



October 28, 2013

Company name Rakuten, Inc.

Representative Hiroshi Mikitani

Chairman and CEO

(JASDAQ Code: 4755)

Announcement of Financial Results of
Rakuten Securities, Inc., a Consolidated Subsidiary

Rakuten Securities, Inc. (President: Yuji Kusunoki. Head Office: Shinagawa-ku, Tokyo), a consolidated subsidiary of Rakuten, Inc., today issued the attached press release relating to its consolidated financial reports (based on J-GAAP) for the three months ended September 30, 2013.

Rakuten Group plans to announce consolidated financial reports for the three months ended September 30, 2013 on November 7 (Thursday). In addition, from the current fiscal year 2013, Rakuten Group is announcing quarterly financial results based on IFRS. The attached financial results of Rakuten Securities, Inc. are based on J-GAAP, which has different accounting processes for transactions from IFRS.



October 28, 2013

Consolidated Financial Reports For the six months ended September 30, 2013

Rakuten Securities, Inc.

Rakuten Securities, Inc. (President: Yuji Kusunoki. Head Office: Shinagawa-ku, Tokyo) consolidated financial reports for the six months ended September 30, 2013 (J-GAAP)

Consolidated Results for the six months ended September 30, 2013

Consolidated Operating Results

(Millions of yen, rounded down)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
Six months ended September 30, 2013	24,052	23,450	12,137	11,872	6,643
Six months ended September 30, 2012	9,486	8,859	1,462	1,498	1,097

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
(Assets)		
Current Assets	616,947	764,873
Cash and deposits	28,955	55,651
Cash segregated as deposits	294,454	384,503
Money held in trust	800	800
Trading products	5,222	8,539
Trading securities and others	564	560
Derivatives	4,658	7,978
Operating investment securities for sale and others	835	972
Trade date accrual	33	—
Margin transaction assets	237,891	270,146
Loans on margin transactions	228,527	259,341
Cash collateral pledged for securities borrowing on margin transactions	9,363	10,805
Loans secured by securities	6	—
Cash collateral pledged for securities borrowed	6	—
Advances paid	185	210
Cash paid for offering	4,838	3,127
Short-term guarantee deposits	36,495	30,196
Variation margin paid	2,401	4,793
Short-term loan receivables	27	33
Advance payments	11	46
Prepaid expenses	172	424
Accounts receivable - other	449	522
Accrued revenues	2,660	3,318
Deferred tax assets	331	587
Other current assets	1,289	1,105
Allowance for doubtful accounts	-113	-107

		(Millions of yen)
Fixed Assets	10,891	12,198
Tangible fixed assets	646	1,131
Buildings	147	148
Furniture and fixtures	499	982
Intangible fixed assets	8,924	9,823
Goodwill	1,726	1,687
Software	6,331	6,715
Software in progress	221	682
Others	645	737
Investments and other assets	1,319	1,243
Investment securities	345	324
Long-term loans receivable	147	231
Long-term guarantee deposits	469	550
Long-term prepaid expenses	15	23
Deferred tax assets	433	264
Others	1,503	1,213
Allowance for doubtful accounts	-1,595	-1,363
Total Assets	627,838	777,071

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
(Liabilities)		
Current liabilities	584,052	725,887
Trading products	4,741	6,185
Trading securities and other	0	—
Derivatives	4,741	6,185
Trade date accrual	—	36
Margin transaction liabilities	46,782	45,608
Borrowings on margin transactions	8,542	2,967
Cash received for securities lending on margin transactions	38,240	42,640
Loans payable secured by securities	110,400	116,412
Cash received on debt credit transactions of securities	110,400	116,412
Deposits received	199,962	285,352
Guarantee deposits received	127,831	152,751
Accounts for non-received securities and others	6	—
Variation margin received	182	168
Short term loans payable	86,788	110,056
Advances received	97	141
Unearned revenue	9	—
Accounts payable - other	739	394
Accrued expenses	1,600	1,925
Income taxes payable	2,855	4,794
Provision for employees' bonuses	523	677
Provision for Director's bonuses	—	20
Provision for sales promotion expenses	45	32
Other current liabilities	1,483	1,328
Fixed Liabilities	645	689
Asset retirement obligations	28	28
Other fixed liabilities	617	661
Statutory reserves	1,932	2,564
Reserve for financial products liabilities	1,891	2,523
Reserve for liability for commodities transactions	41	41

Total Liabilities	586,630	729,141
(Net Assets)		
Shareholders' equity		
Capital stock	7,495	7,495
Capital surplus	4,511	4,511
Retained earnings	28,093	34,736
Total shareholders' equity	40,100	46,743
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	347	436
Total accumulated other comprehensive income	347	436
Minority interests	760	749
Total Net Assets	41,208	47,929
Total Liabilities and Net Assets	627,838	777,071



(2) Consolidated Income Statements

(Millions of yen)

	Six months ended September 30, 2012 (April 1 – September 30, 2012)	Six months ended September 30, 2013 (April 1 – September 30, 2013)
Operating revenue	9,486	24,052
Commission received	6,364	15,155
Commission to consignees	4,790	12,709
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	—	0
Commission for offerings, secondary distribution and solicitation for selling and others for professional investors	304	1,285
Other commissions received	1,269	1,160
Net trading income	141	2,467
Net gain on trading of investment securities for sale	-2	0
Financial revenue	2,796	6,047
Other operating revenue	186	382
Financial expenses	627	602
Net Operating Revenue	8,859	23,450
Selling, General, and Administrative Expenses	7,396	11,312
Trading related expenses	2,524	5,088
Personnel expenses	1,237	1,725
Real estate expenses	836	1,026
Office expenses	1,522	1,922
Depreciation	1,167	1,244
Taxes and dues	108	159
Goodwill amortization	21	38
Provision for allowance for doubtful accounts	-85	47
Others	62	59
Operating income	1,462	12,137
Non-operating income	60	30

Non-operating expenses	24	296
Ordinary income	1,498	11,872
Extraordinary income	254	17
Extraordinary losses	303	633
Income before income taxes and other adjustments	1,450	11,255
Income taxes - current	239	4,759
Income taxes - deferred	95	-136
Total income taxes	335	4,622
Net income before minority interests	1,114	6,632
Minority interests in income	17	-10
Net income	1,097	6,643

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2012 (April 1 – September 30, 2012)	Six months ended September 30, 2013 (April 1 – September 30, 2013)
Income before minority interests	1,114	6,632
Other comprehensive income		
Valuation difference on available-for-sale securities	-123	88
Total other comprehensive income	-123	88
Comprehensive income	991	6,721
Comprehensive income attributable to:		
Owners of the parent company	974	6,732
Minority interests	17	-10

(4) Consolidated Quarterly Income Statements

(Millions of yen)

	Three months ended June 30, 2013 (April 1 – June 30, 2013)	Three months ended September 30, 2013 (July 1 - September 30, 2013)	Six months ended September 30, 2013 (April 1 - September 30, 2013)
Operating revenue	13,624	10,427	24,052
Commission received	8,875	6,280	15,155
Net trading income	1,406	1,061	2,467
Net gain on trading of investment securities for sale	—	0	0
Financial revenue	3,155	2,891	6,047
Other operating revenue	186	196	382
Financial expenses	362	240	602
Net operating revenue	13,262	10,187	23,450
Selling, General, and Administrative Expenses	5,950	5,362	11,312
Trading related expenses	2,863	2,225	5,088
Personnel expenses	833	892	1,725
Real estate expenses	506	519	1,026
Office expenses	917	1,004	1,922
Depreciation	598	646	1,244
Taxes and dues	93	65	159
Goodwill amortization	15	22	38
Provision for allowance for doubtful accounts	99	- 52	47
Others	21	38	59
Operating income	7,312	4,825	12,137
Non-operating income	15	14	30
Non-operating expenses	283	12	296

Ordinary income	7,044	4,827	11,872
Extraordinary income	2	14	17
Extraordinary losses	—	633	633
Income before income taxes and other adjustments	7,047	4,208	11,255
Income taxes - current	2,704	2,055	4,759
Income taxes - deferred	84	-221	-136
Net income before minority interests	4,258	2,374	6,632
Minority interests in income	25	-36	-10
Net income	4,232	2,410	6,643