

July 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 non-consolidated financial reports (based on J-GAAP) for the three months ended June 30, 2014.

In addition, the merger of Dot Commodity Inc. (President: Jin Funada. Head Office: Shibuya-ku, Tokyo), a consolidated subsidiary of Rakuten Securities, Inc., was completed on July 1, 2014, and hence from the three months ended June 30, 2014, Rakuten Securities, Inc. is disclosing non-consolidated accounts.

Rakuten Group plans to announce consolidated financial reports for the three months ended June 30, 2014, on August 4 (Monday).

In addition, Rakuten Group announces 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.



July 28, 2014

## Financial Reports For the three months ended June 30, 2014

**Rakuten Securities, Inc.**

Rakuten Securities, Inc. (President: Yuji Kusunoki. Head Office: Shinagawa-ku, Tokyo)  
non-consolidated financial reports for the three months ended June 30, 2014 (J-GAAP)

Results for the three months ended June 30, 2014

### Operating Results

(Millions of yen, rounded down)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
Three months ended June 30, 2014	9,237	8,994	3,754	3,761	2,134



## (1) Balance Sheet

(Millions of yen)

	As of June 30, 2014
(Assets)	
Current Assets	786,894
Cash and deposits	67,637
Cash segregated as deposits	406,900
Money held in trust	800
Trading products	7,749
Trading securities and others	643
Derivatives	7,105
Operating investment securities for sale and others	840
Trade date accrual	69
Margin transaction assets	283,840
Loans on margin transactions	270,490
Cash collateral pledged for securities borrowing on margin transactions	13,350
Advances paid	146
Cash paid for offering	3,857
Short-term guarantee deposits	9,528
Variation margin paid	410
Short-term loan receivables	131
Advance payments	460
Prepaid expenses	385
Accounts receivable - other	516
Accrued revenues	3,559
Deferred tax assets	151
Allowance for doubtful accounts	(90)

(Millions of yen)

	As of June 30, 2014
Fixed Assets	15,525
Tangible fixed assets	1,444
Buildings	238
Furniture and fixtures	1,205
Intangible fixed assets	10,352
Goodwill	886
Software	9,083
Software in progress	382
Investments and other assets	3,728
Investment securities	320
Stocks of subsidiaries and affiliates	2,733
Long-term loans receivable	206
Long-term guarantee deposits	382
Long-term prepaid expenses	20
Deferred tax assets	197
Others	1,126
Allowance for doubtful accounts	(1,258)
<b>Total Assets</b>	<b>802,420</b>

(Millions of yen)

	As of June 30, 2014
(Liabilities)	
Current liabilities	743,999
Trading products	4,463
Derivatives	4,463
Margin transaction liabilities	58,730
Borrowings on margin transactions	5,807
Cash received for securities lending on margin transactions	52,923
Loans payable secured by securities	121,358
Cash received on debt credit transactions of securities	121,358
Deposits received	291,534
Guarantee deposits received	133,485
Accounts for non-received securities and others	62
Short term loans payable	130,851
Advances received	98
Accounts payable - other	51
Accrued expenses	2,187
Income taxes payable	901
Provision for employees' bonuses	193
Provision for directors' bonuses	10
Provision for sales promotion expenses	69
Fixed Liabilities	81
Asset retirement obligations	81
Statutory reserves	3,182
Reserve for financial products liabilities	3,182
Reserve for liability for commodities transactions	0
Total Liabilities	747,264



(Millions of yen)

	As of June 30, 2014
(Net Assets)	
Shareholders' equity	
Capital stock	7,495
Capital surplus	4,511
Retained earnings	42,777
Total shareholders' equity	54,784
Valuation, translation, and other adjustments	
Valuation difference on available-for-sale securities	371
Total valuation and translation adjustments	371
Total Net Assets	55,156
Total Liabilities and Net Assets	802,420

## (2) Income Statements

(Millions of yen)

	Three months ended June 30, 2014 (April 1 – June 30, 2014)
Operating revenue	9,237
Commission received	4,871
Commission to consignees	3,829
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	433
Other commissions received	608
Net trading income	1,184
Financial revenue	3,108
Other operating revenue	72
Financial expenses	243
<b>Net Operating Revenue</b>	<b>8,994</b>
Selling, General, and Administrative Expenses	5,239
Trading related expenses	2,045
Personnel expenses	718
Real estate expenses	450
Office expenses	1,145
Depreciation	747
Taxes and dues	83
Goodwill amortization	11
Provision for allowance for doubtful accounts	(21)
Others	58
Operating income	3,754
Non-operating income	7
Non-operating expenses	0
<b>Ordinary income</b>	<b>3,761</b>

(Millions of yen)

	Three months ended June 30, 2014 (April 1 – June 30, 2014)
Extraordinary losses	189
Income before income taxes and other adjustments	3,572
Income taxes - current	906
Income taxes - deferred	531
Total income taxes	1,437
Net income	2,134