

April 28, 2014  
Company name Rakuten, Inc.  
Representative Hiroshi Mikitani  
Chairman and CEO  
(Stock Code: 4755  
Tokyo Stock Exchange First Section)

**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 Fiscal Year ended March 31, 2014.

Rakuten Group plans to announce consolidated financial reports for the three months ended March 31, 2014, on May 8 (Thursday).

In addition, Rakuten Group announces 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.



April 28, 2014

## Consolidated Financial Reports For the Fiscal Year ended March 31, 2014

Rakuten Securities, Inc.

Rakuten Securities, Inc. (President: Yuji Kusunoki. Head Office: Shinagawa-ku, Tokyo) consolidated financial reports for the fiscal year ended March 31, 2014 (J-GAAP)

Consolidated Results for the fiscal year ended March 31, 2014

### Consolidated Operating Results

(Millions of yen, rounded down)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
Fiscal year ended March 31, 2014	45,773	44,568	22,393	22,209	12,668
Fiscal year ended March 31, 2013	24,548	23,469	7,064	7,059	5,635

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
(Assets)		
Current Assets	616,947	787,227
Cash and deposits	28,955	59,891
Cash segregated as deposits	294,454	376,801
Money held in trust	800	800
Trust beneficiary rights	—	499
Trading products	5,222	9,022
Trading securities and others	564	546
Derivatives	4,658	8,476
Operating investment securities for sale and others	835	807
Trade date accrual	33	—
Margin transaction assets	237,891	297,752
Loans on margin transactions	228,527	290,616
Cash collateral pledged for securities borrowing on margin transactions	9,363	7,136
Loans secured by securities	6	0
Cash collateral pledged for securities borrowed	6	0
Advances paid	185	224
Cash paid for offering	4,838	2,295
Short-term guarantee deposits	36,495	29,733
Variation margin paid	2,401	2,786
Short-term loan receivables	27	31
Advance payments	11	58
Prepaid expenses	172	209
Accounts receivable - other	449	708
Accrued revenues	2,660	3,808
Deferred tax assets	331	673
Other current assets	1,289	1,227
Allowance for doubtful accounts	(113)	(104)

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Fixed Assets	10,891	13,997
Tangible fixed assets	646	1,327
Buildings	147	147
Furniture and fixtures	499	1,171
Construction in progress	—	8
Intangible fixed assets	8,924	11,426
Goodwill	1,726	1,641
Software	6,331	8,353
Software in progress	221	642
Others	645	787
Investments and other assets	1,319	1,244
Investment securities	345	356
Long-term loans receivable	147	211
Long-term guarantee deposits	469	559
Long-term prepaid expenses	15	32
Deferred tax assets	433	219
Others	1,503	1,165
Allowance for doubtful accounts	(1,595)	(1,301)
Total Assets	627,838	801,225

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
(Liabilities)		
Current liabilities	584,052	743,725
Trading products	4,741	6,309
Trading securities and other	0	—
Derivatives	4,741	6,309
Trade date accrual	—	30
Margin transaction liabilities	46,782	36,003
Borrowings on margin transactions	8,542	4,367
Cash received for securities lending on margin transactions	38,240	31,635
Loans payable secured by securities	110,400	156,528
Cash received on debt credit transactions of securities	110,400	156,528
Deposits received	199,962	247,762
Guarantee deposits received	127,831	156,423
Accounts for non-received securities and others	6	8
Variation margin received	182	—
Short term loans payable	86,788	128,768
Advances received	97	86
Unearned revenue	9	0
Accounts payable - other	739	359
Accrued expenses	1,600	2,259
Income taxes payable	2,855	7,248
Provision for employees' bonuses	523	394
Provision for sales promotion expenses	45	69
Other current liabilities	1,483	1,470
Fixed Liabilities	645	710
Asset retirement obligations	28	28
Other fixed liabilities	617	681
Statutory reserves	1,932	3,034
Reserve for financial products liabilities	1,891	2,993
Reserve for liability for commodities transactions	41	41
Total Liabilities	586,630	747,470

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
(Net Assets)		
Shareholders' equity		
Capital stock	7,495	7,495
Capital surplus	4,511	4,511
Retained earnings	28,093	40,761
Total shareholders' equity	40,100	52,768
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	347	350
Total accumulated other comprehensive income	347	350
Minority interests	760	636
Total Net Assets	41,208	53,754
Total Liabilities and Net Assets	627,838	801,225

## (2) Consolidated Income Statements

(Millions of yen)

	Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)
Operating revenue	24,548	45,773
Commission received	16,464	27,161
Commission to consignees	12,848	22,583
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	1,065	2,215
Other commissions received	2,550	2,361
Net trading income	1,235	5,142
Net gain on trading of investment securities for sale	163	(1)
Financial revenue	6,173	12,722
Other operating revenue	511	749
Financial expenses	1,079	1,205
<b>Net Operating Revenue</b>	<b>23,469</b>	<b>44,568</b>
Selling, General, and Administrative Expenses	16,404	22,175
Trading related expenses	6,078	9,670
Personnel expenses	2,912	3,136
Real estate expenses	1,664	2,068
Office expenses	3,066	4,107
Depreciation	2,343	2,671
Taxes and dues	230	303
Goodwill amortization	62	84
Provision for allowance for doubtful accounts	(58)	26
Others	106	105
Operating income	7,064	22,393
Non-operating income	33	129
Non-operating expenses	38	312
Ordinary income	7,059	22,209

	Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)
Extraordinary income	2,695	17
Extraordinary losses	995	1,129
Income before income taxes and other adjustments	8,760	21,097
Income taxes - current	3,162	8,682
Income taxes - deferred	(97)	(129)
Total income taxes	3,065	8,553
Net income before minority interests	5,694	12,544
Minority interests in income	59	(124)
Net income	5,635	12,668





### (3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)
Income before minority interests	5,694	12,544
Other comprehensive income		
Valuation difference on available-for-sale securities	155	2
Total other comprehensive income	155	2
Comprehensive income	5,849	12,546
Comprehensive income attributable to:		
Owners of the parent company	5,790	12,670
Minority interests	59	(124)

#### (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)	Three months ended December 31, 2013 (October 1 - December 31, 2013)	Three months ended March 31, 2014 (January 1 - March 31, 2014)
Operating revenue	13,624	10,427	10,851	10,870
Commission received	8,875	6,280	6,258	5,746
Net trading income	1,406	1,061	1,197	1,477
Net gain on trading of investment securities for sale	—	0	—	—
Financial revenue	3,155	2,891	3,227	3,448
Other operating revenue	186	196	167	199
Financial expenses	362	240	297	305
Net operating revenue	13,262	10,187	10,553	10,564
Selling, General, and Administrative Expenses	5,950	5,362	5,177	5,685
Trading related expenses	2,863	2,225	2,268	2,313
Personnel expenses	833	892	627	782
Real estate expenses	506	519	521	520
Office expenses	917	1,004	974	1,210
Depreciation	598	646	668	758
Taxes and dues	93	65	72	71
Goodwill amortization	15	22	22	22
Provision for allowance for doubtful accounts	99	(52)	(5)	(15)
Others	21	38	26	19
Operating income	7,312	4,825	5,375	4,879
Non-operating income	15	14	10	88
Non-operating expenses	283	12	7	8

(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)	Three months ended December 31, 2013 (October 1 - December 31, 2013)	Three months ended March 31, 2014 (January 1 - March 31, 2014)
Ordinary income	7,044	4,827	5,378	4,958
Extraordinary income	2	14	—	—
Extraordinary losses	—	633	251	244
Income before income taxes and other adjustments	7,047	4,208	5,127	4,714
Income taxes - current	2,704	2,055	1,915	2,007
Income taxes - deferred	84	(221)	143	(135)
Net income before minority interests	4,258	2,374	3,068	2,842
Minority interests in income	25	(36)	(51)	(61)
Net income	4,232	2,410	3,120	2,904