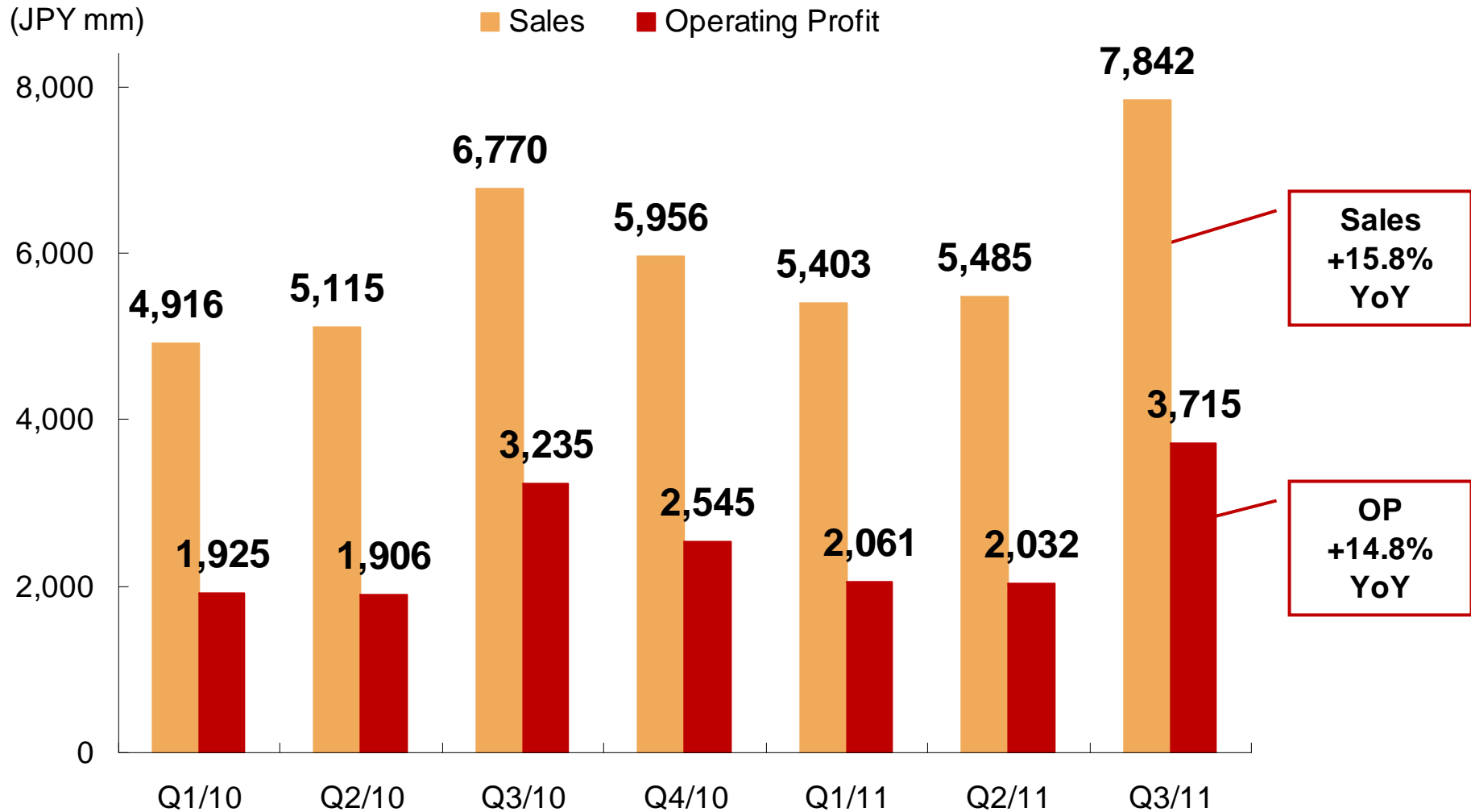
Unique buyers*



Number of transactions



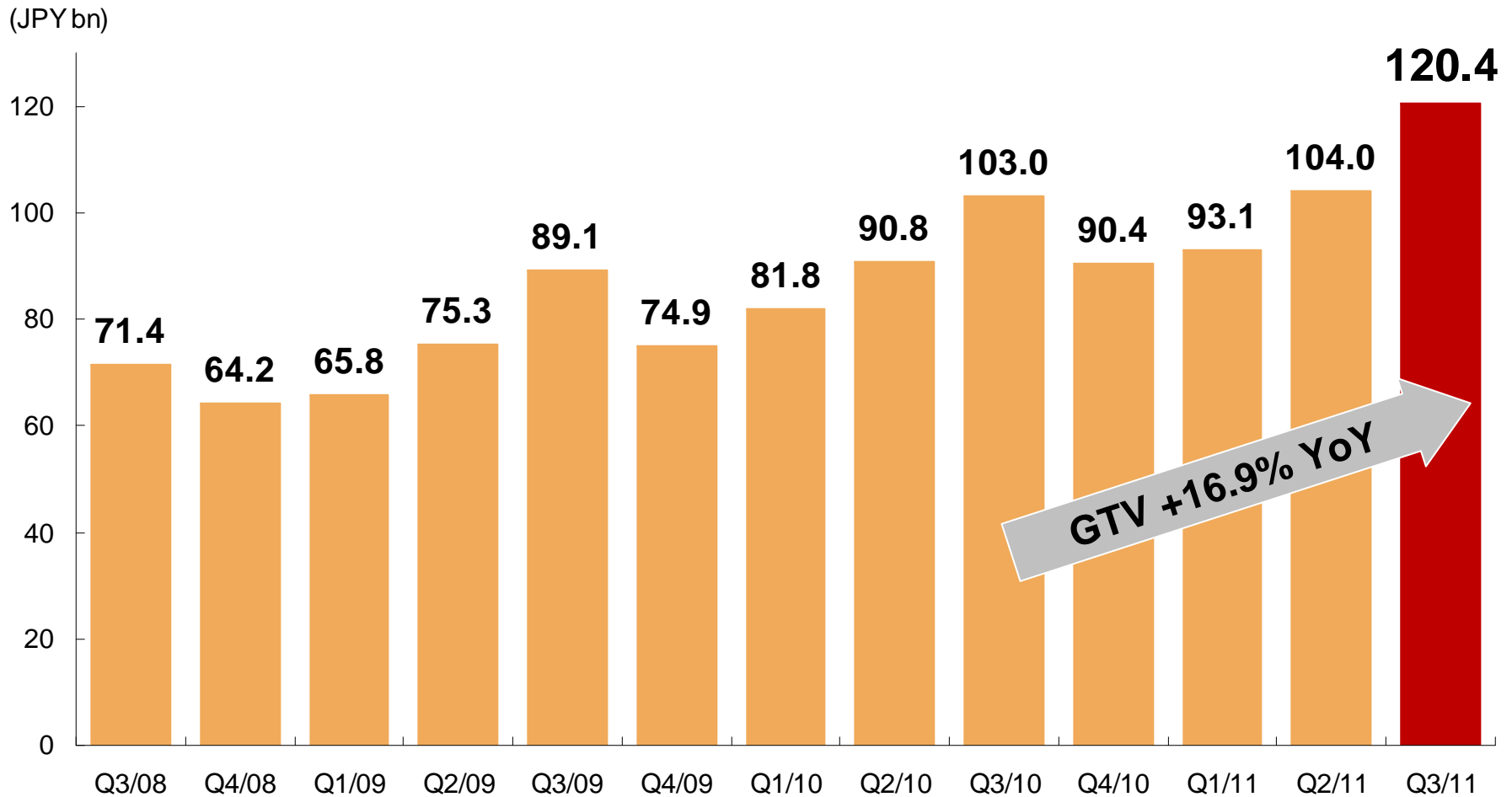
*Unique Buyers: Number of buyers sorted by e-mail address with purchasing records during the listed 3 month period.



*: Financial results of Rakuten Travel, Inc, excluding bus services and overseas branches

Travel Business Gross Booking Transaction Value

■ Travel GTV*: +16.9% YoY. Back to usual rapid growth after quake impact



*: Travel GTV = Booking base (before cancellation, excl. tax)

= Domestic / International accommodation booking, International air tickets, Domestic / International DP, Domestic bus, Rental car service 15

Acquired Tradoria, rapidly growing B2B2C E-Commerce player in Germany



The screenshot shows the Tradoria.de website interface. At the top left is the Rakuten group logo and the Tradoria.de brand name. To the right are navigation links for Bonus-Punkte, Marken, Gutscheine, Shops, and Tradoria für Händler. A search bar contains the text 'Suchen Sie in 8,6 Millionen Artikeln aus 4.839 Shops' and a 'Suche' button. Further right is a shopping cart icon labeled 'Warenkorb (0)' and a 'Merkliste (0)' link. Below this is a horizontal menu with categories: Startseite, Mode & Accessoires, Möbel, Wohnen & Lifestyle, Baby & Kind, Haus & Garten, Tierbedarf, and Alle Kategorien. A login link 'Einloggen (Neu bei Tradoria? Kundenkonto anlegen)' and links for 'Kundenkonto', 'Bestellstatus', and 'Kundenservice' are also visible. A large banner features a woman in a winter hat and scarf, surrounded by autumn leaves, with the text 'Kuscheliger Herbst Mit Freude durch die goldene Jahreszeit' and a 'Hier klicken' button. Below the banner is a 'Trends' section with links to Haribo, Milka, Samsung, Playmobil, DKNY, iPhone, AVON, Wandtattoos, Picknick, and Schmidt Spiele. The 'Ausgesuchte Artikel' section has tabs for 'Gerade gekauft', 'Bestseller', and 'Bestbewertet'. It displays five product cards: a white wicker chair (dynamic24 Rattansessel Korbsessel), a 4-pack of HP Color Laserjet toners (4er Set), a Mont Blanc car roof rack (Dachträger Classic Ford Focus), a KYOCERA toner cartridge (KYOCERA Toner 88g Nr. 37068010), and a Converse messenger bag (Umhängetasche NY).

Acquired a leading e-commerce player, Play.com, making a significant step in European expansion

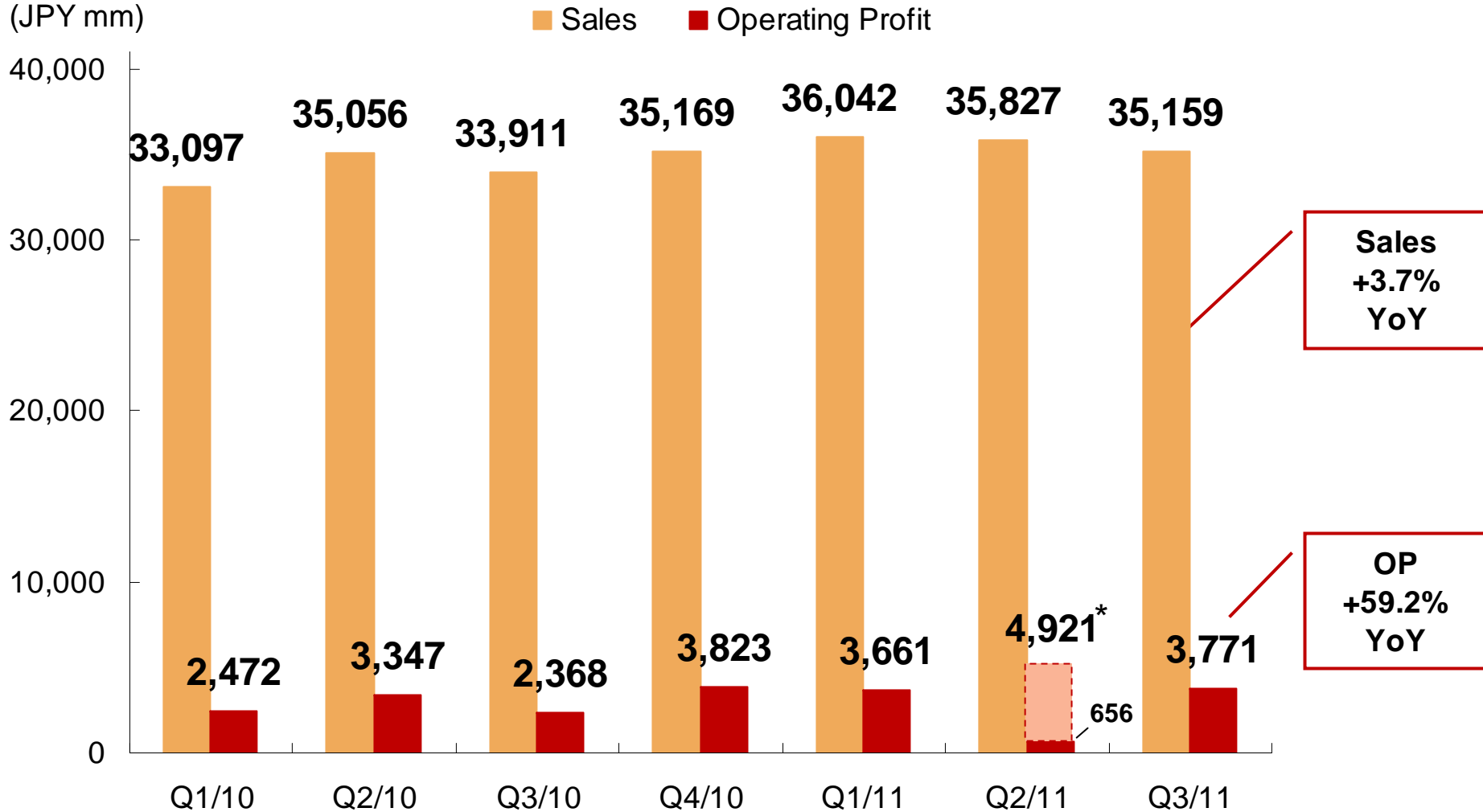


The screenshot shows the Play.com website interface. At the top, it features the Rakuten group logo and the Play.com logo. The navigation bar includes a search bar with the text "I'm searching for..." and a "GO" button. To the right, there are links for "Your account | Help", a currency selector showing "£" and "€", and a shopping cart icon with "0 items" and a price of "£0.00". Below the navigation bar, there is a horizontal menu with categories: DVD, Blu-ray, Music, Video Games, Books, Clothing, Sports & Outdoors, Electronics, Computing & Office, Mobile, Gifts & Gadgets, and Toys. A banner below the menu reads "New delivery options now available: get what you want even faster". The main promotional banner features a red "Deal of the Day" tag, three blue Play.com 32GB USB drives, a green circle with "10% OFF" and "All memory cards & flash drives use voucher code MEMORY10", and a "SHOP NOW" button. To the right of the banner is a "MUST END MIDNIGHT" sign with a small elf character. Below the banner, there are four product categories: "Winter Warmers Store" with a photo of a man and a woman, "Top 12 Toys for Christmas" with a yellow toy, "TV and Film Box Sets" with a DVD box set, and "New Laptop Ranges" with a photo of an HP laptop.

3 Internet Finance

Profits of Card business and Banking business stably increased

(JPY mm)



*: Q2/11 : Adjusted Operating Profit: Excluding one-off operating expense at Rakuten KC of JPY 4.2bn

■ Rakuten Card



- Transfer of Rakuten Card was smoothly completed, focusing on credit card growth
- Cost for bad debt decreased

■ Rakuten Bank



- Changed valuation method of fair values: CMBS impairment and other loss JPY 1.6 bn
- Risk assets before acquisition almost cleared
- Ordinary profit: up 9 times YoY

■ Rakuten Securities



- 63,015 new accounts acquired, beating SBI
- Joined 'Happy Program' with Rakuten Bank

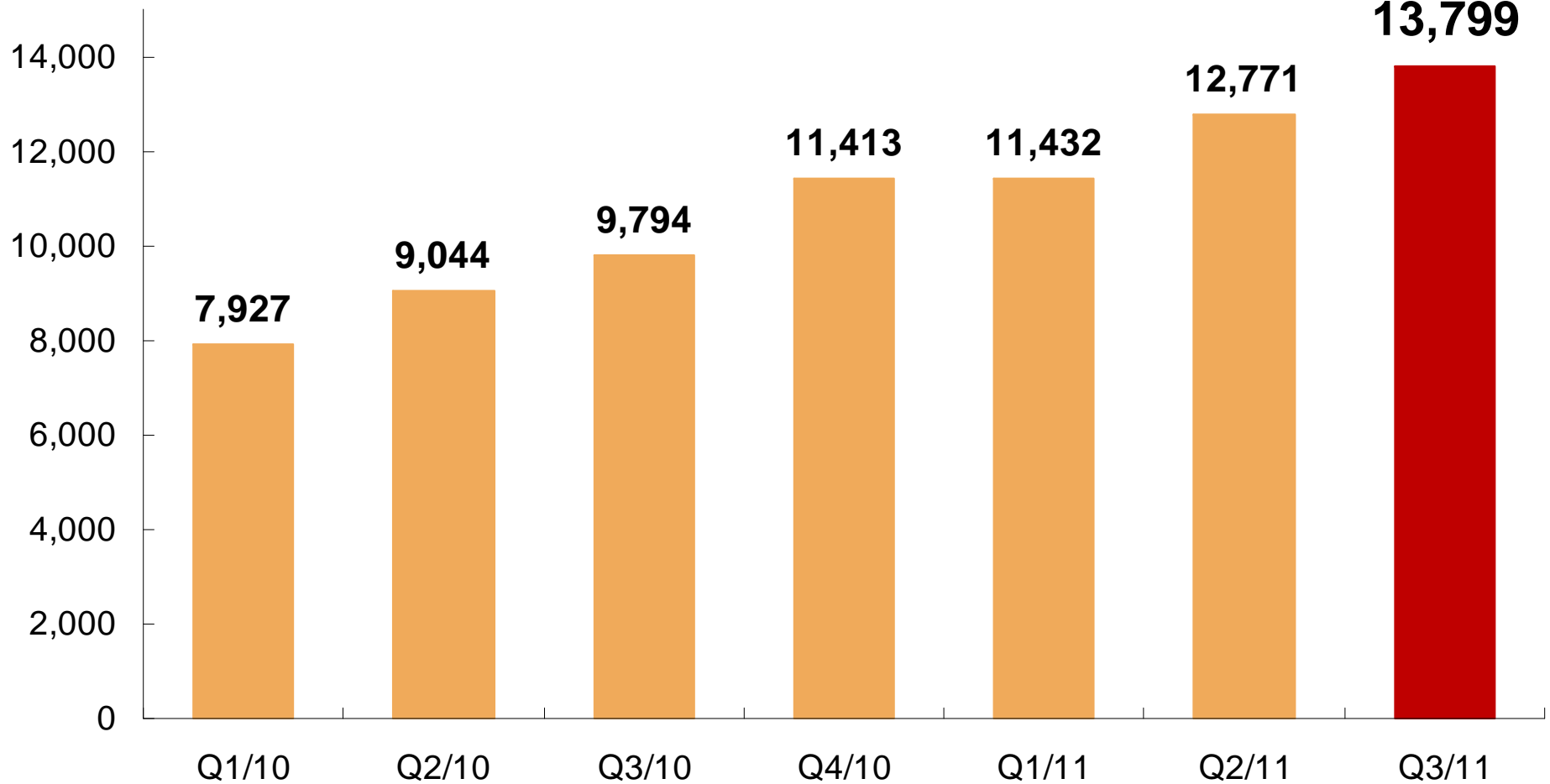
■ bitWallet (E-Money)



- Launched auto-charge of Edy by KDDI payment
- Started point service tie-up with digital content charge

■ Healthy growth of Rakuten Card revenue

(JPY mm)

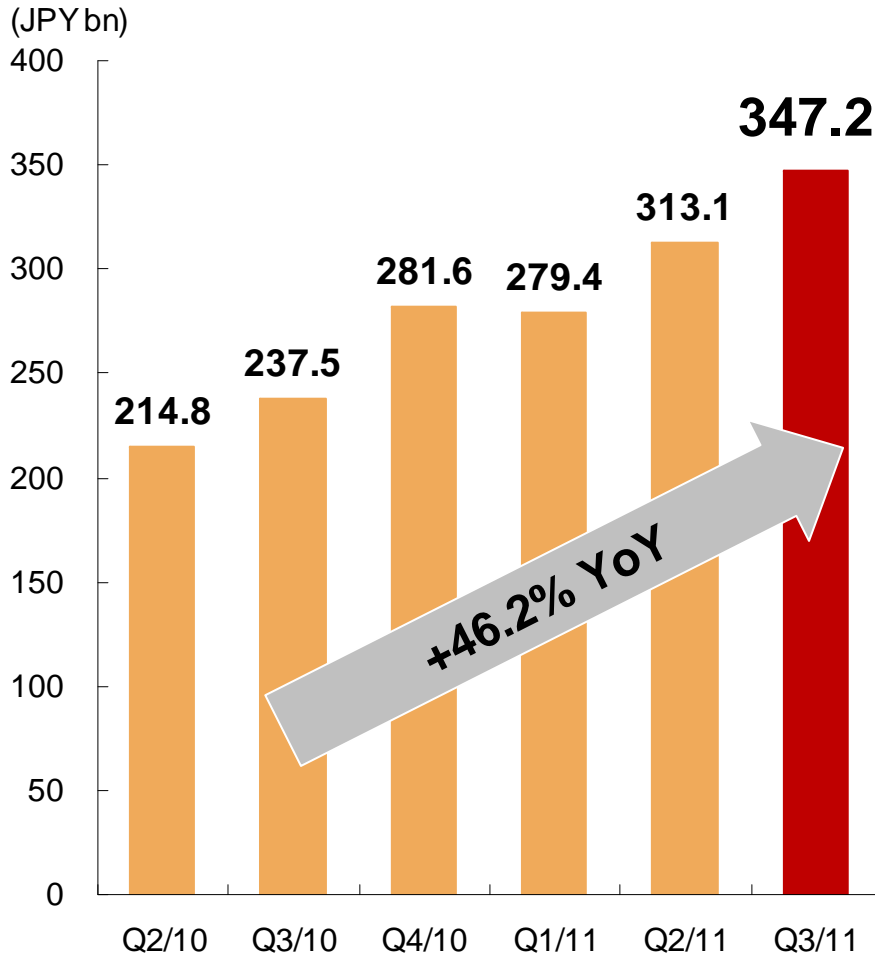


*: Pro forma revenues of Rakuten Card business in Rakuten KC Co., Ltd (up to Jul 2011) and Rakuten Card Co., Ltd (from Aug 2011).

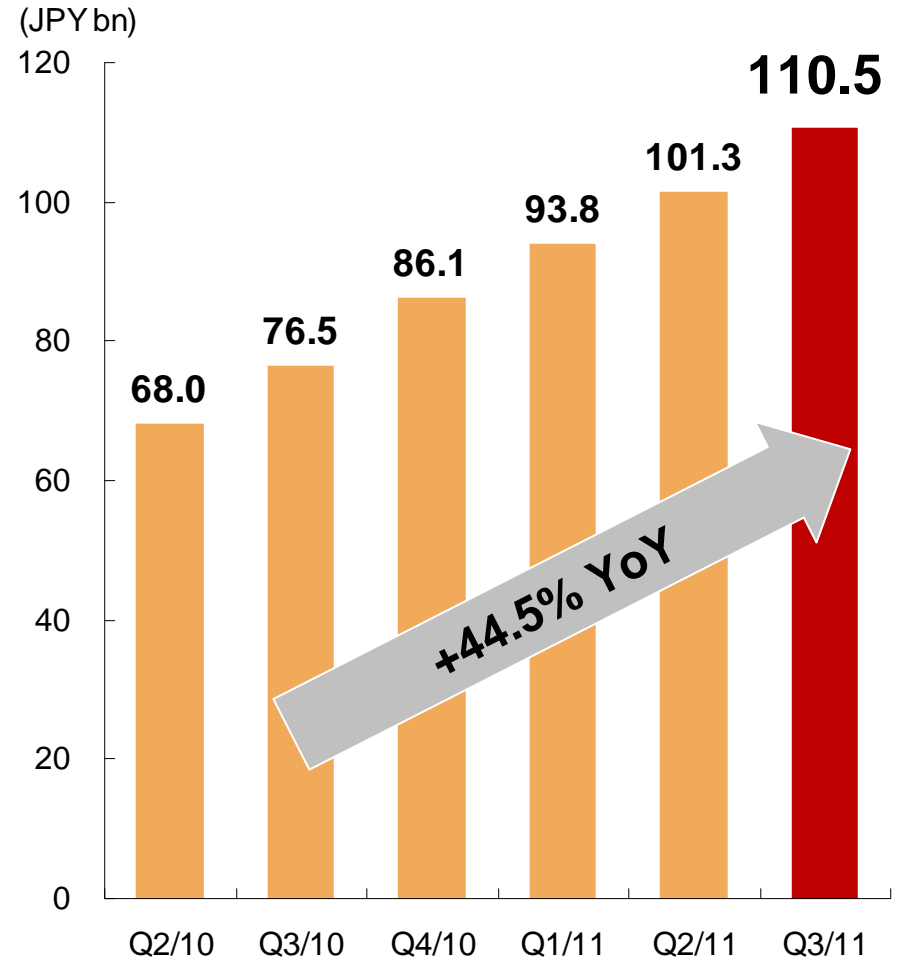
Rakuten Card Shopping Transaction Value and Shopping Revolving Balance*



Rakuten Card Shopping Transaction Value

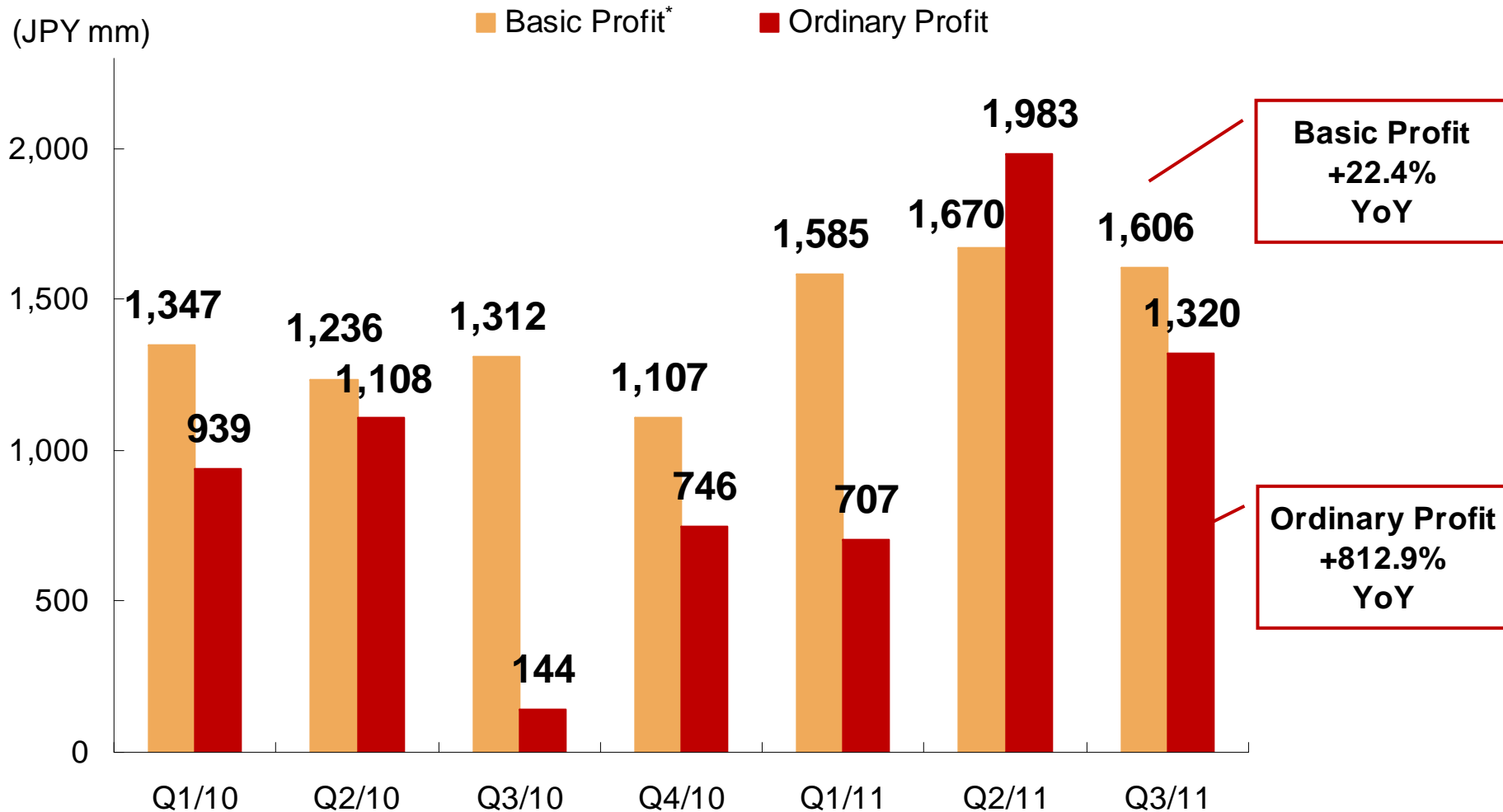


Rakuten Card Shopping Revolving Balance



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

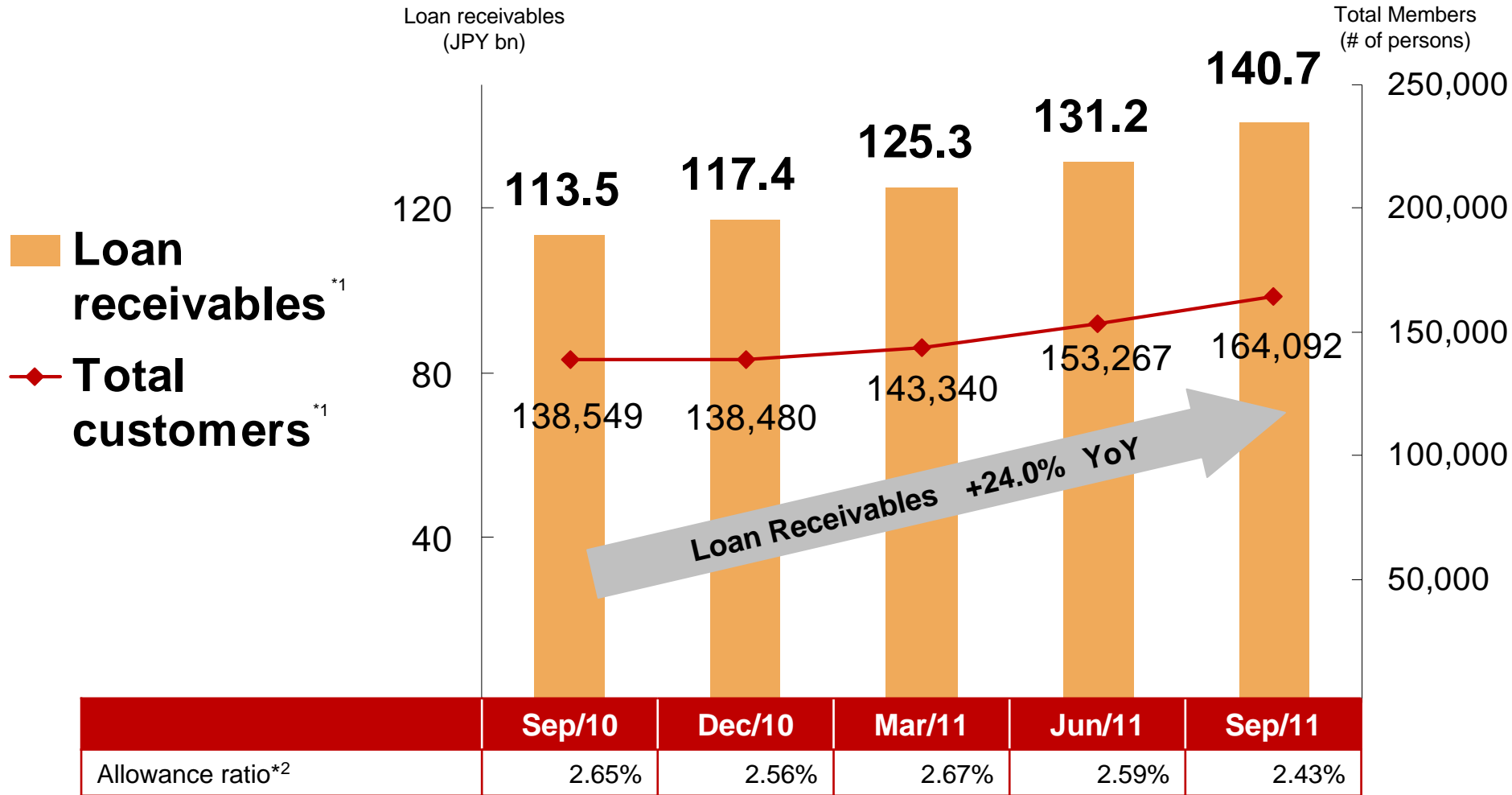
■ Despite CMBS impairment, ordinary profit grew 9 times YoY



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

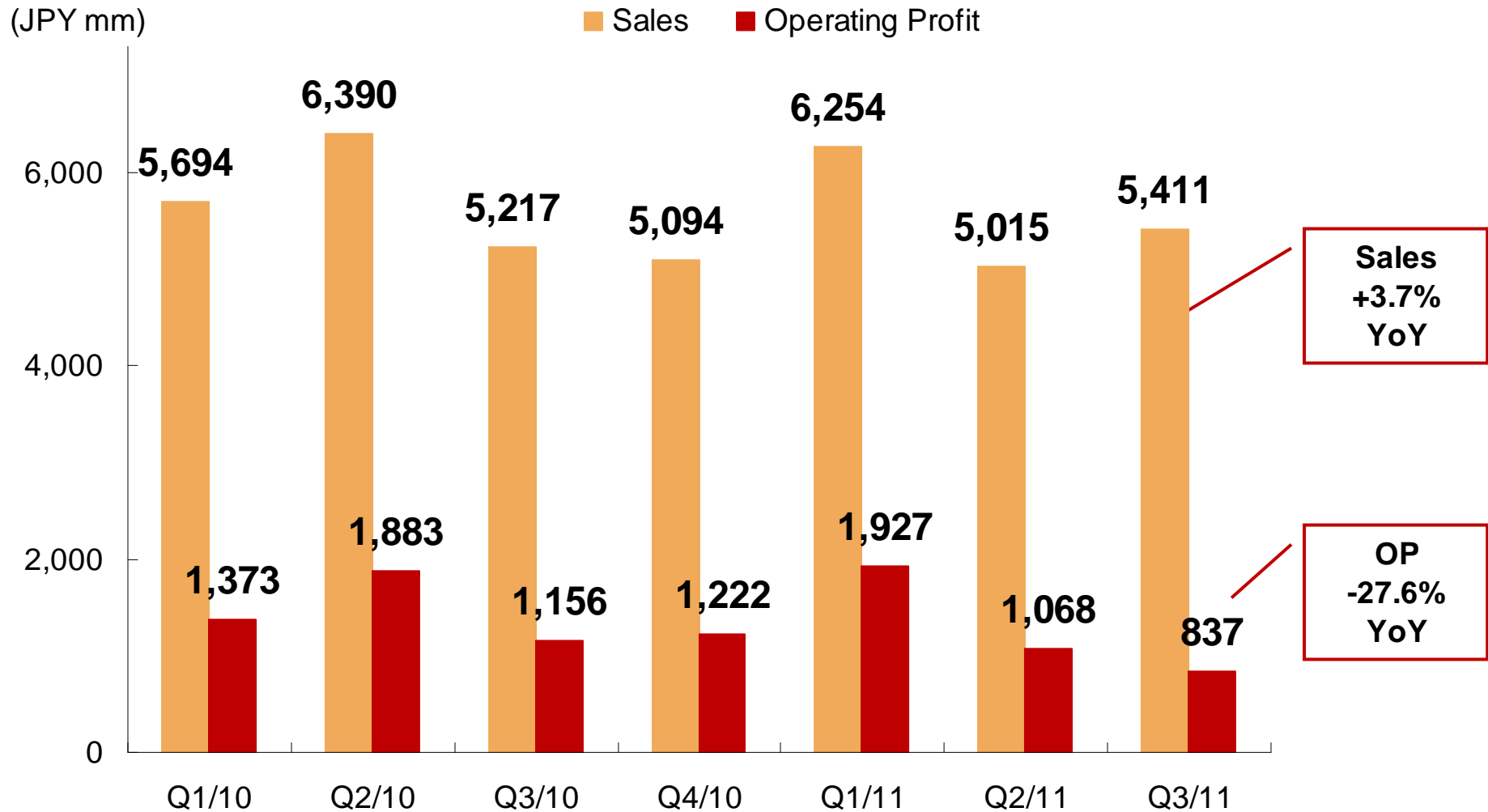
“Rakuten Bank Super Loan” Trends of Loan Receivables

■ Loan Receivables growth was maintained over 20% YoY



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

*2: Allowance ratio = Balance of allowances for doubtful accounts ÷ Balance of loan receivables



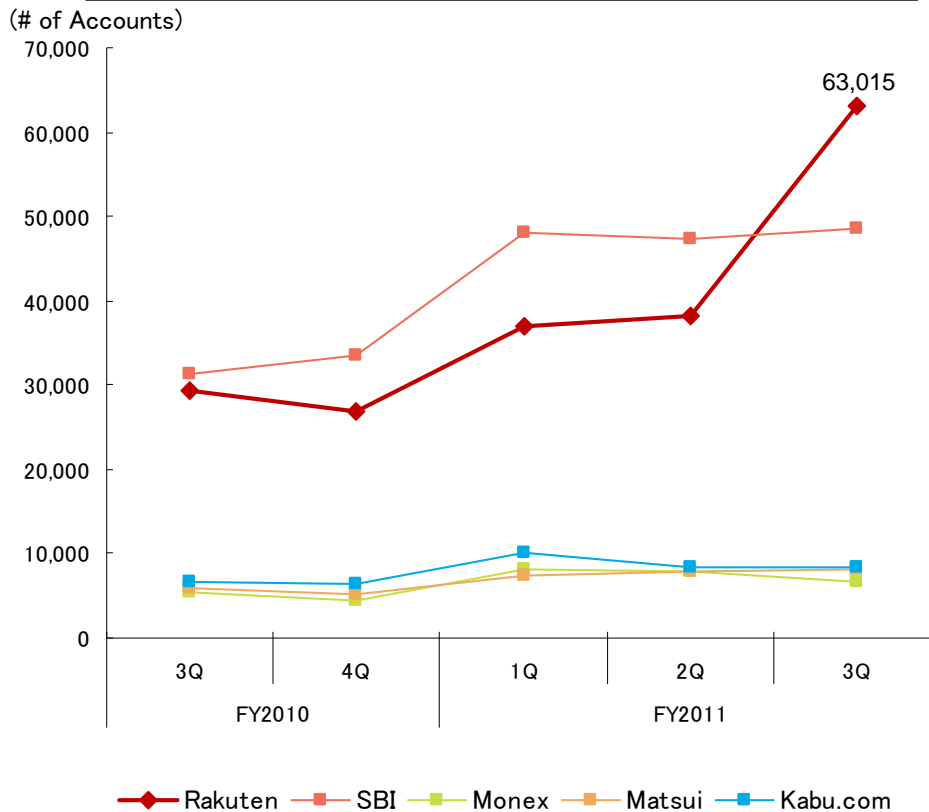
*: Since Q3/11, consolidated financial results are shown. Up to Q2/11, on a non-consolidated basis.

Rakuten Securities New Accounts / Ratio of Applications via Rakuten Group

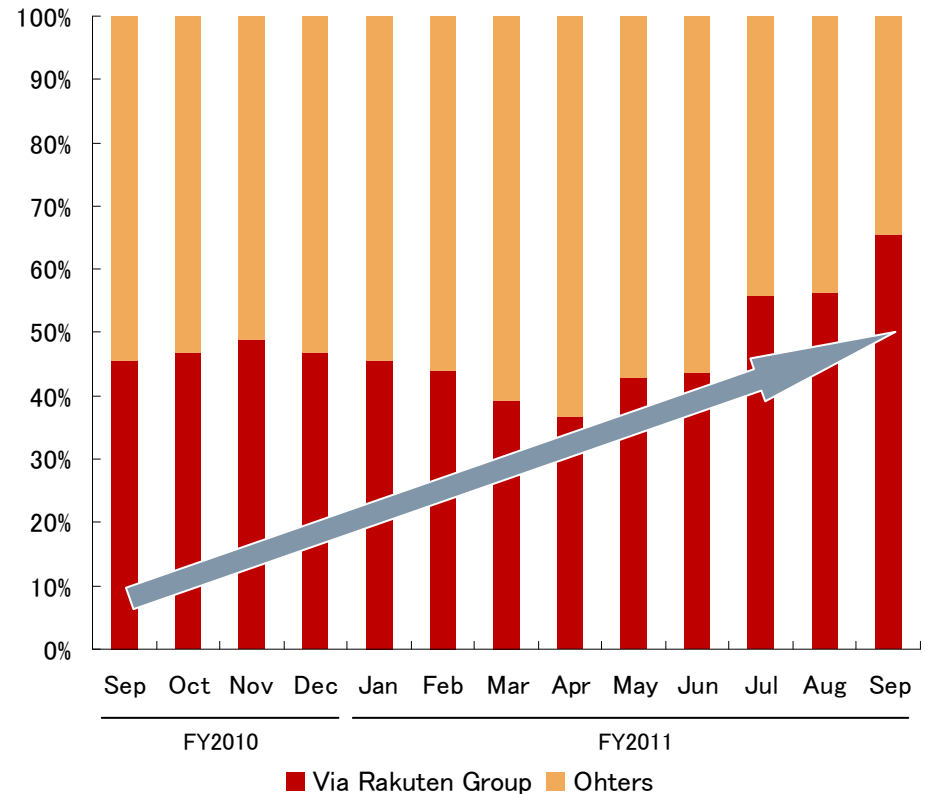


- Acquired 20,000+ accounts for 3 consecutive months (Q3 total: 63,015)
- Achieved 60% of new accounts from Rakuten Group

Monthly new accounts at Major Securities companies



% of new accounts from Rakuten group

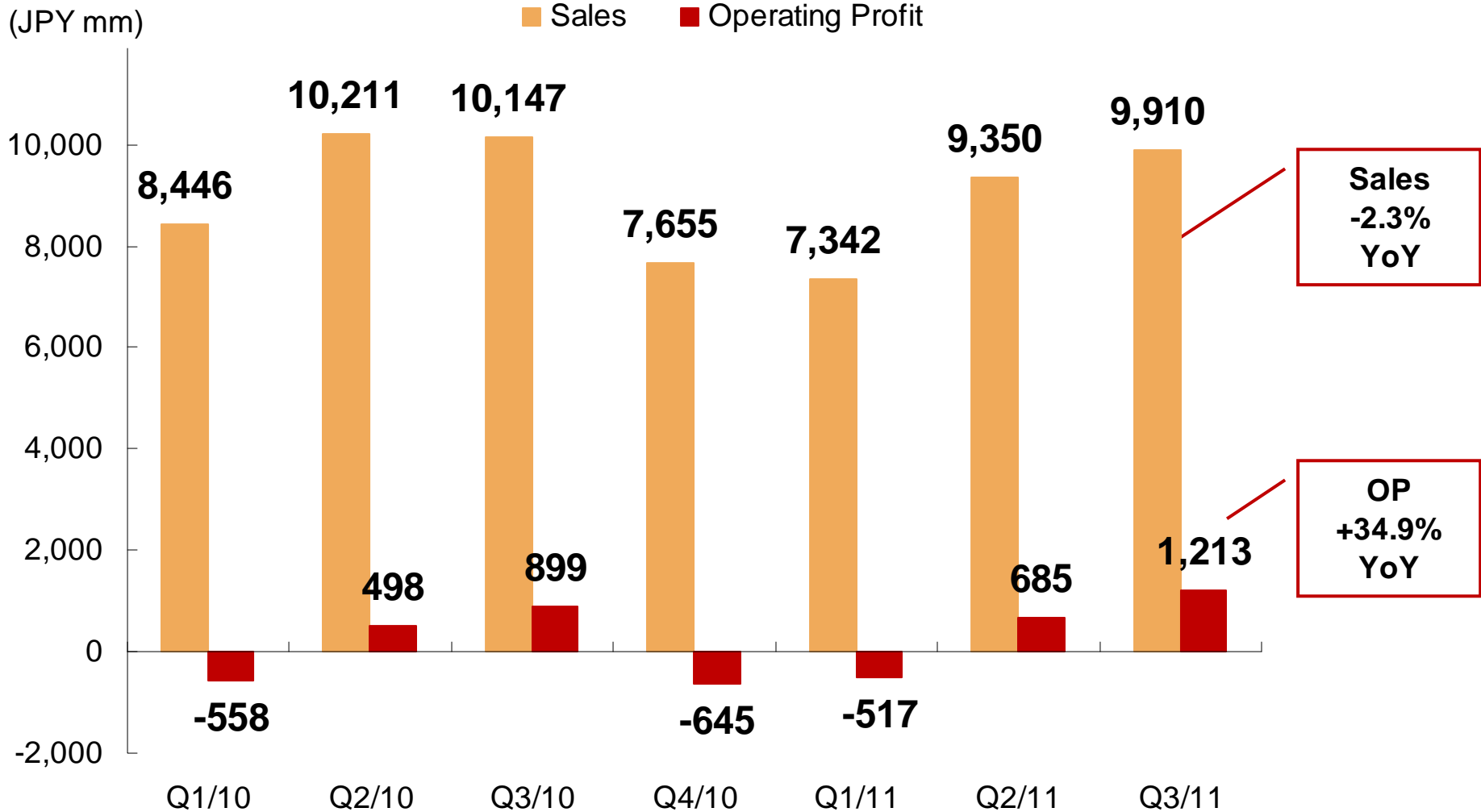


Source: Data disclosed by each company

4 Others

Others Quarterly Results

Profit increase at IP telephony business



■ Fusion Communications (Telecom)



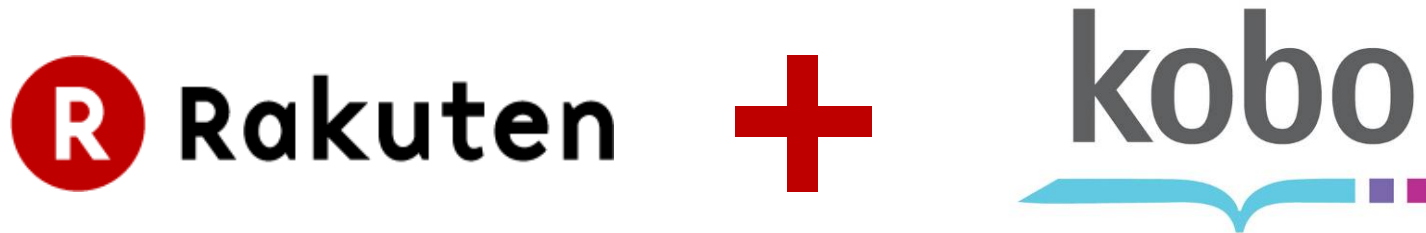
- OP: JPY 446mm (+90.4% YoY)
- Growth of acquisition of Rakuten Broadband users is very strong: +411.3% YoY

■ Rakuten Baseball



- Sponsors and broadcasting sales staying in good shape
- Number of spectators per home game +2.8% YoY

5 Kobo Acquisition



- **Kobo's global, borderless eBook platform to be enhanced through synergies with Rakuten's global e-commerce network**
- **Rakuten and Kobo to explore development of global digital content platform**
- **Invigorate Japanese eBook industry and enhance Rakuten Eco-System**

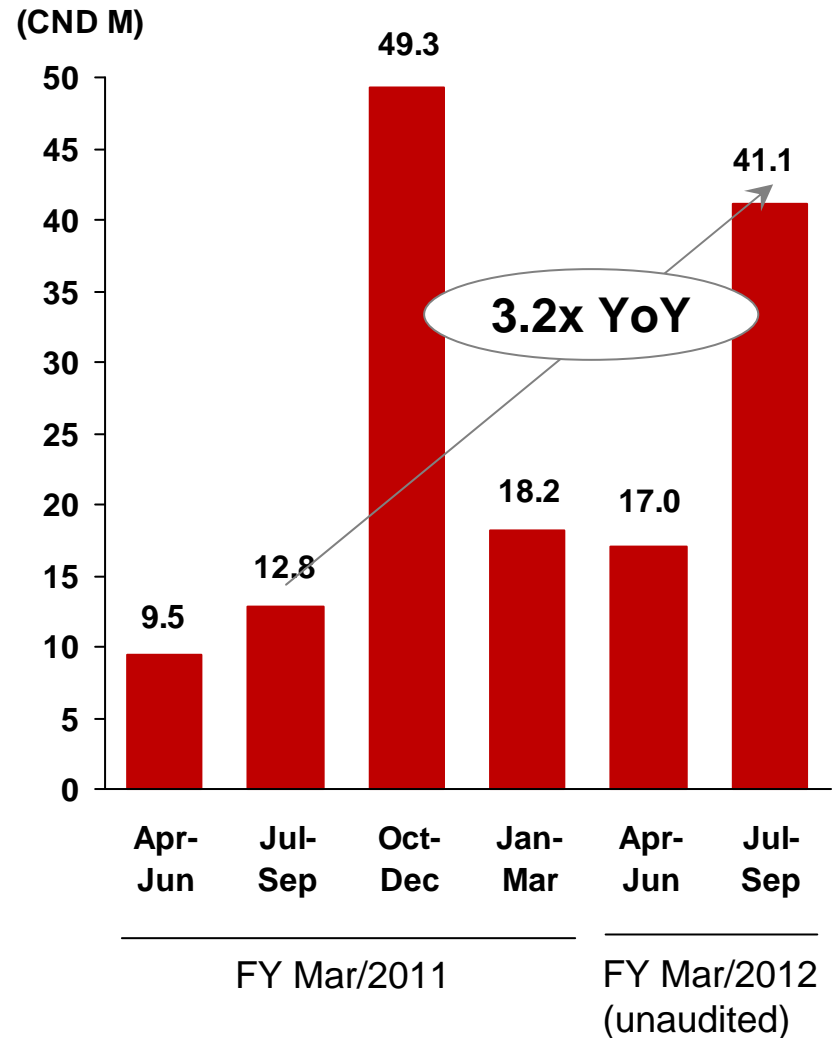
Company Overview

- Company name: Kobo Inc.
- Head Office: Toronto, Canada
- CEO: Michael Serbinis
- Business: Sale of eBook devices and content
- Established: August 28, 2009

Acquisition

- Purchase Price: US\$ 315M
- Plan to acquire all stakes from existing shareholders
- Closing: Q1/2012 (expected)

Kobo Revenues





Read Freely

<http://www.youtube.com/watch?v=liRxIXytLYQ/>

Kobo Vox



- Vivid 7" multimedia screen
- Brilliant color books for all ages
- New social reading experience
- Web, email and apps for Android™!

Kobo Touch



- 6" glare-free E Ink screen
- Natural touch navigation
- Earn awards and share your Reading Life™ to Facebook®

Kobo WiFi



- 6" glare-free E Ink screen
- Adjustable fonts and views
- Long lasting battery
- Includes 100 free classics

Open platform

- Free apps for Windows, iOS, and Android devices including PCs, smartphones, and tablets
- Can read continuously across multiple devices

Global footprint

- Currently selling device in USA, Canada, UK, Germany, France, Australia, and New Zealand
- Strong synergies with Rakuten's global operations

Multi-lingual service

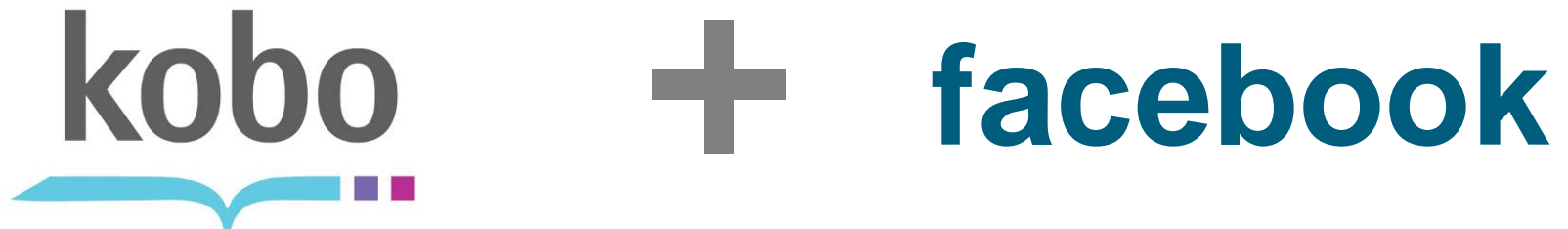
- Available in 6 languages, more planned
 - English, French, German, Spanish, Italian, Dutch
 - Can handle double byte characters

Global blue-chip retail partners

- Partners are giant bookstore chains and retailers
 - Indigo (Canada), WH Smith (UK), FNAC (France), Pearson Australia Group (Australia), Walmart, BestBuy, Future Shop (US, Canada)



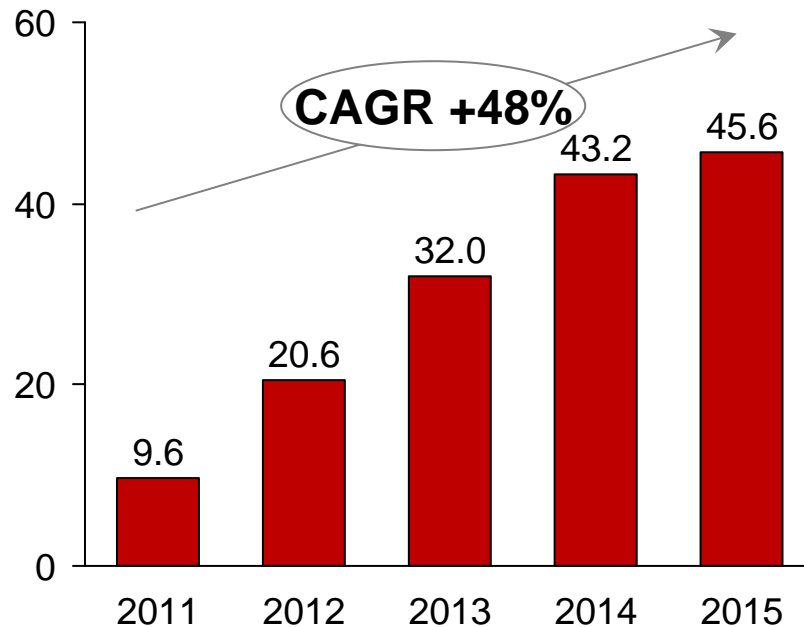
- **Kobo Vox**  **World's first 'Social eReader'**
- **Innovative and unique social functions**
 - **Start conversations, and engage with friends and other readers around the world**
 - **Deep integration with Facebook and Twitter feeds**



■ Global eBook market is projected to grow rapidly

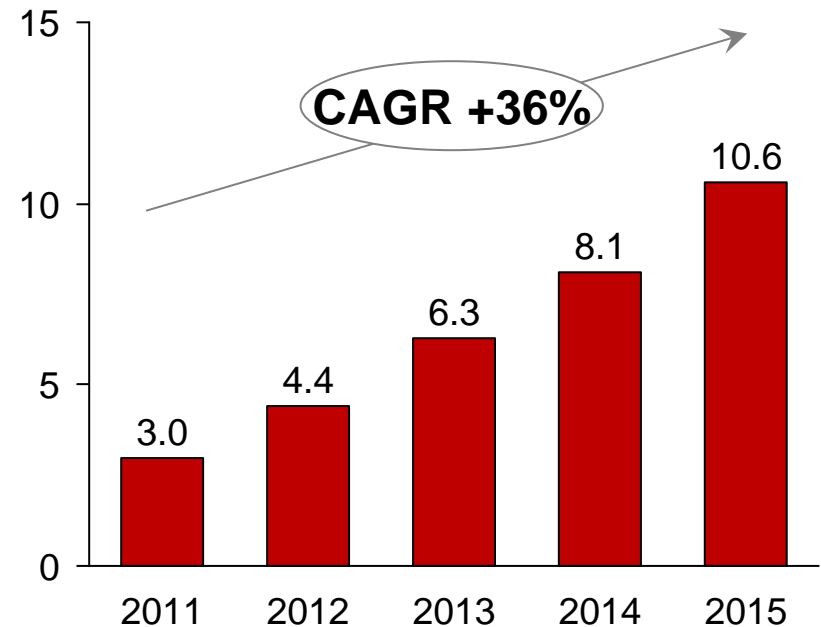
Black and white device market projection

Global eBook reader market excluding China (B&W, million units)



eBook contents market projection

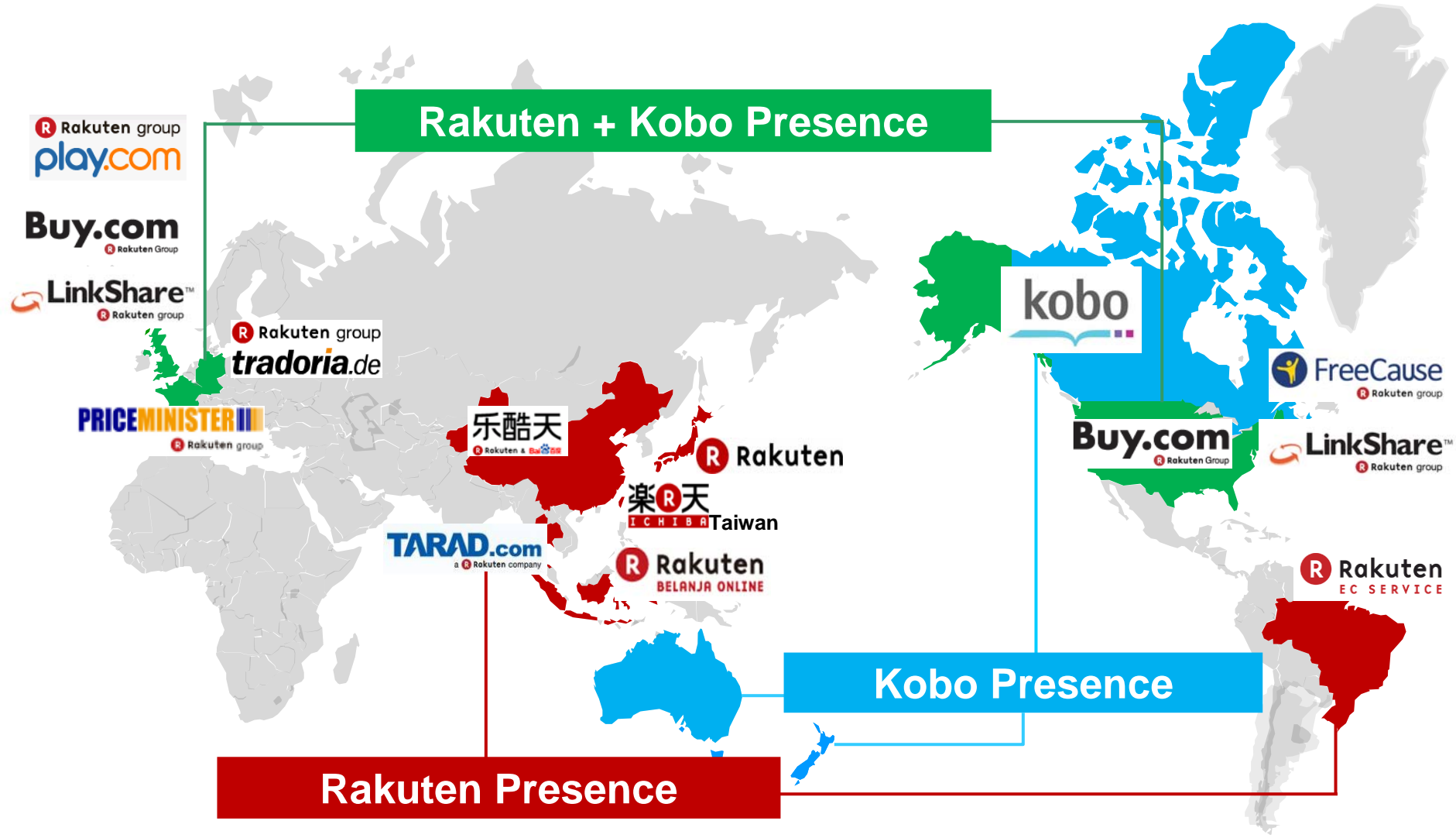
Global eBook contents market (US\$ bn)



Note: Global eBook reader market size excludes China

Source: Yankee, Gartner, IDC, NRI, BCG analysis. Forex rate assumed: JPY80/US\$.

- 
- **Plan to launch sale of Kobo eReaders through Rakuten group companies worldwide**
 - **Enhance Rakuten's existing eBook business, and plan to launch sale of Kobo eReaders in Japan**

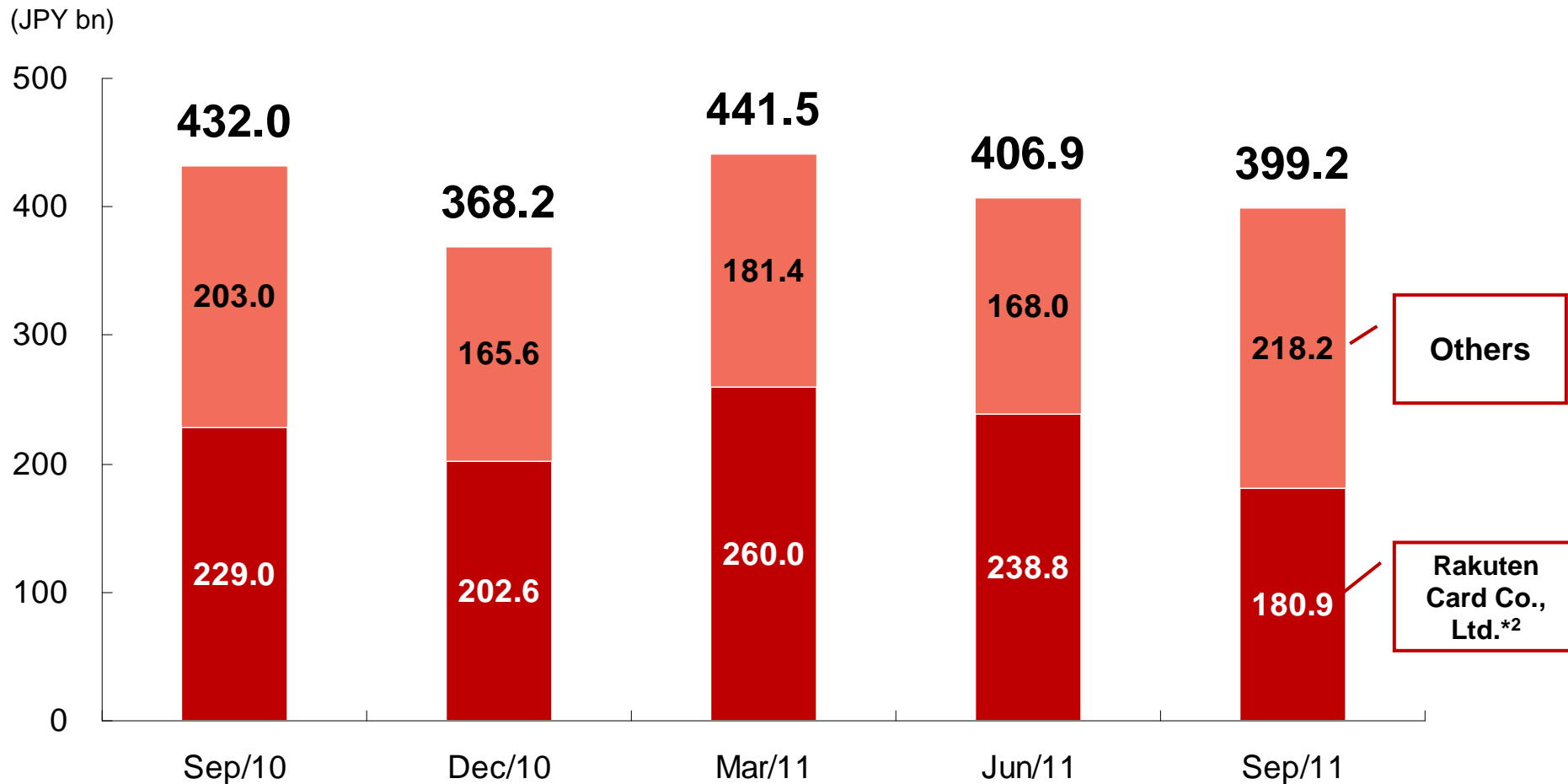


Appendix

- Financial Condition
- Other Information

Financial Condition

Financial Institutions Debt*1 Trend



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

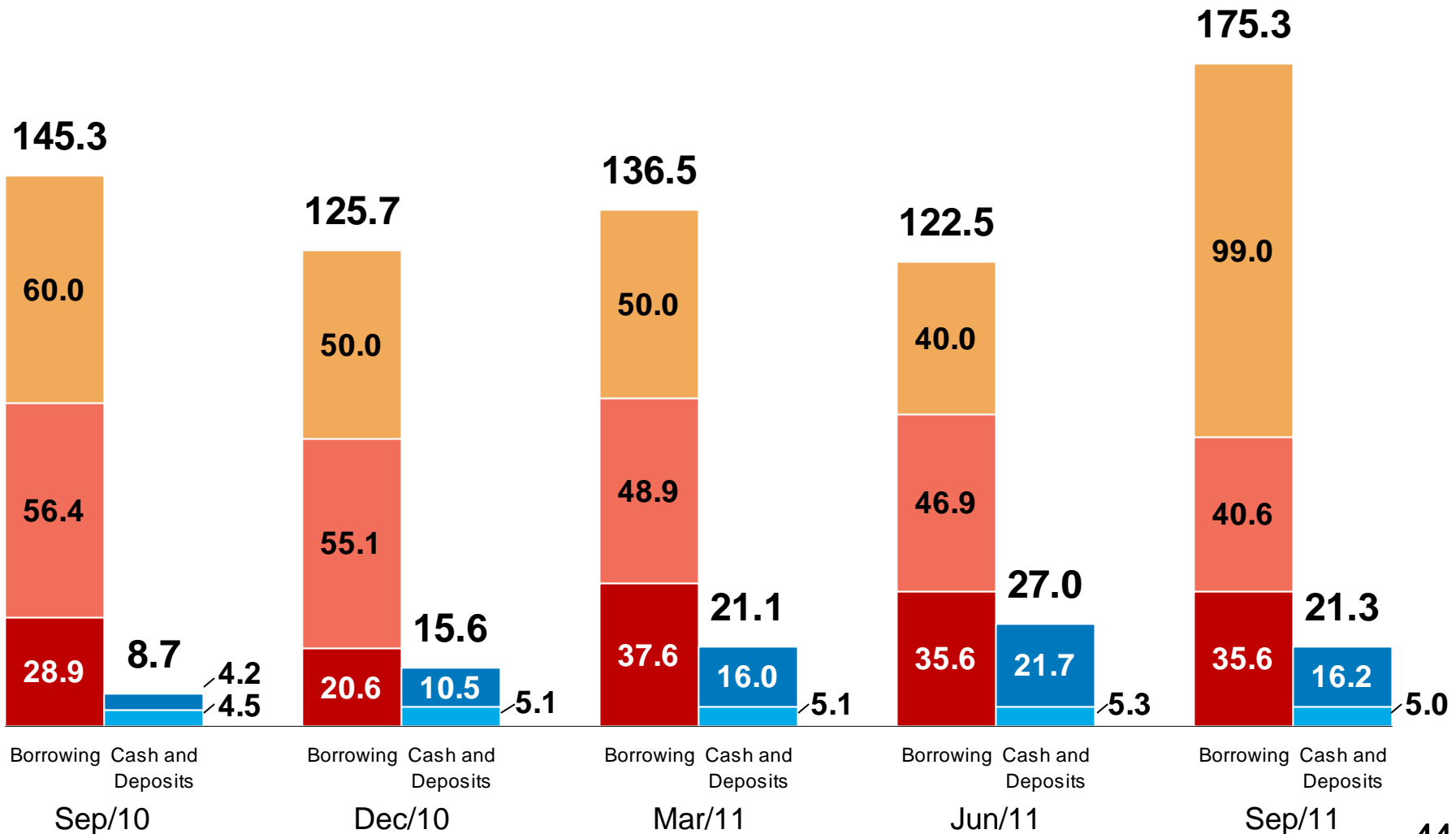
*2: Up to Jun/11, results of former Rakuten KC are shown

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



(JPY bn)

■ Working capital ■ M&A ■ Investment and lending to Card biz. ■ Cash and Deposits ■ NCD

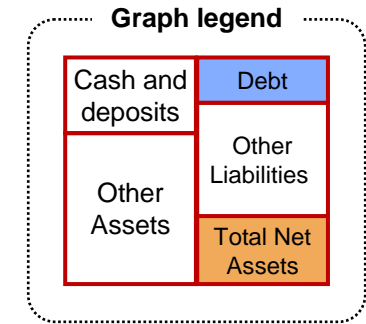
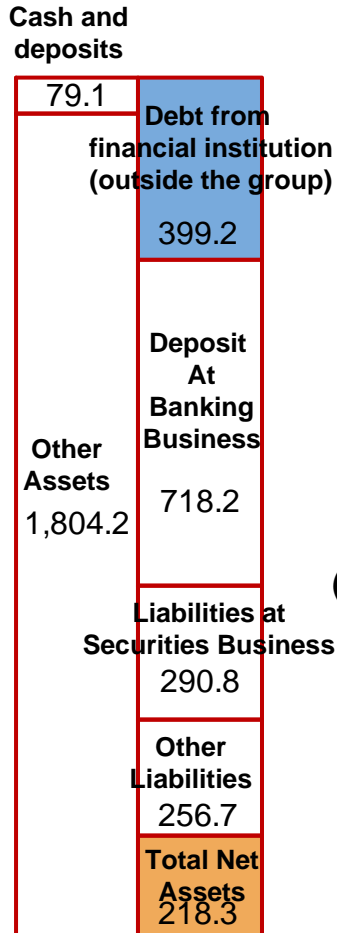


Rakuten Group : Balance Sheets (As of September 30, 2011)



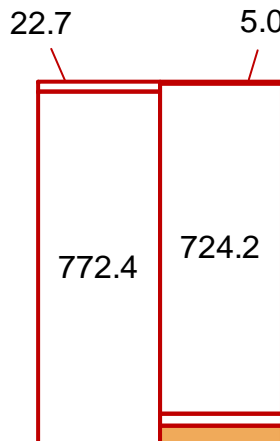
Rakuten Group (Consolidated)

(JPY bn)

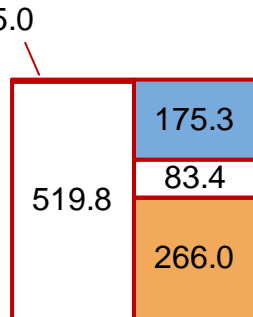


Rakuten Bank (Consolidated)

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

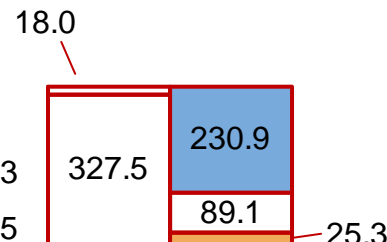


Rakuten, Inc. (Non-Consolidated)



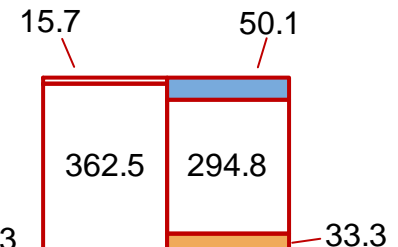
Rakuten Card Co., Ltd. (Non-Consolidated)

*JPY50.0bn of borrowing at Rakuten Card is from Rakuten Group



Rakuten Securities (Non-Consolidated)

*JPY11.0bn of borrowing at Rakuten Securities is from Rakuten Group



Total Assets
1,883.4

Total Assets
524.8

Total Assets
795.1

Total Assets
345.5

Total Assets
378.3

*: Rakuten Securities (non-consolidated), Rakuten Card Co., Ltd. , Rakuten, Inc. (non-consolidated) and Rakuten Bank also including internal elimination

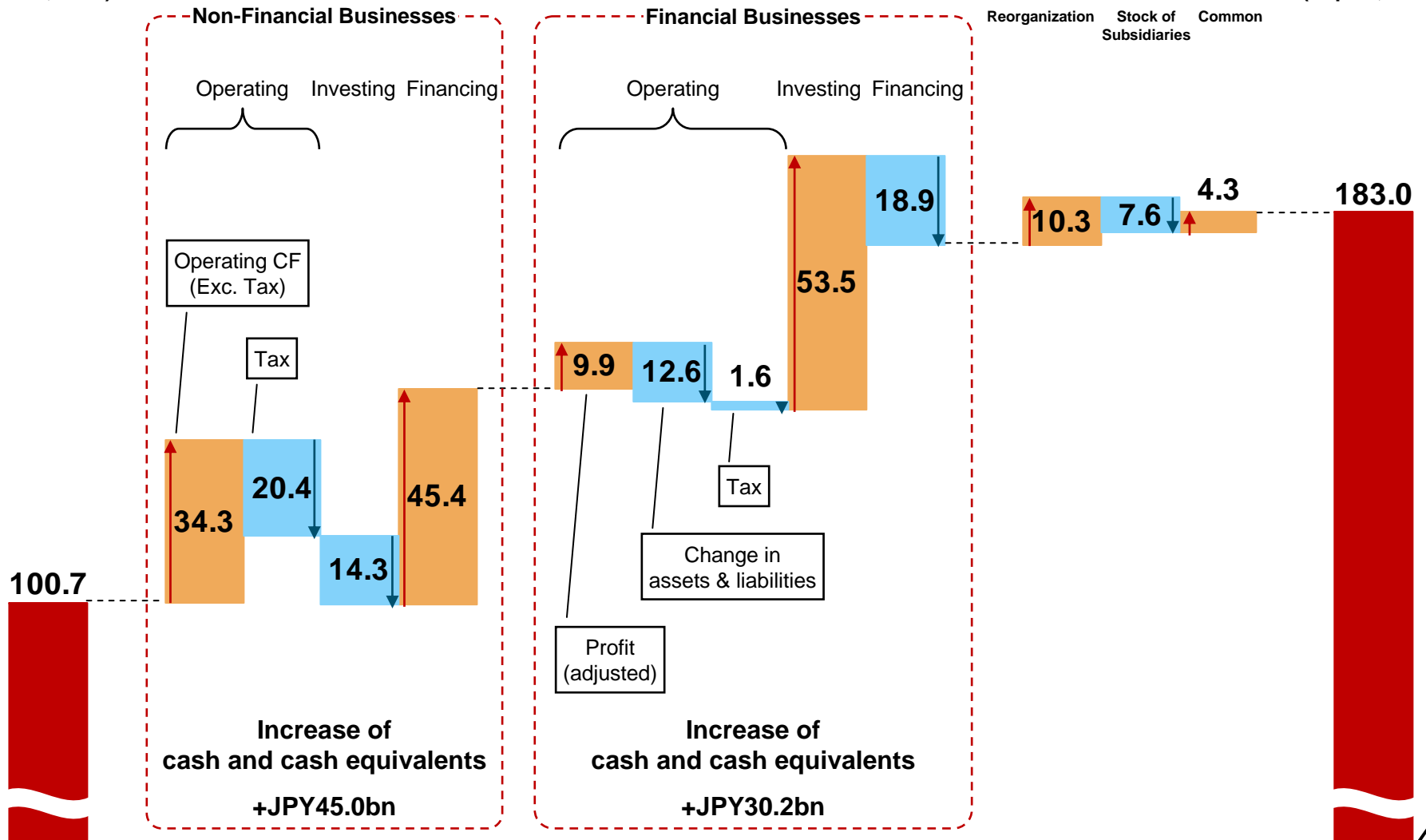
*: Debt = Corporate bonds + CP + Short-term borrowings + Long-tem borrowings

Cash Flow Breakdown : Jan-Sep 2011

(JPY bn)

Beginning
(Dec 31, 2010)

End
(Sep 30, 2011)



Breakdown of Cash Flow by Financial Businesses and Non-financial Businesses : Jan-Sep, 2011 (1)

(JPY bn)

Overview of cash flow statements for nine months ended September 30, 2011	Consolidated	Financial	Non-Financial	Common
I Net cash provided by (used in) operating activities				
Income (loss) before income taxes and minority interests	(34.8)	(75.6)	40.8	-
Depreciation and amortization	12.4	5.1	7.3	-
Amortization of goodwill	5.6	2.3	3.3	-
Increase (decrease) in allowance for doubtful accounts	0.5	0.5	0.0	-
Increase (decrease) in provision for loss on interest repayment	(1.1)	(1.1)	-	-
Loss (gain) on valuation of securities for banking business	2.2	2.2	-	-
Loss on business restructuring	76.4	76.4	-	-
Other loss (gain)	4.4	-	-	4.4
Decrease (increase) in notes and accounts receivable-trade	2.5	0.0	2.5	-
Decrease (increase) in accounts receivable-installment	35.4	35.4	-	-
Decrease (increase) in beneficial interests in securitized assets	(61.7)	(61.7)	-	-
Decrease (increase) in operating loans receivable	20.9	20.9	-	-
Increase (decrease) in notes and accounts payable-trade	3.2	5.8	(2.5)	-
Increase (decrease) in deposits for banking business	4.9	4.9	-	-
Decrease (increase) in call loans for banking business	(7.0)	(7.0)	-	-
Decrease (increase) in cash loans and bills discounted for banking business	(24.4)	(24.4)	-	-
Decrease (increase) in operating receivables for securities business	22.2	22.2	-	-
Increase (decrease) in operating payable for securities business	(29.5)	(29.5)	-	-
Increase (decrease) in loans payable secured by securities for securities business	8.5	8.5	-	-
Other, net	(6.4)	10.6	(17.0)	-
Subtotal	34.9	(3.9)	34.3	4.4
Payments for guarantee deposits for business operation	(0.3)	(0.3)	-	-
Proceeds from guarantee deposits for business operation	1.6	1.6	-	-
Income taxes paid	(22.1)	(1.6)	(20.4)	-
Payments for business restructuring	(0.6)	(0.6)	-	-
Net cash provided by (used in) operating activities	13.3	(4.9)	13.8	4.4

*: Breakdown between financial and non-financial businesses are based on internal estimation and non-audited.

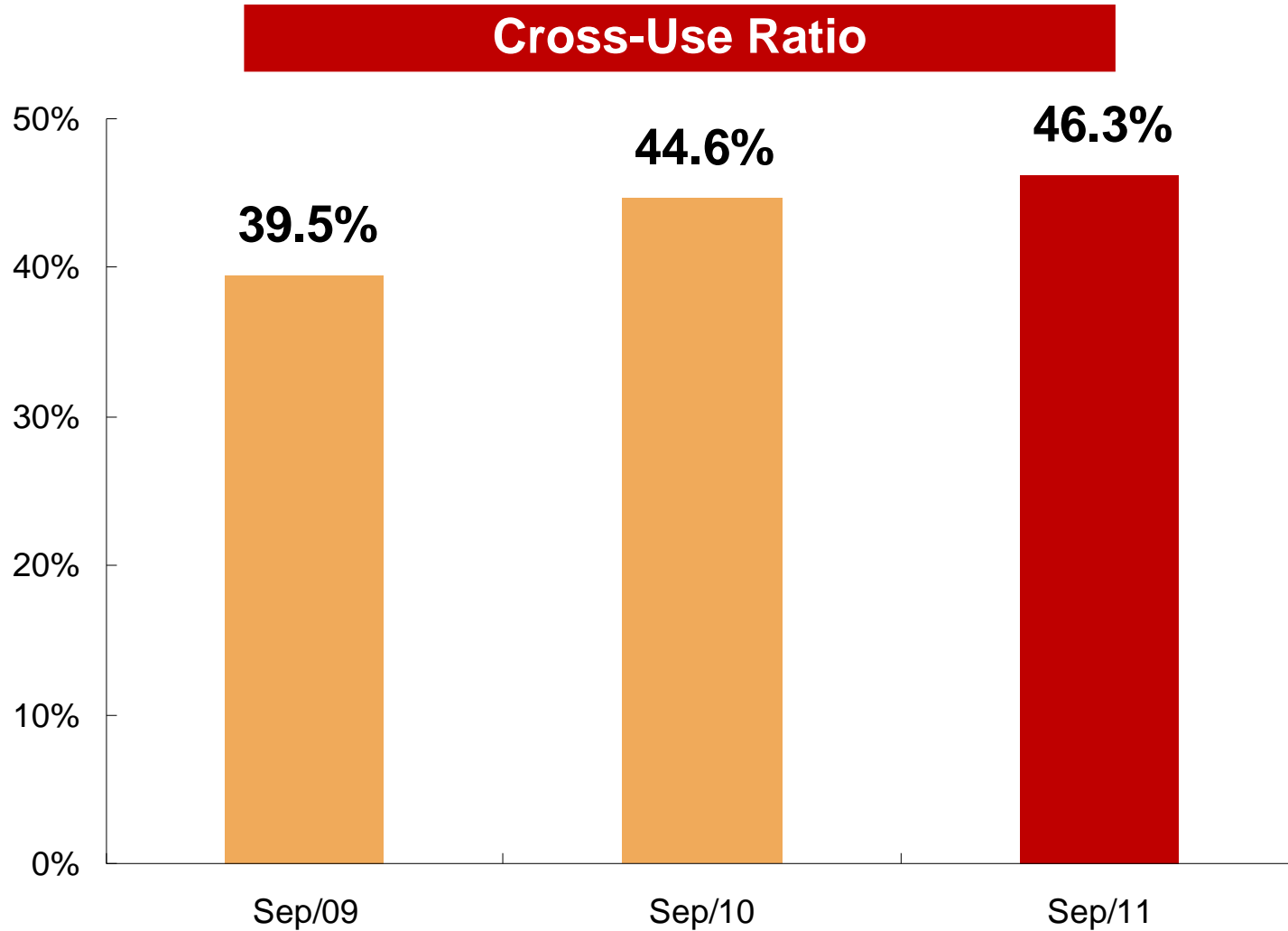
Breakdown of Cash Flow by Financial Businesses and Non-financial Businesses : Jan-Sep, 2011 (2)

(JPY bn)

Overview of cash flow statements for nine months ended September 30, 2011	Consolidated	Financial	Non-Financial	Common
II Net cash provided by (used in) investing activities				
Payments into time deposits	(6.4)	(6.2)	(0.1)	-
Proceeds from withdrawal of time deposits	4.2	4.1	0.0	-
Acquisition of securities for banking business	(295.3)	(295.3)	-	-
Proceeds from sales and redemption of securities for banking business	356.5	356.5	-	-
Purchase of investments in subsidiaries	(6.5)	(1.1)	(5.4)	-
Purchase of subsidiaries stocks with change in consolidation	(1.6)	-	(1.6)	-
Proceeds from sales of subsidiaries stocks with change in consolidation	16.5	15.9	0.5	-
Purchase of property, plant and equipment	(2.8)	(0.2)	(2.5)	-
Purchase of intangible assets	(11.2)	(4.8)	(6.4)	-
Other payments	(7.2)	(1.6)	(5.6)	-
Other proceeds	1.2	1.2	0.0	-
Interest and dividends income received	0.3	-	0.3	-
Net cash provided by (used in) investing activities	47.5	68.3	(20.8)	-
III Net cash provided by (used in) financing activities				
Net increase (decrease) in short-term loans payable	15.6	(1.5)	17.1	-
Increase (decrease) in commercial papers	(20.9)	(20.9)	-	-
Proceeds from long-term loans payable	135.3	55.0	80.3	-
Repayment of long-term loans payable	(96.2)	(50.5)	(45.7)	-
Redemption of bonds	(2.8)	-	(2.8)	-
Interest expenses paid	(1.0)	-	(1.0)	-
Purchase of preferred stock of subsidiaries	(5.0)	(5.0)	-	-
Proceeds from stock issuance to minority shareholders	1.4	-	1.4	-
Cash dividends paid	(2.6)	-	(2.6)	-
Other, net	(2.2)	(1.0)	(1.1)	-
Net cash provided by (used in) financing activities	21.5	(23.9)	45.4	-
IV Effect of exchange rate change on cash and cash equivalents	(0.9)	-	-	(0.9)
V Net increase (Decrease) in cash and cash equivalents	81.4	39.4	38.5	3.4
VI Cash and cash equivalents (as of December 31, 2010)	100.7	-	-	-
VII Increase in cash and cash equivalents from newly consolidated subsidiary	0.8	-	-	-
VIII Cash and cash equivalents (as of September 30, 2011)	183.0	-	-	-

*: Breakdown between financial and non-financial businesses are based on internal estimation and non-audited.

Other Information



*: 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)

Amortization of Goodwill

(JPY mm)

New Segment	Old Segment	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Internet Finance	Credit Card	246	246	246	246	829	825	677
	Banking	282	429	435	460			
	Securities	95	99	169	94			
	E-Money	30	58	15	15			
Internet Services	E-Commerce	832	581	1,055	936	1,007	1,023	1,138
	Travel	12	12	12	12			
	Portal and Media	36	16	16	16			
Others	Portal and Media (O-net, Inc.)	44	44	44	44	39	41	41
	Professional Sports	-0	-0	-20	-			
	Telecommunication	-5	-5	-5	-5			
Total		1,575	1,483	1,970	1,823	1,876	1,890	1,858

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

(JPY bn)

		2010				2011		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Non Consolidated	Hardware ^{*2}	1.59	0.83	1.14	0.18	0.53	0.39	0.19
	Software	1.39	1.48	1.96	1.69	1.84	1.51	1.48
	Total	2.98	2.32	3.10	1.87	2.37	1.90	1.67
Consolidated	Hardware ^{*2}	2.81	1.26	1.71	1.44	1.63	1.09	0.74
	Software	3.47	3.10	4.12	3.97	4.44	3.23	3.88
	Total	6.29	4.37	5.83	5.42	6.07	4.32	4.62

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

*2 : Depreciation of property, plant and equipment (excluding leased assets) was computed by the declining-balance method and changed to straight-line method since 2011. As a result of this change, depreciation was reduced by JPY 785mm during the nine months ended September 30, 2011.

■ Balance Sheets

As of Sep 30, 2011

(JPY bn)

CURRENT ASSETS	113.6	CURRENT LIABILITIES	146.2
Cash and deposits	5.0	Account payable-trade	2.8
Accounts receivable-trade	30.2	Short-term debts	60.1
Other current assets	78.7	Accounts payable	16.4
Allowance for doubtful accounts	-0.4	Income taxes payable	0.0
		Advance receipt	5.0
		Reserve for point program	14.2
		Other current liabilities	47.3
		LONG-TERM LIABILITIES	112.5
		TOTAL LIABILITIES	258.8
NONCURRENT ASSETS	411.2	SHAREHOLDERS' EQUITY	263.7
Property, plant and equipment	6.4	Capital stock	107.9
Intangible assets	14.0	Capital surplus	116.7
Investment and other assets	390.7	Retained earnings	42.7
(Allowance for doubtful accounts)	-0.4	Treasury stock	-3.6
(Allowance for investment loss)	-2.0	VALUATION AND TRANSLATION	1.2
		Unrealized gain on available-for-sale securities	1.2
		Subscription rights to shares	1.1
		TOTAL NET ASSETS	266.0
TOTAL ASSETS	524.8	TOTAL LIABILITIES AND NET ASSETS	524.8

■ Income Statements

Three months ended Sep 30, 2011

(JPY bn)

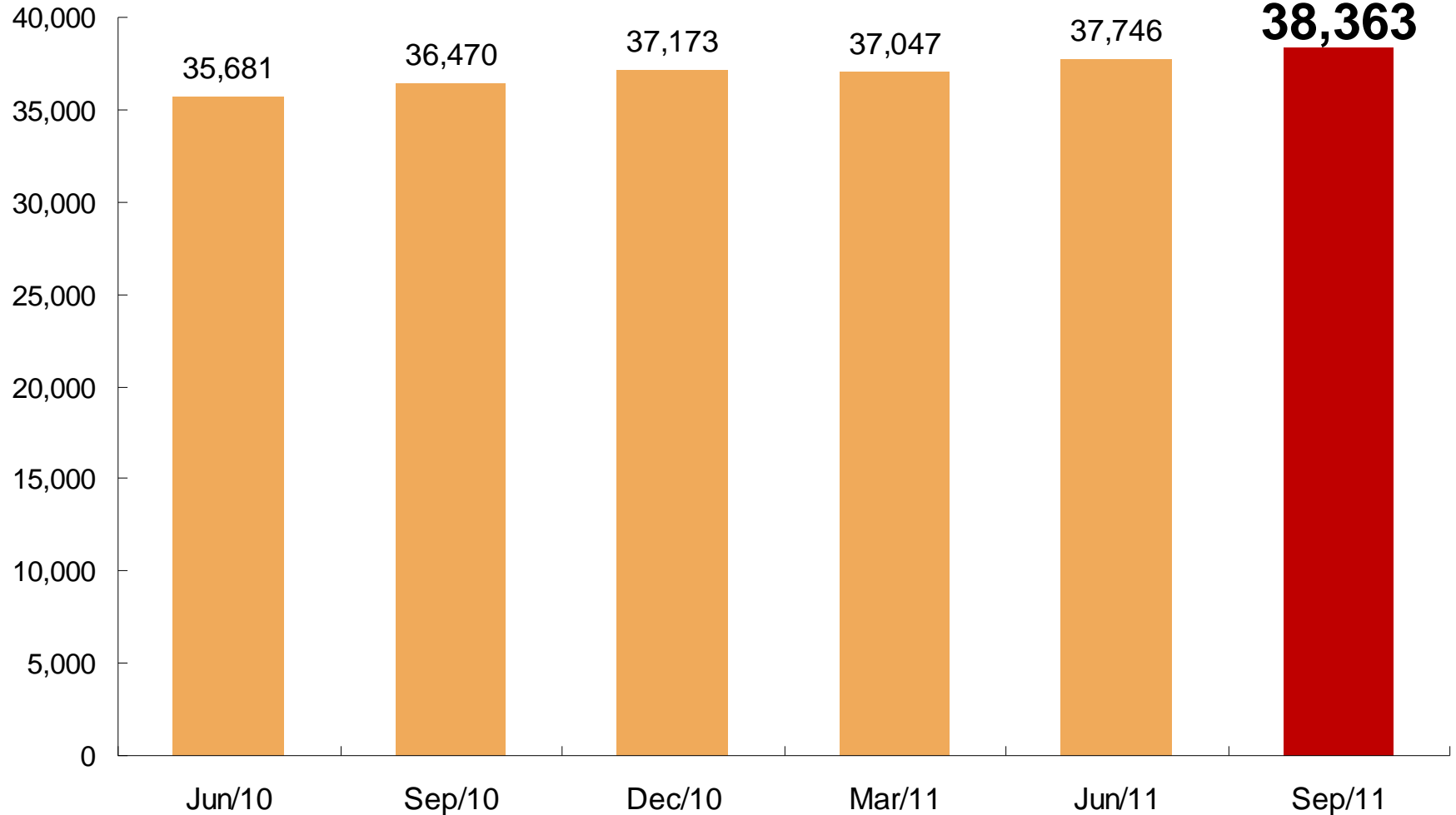
Sales	35.9
Cost of Sales	6.5
Gross Profit	29.3
Operating Expense	17.1
Personnel costs	6.6
Advertising and sales promotion	4.6
Depreciation	1.3
Communication and maintenance	1.0
Outsourcing	3.1
Others	0.2
Operating Profit	12.2
Non-Operating Profit	0.3
Non-Operating Expense	1.5
Ordinary Profit	10.9
Extraordinary income	0.0
Extraordinary loss	0.5
Net income before tax	10.3
Income taxes-current	0.0
Income taxes-deferred	4.4
Net Income	5.9

*: Amounts Less Than 0.1 Billion Omitted

Number of Merchants

■ Number of merchants surpassed 38,000, +5.2% YoY

(No. of Merchants)



Credit Card Business: Revenues and Expenses



■ Revenues and Expenses

(JPY mm)

	Rakuten KC Q2/11 (1)	Rakuten Credit Q2/11 (2)	Q2/11 (1) + (2)	Rakuten KC Jul (3)	Rakuten Card (Rakuten Credit) Jul-Sep (4)	Q3/11 (3) +(4)	% of total
Revenues							
General services	9,834	0	9,834	3,569	6,401	9,970	56.3%
Card shopping	9,816	0	9,816	3,562	6,390	9,952	56.2%
Others	18	0	18	7	10	18	0.1%
Financing	4,166	13	4,179	1,325	559	1,884	10.6%
Card cash advances	2,738	0	2,738	878	511	1,390	7.9%
Loan card	1,411	0	1,411	441	24	465	2.6%
Others	15	13	29	5	23	28	0.2%
Credit guarantee (Rakuten Credit)	0	1,421	1,421	0	1,511	1,511	8.5%
Others	4,004	178	4,182	1,588	2,744	4,332	24.5%
Total revenues (incl. effect of securitization GAAP [*])	18,004 (17,673)	1,613 (1,613)	19,617 (19,286)	6,482 (6,406)	11,217 (12,470)	17,700 (18,876)	100.0%
Operating expenses							
Personnel costs	1,420	158	1,579	566	789	1,356	8.5%
General expenses	9,845	332	10,177	3,612	6,779	10,391	65.4%
Interest expenses	1,795	5	1,801	551	983	1,535	9.7%
Costs related to doubtful accounts	3,328	686	4,015	951	1,664	2,615	16.4%
Interest repayment expenses	4,264	0	4,264	0	0	0	0.0%
Total operating expenses	20,653	1,183	21,836	5,681	10,217	15,898	100.0%
Operating profit (incl. effect of securitization GAAP [*])	-2,648 (-2,980)	429 (429)	-2,218 (-2,550)	801 (724)	1,000 (2,253)	1,801 (2,977)	

*: Amount of revenues in brackets "(" includes effects of securitization.

■ [Pro forma] Revenues of Rakuten Card business

(JPY mm)

	Q2/11	Q3/11
Revenues of Rakuten Card	12,771	13,799

■ Composition of Transaction Volume

(JPY mm)

	Q1/11	Q2/11	Q3/11	Q4/11	Q1/11	Q2/11	Q3/11
General services	208,422	238,919	260,236	304,331	299,778	332,863	354,446
Card shopping	207,821	238,311	259,595	303,708	299,120	332,290	353,767
Others	601	607	641	623	657	573	678
Financing	18,613	17,410	11,134	9,463	9,442	10,190	9,999
Card cash advances	13,837	13,569	9,732	8,484	8,536	9,354	9,460
Loan card	4,775	3,841	1,401	979	905	835	539
Others	4,587	4,280	4,403	4,074	4,097	4,093	4,279
Total transaction volume	231,623	260,610	275,774	317,869	313,318	347,148	368,725

*:Up to Q2/11, Rakuten KC Co., Ltd results are shown. Q3/11 results comprise Rakuten KC Co., Ltd (Jul) plus Rakuten Card Co., Ltd (Aug and Sep)

Credit Card Business: Balance of Loan Receivables



(JPY mm)

	Q1/11	Q2/11	Q3/11	Q4/11	Q1/11	Q2/11	Q3/11
General services	143,922	160,499	172,945	201,897	197,753	223,167	219,393
Card shopping	143,025	159,717	172,238	201,259	197,190	222,691	219,140
Card shopping (Securitized)	72,969	87,961	97,477	137,361	141,364	150,781	172,585
(Securitized, off-balance)	38,557	52,763	61,682	101,039	105,049	114,683	172,585
(Securitized, on-balance)	34,411	35,197	35,794	36,321	36,314	36,098	0
incl. Revolving balance (principal)	71,381	79,989	88,419	97,985	105,533	112,792	110,836
Others	896	781	706	638	563	475	253
Financing	186,075	179,294	169,799	159,837	150,733	141,460	65,836
Card cash advances	80,687	76,589	71,301	65,428	60,961	56,632	17,978
Loan card	59,103	54,369	48,723	43,517	39,035	34,880	1,364
(Securitized, off-balance)	9,048	9,775	8,667	9,035	100	100	0
(Securitized, on-balance)	23,838	22,337	21,641	17,930	16,024	14,406	0
Others	46,284	48,336	49,773	50,890	50,736	49,946	46,494
Installment	947	887	854	802	708	659	601
Credit guarantee for Rakuten Bank	-	-	-	-	-	-	139,240
(Off-balance)	-	-	-	-	-	-	131,837
(On-balance)	-	-	-	-	-	-	7,402
Others	35,975	34,121	32,770	31,266	30,013	28,510	27,426
Credit guarantee	33,542	32,254	31,363	30,215	29,245	27,946	27,007
(Off-balance guarantees)	30,822	29,618	28,828	27,749	26,855	25,636	24,775
Others (Off-balance)	2,433	1,866	1,406	1,051	767	564	418
Total balance (incl. off-balance)	366,921	374,803	376,369	393,804	379,209	393,798	452,498
Total balance (On balance)	286,059	280,779	275,783	254,928	246,436	252,815	122,881
Credit guarantee for Rakuten Bank	N/A	N/A	N/A	115,685	123,630	129,684	-
(Off-balance)	N/A	N/A	N/A	108,054	116,132	122,201	-
(On-balance)	N/A	N/A	N/A	7,630	7,497	7,482	-

*1: Up to Q2/11: Loan receivables are results of former Rakuten KC Co., Ltd. Credit guarantees (Rakuten Bank Super Loans) are results of former Rakuten Credit Co., Ltd

*2: Q3/11 shows results of Rakuten Card Co., Ltd

Credit Card Business: Allowance for Doubtful Accounts

■ Balance of Uncollected Loan Receivables and Allowances

	Q2/11	Q3/11
Rakuten Card	217,409	236,456
Normal	212,450	231,048
Doubtful (4months-and-over-delinquent)	4,959	5,407
Others (incl. re-contract)	146,590	47,223
Normal	119,670	33,416
Doubtful (4months-and-over-delinquent)	26,919	13,806
Sub-total balance of loan receivables	364,000	283,679
Normal	332,121	264,465
Doubtful (4months-and-over-delinquent)	31,879	19,214
% of doubtful accounts	8.76%	6.77%
→ Secured	4,849	4,799
→ Total balance of loan receivables	368,849	288,478
Allowance for doubtful accounts	17,506	22,377
→ Allowance ratio	4.7%	7.8%
→ Write-off for bad debt	4,588	2,479

(JPY mm)

- After reorganization in Aug. 2011, ratio of doubtful accounts decreased
- Write-off for bad debt also dropped
- On the other hand, allowance ratio increased due to more conservative allowance standards at Rakuten Card Co., Ltd.

*1: Q2/11 shows Rakuten KC Co., Ltd results (Receivables of the disposed KC Card Co., Ltd are included in Others) Q3/11 shows Rakuten Card Co., Ltd results

*2: Extraordinary loss of JPY11.7bn was recorded in Q2/11 as a result of change of standard of allowance

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

	Q2/11	Q3/11
Loan receivables	7,482	7,402
Credit guarantee	122,201	131,837
Allowance	3,065	3,087
→ Write-off for bad debt		652

(JPY mm)

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

[Note] → These items were amended on November 18, 2011

(JPY mm)

		Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
	Settlement	1,430	1,465	1,111	1,461	1,586
	Card	309	243	296	322	318
	Financial products	503	487	535	537	542
	Others	266	375	444	372	338
	1. Income (loss) from commission	2,510	2,572	2,387	2,694	2,785
	2. Income (loss) from investment	1,369	1,289	1,613	1,521	1,358
	3. Operating expenses	3,004	3,165	2,902	3,091	3,233
Basic profit (exc. loan)		875	696	1,098	1,124	910
Basic profit (loan)		436	410	486	546	695
Total basic profit (A)*¹		1,312	1,107	1,585	1,670	1,606
Non-basic profit (B)*²		-1,167	-360	-877	312	-286
Ordinary profit (A+B)*³		144	746	707	1,983	1,320

*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 investments

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

*3: Before accounting adjustments (amortization of goodwill included)

(JPY bn)

	Dec 31 2010 Market Value	Sep 30 2011 Market Value	Changes in Market Value from Dec 31 2010 to Sep 30 2011	Allowances (as of Sep 30 2011)	Unrealized gains and losses (Rakuten consolidated)
JGB, Local Government Bonds, Corporate Bonds	323.3	284.4	-38.8	0.0	0.5
JGB(Japanese Government Bonds)	154.6	120.9	-33.7	-	1.3
Others* ¹	168.6	163.5	-5.1	0.0	-0.8
Loan Receivables	125.8	150.3	24.4	1.0	-
Stocks	0.5	0.6	0.1	-	0.0
ABS (securitized loan receivables)	211.3	237.8	26.5	0.0	0.5
Funds	7.6	4.9	-2.7	-	0.2
Hedge Funds (FOF)	4.1	2.4	-1.6	-	-0.0
Others	3.5	2.4	-1.0	-	0.2
ABS (Real estate products)	16.7	9.5	-7.2	2.1	0.2
Private Funds* ²	6.6	3.9	-2.6	2.1	-
CMBS (with market value)	10.1	5.5	-4.5	-	0.2
CDO	3.4	2.9	-0.5	-	-0.0
Total	688.9	690.7	1.7	3.2	1.5

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

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

(JPY bn)

	Dec 31 2010	Sep 30 2011	Changes
Deposit Balance	721.2	725.5	4.2
Ordinary Deposits	327.0	362.2	35.1
Time Deposits	323.4	291.0	-32.4
Other Deposits*	70.7	72.2	1.4

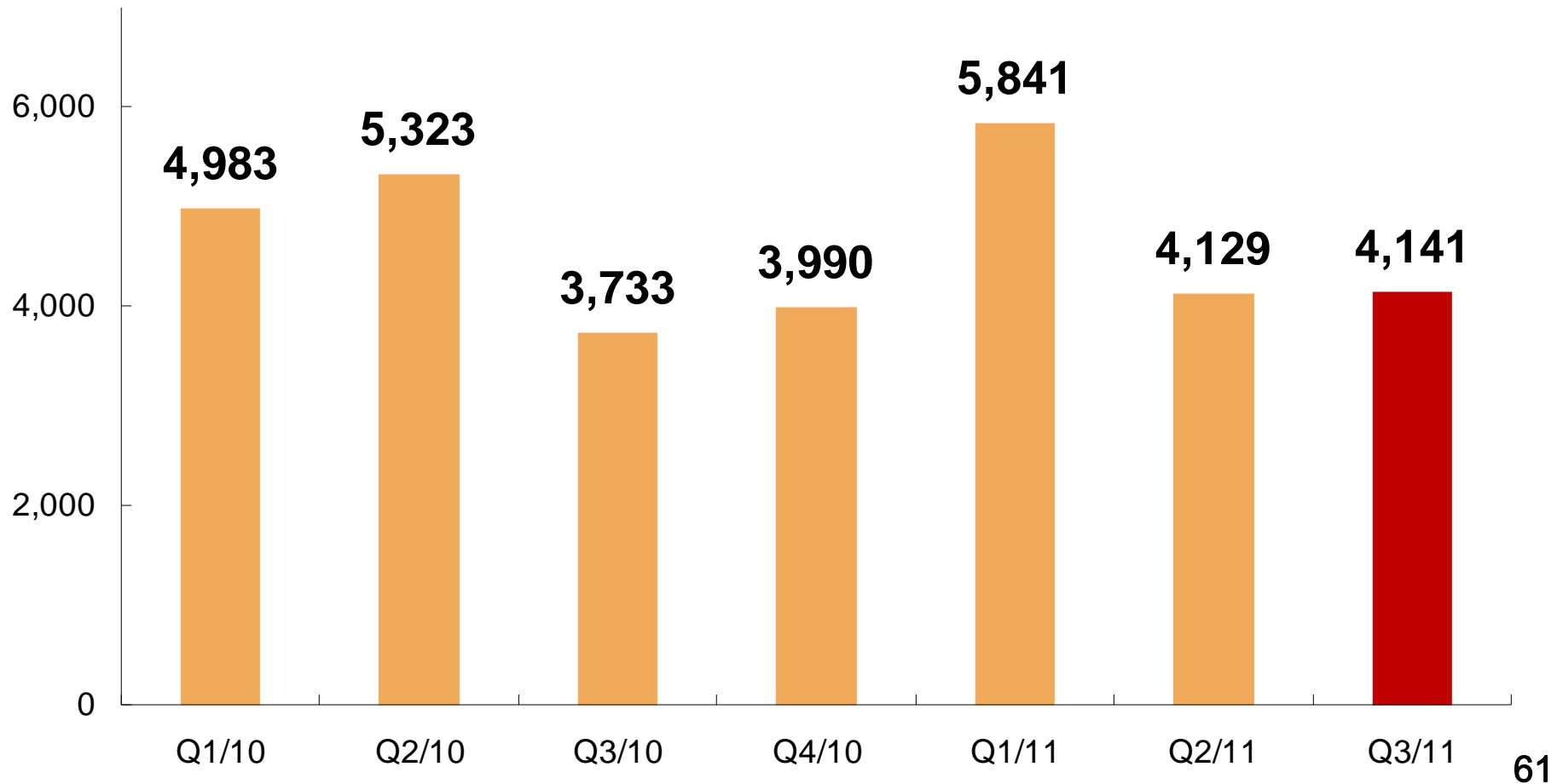
*: Other deposits include deposits in foreign currencies and others

Rakuten Securities Quarterly Change in Stock Brokerage Trading Value

■ Trading value remained low due to weak domestic stock markets

(JPY bn)

Domestic Stock Brokerage Trading Value



Rakuten Securities Group Synergy Program with Rakuten Bank



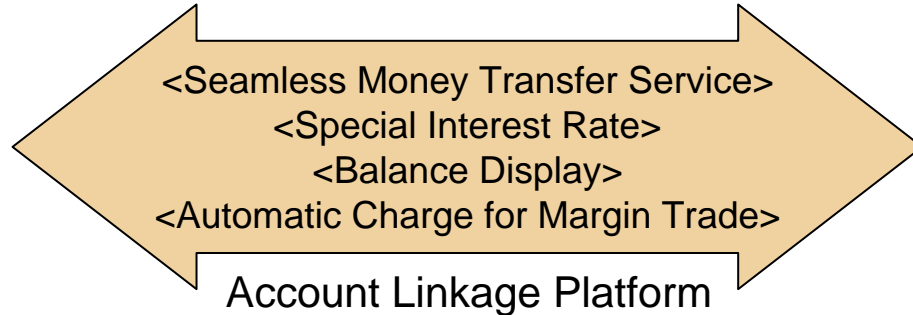
- Enhance Rakuten Group Synergy through co-arranged program

Jul 2010

① Customer Introduction from Bank “Financial Intermediation” started

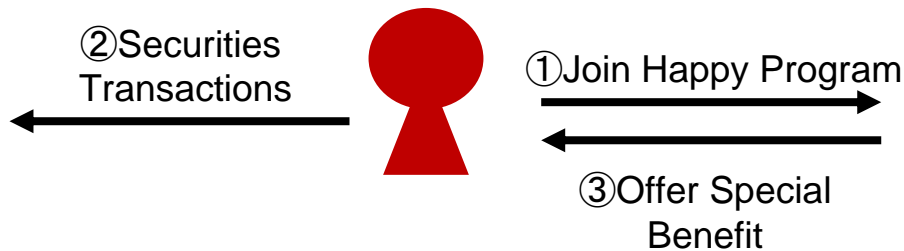
Apr 2011

② Account Linkage Service “Money Bridge” started



③ Loyalty Program “Happy Program” started

Sep 2011



(Million persons)

	10/Sep	11/Jun	11/Sep	YoY
Rakuten Members^{*2}	67.39	72.13	73.60	+9.2%
Rakuten Bank	3.59	3.79	3.84	+7.1%
Rakuten Securities (General Account)	1.02	1.12	1.18	+15.5%

*1: Figures include members using duplicate services

*2: Rakuten Members excluding non-active users who never use any Rakuten services, and excluding members who logged in during the period but later withdrew their membership: Sep 2010: 40.91mm, Jun 2011: 45.51mm, Sep 2011: 46.99mm. Definition changed from 2011. Sep 2010 has been retroactively adjusted.

