



Fiscal Year 2011 Full Year and Fourth Quarter Financial Results

February 13, 2012
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] Annual growth of Rakuten Ichiba & Rakuten Books GMS in the footnote on page 4 was corrected from 14.9% to 17.1% on February 15, 2012

Revenue of "Others and Former Rakuten KC Co., Ltd." in FY2011/Q4 on page 44 was corrected from 2.6 billion yen to 1.0 billion yen on April 27, 2012

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- 1** FY2011 Full Year Results
 - 2** Mid-to-Long Term Strategy
 - 3** FY2011 Fourth Quarter Results
 - 4** Internet Services
 - 5** Internet Finance
 - 6** Others
 - Appendix**

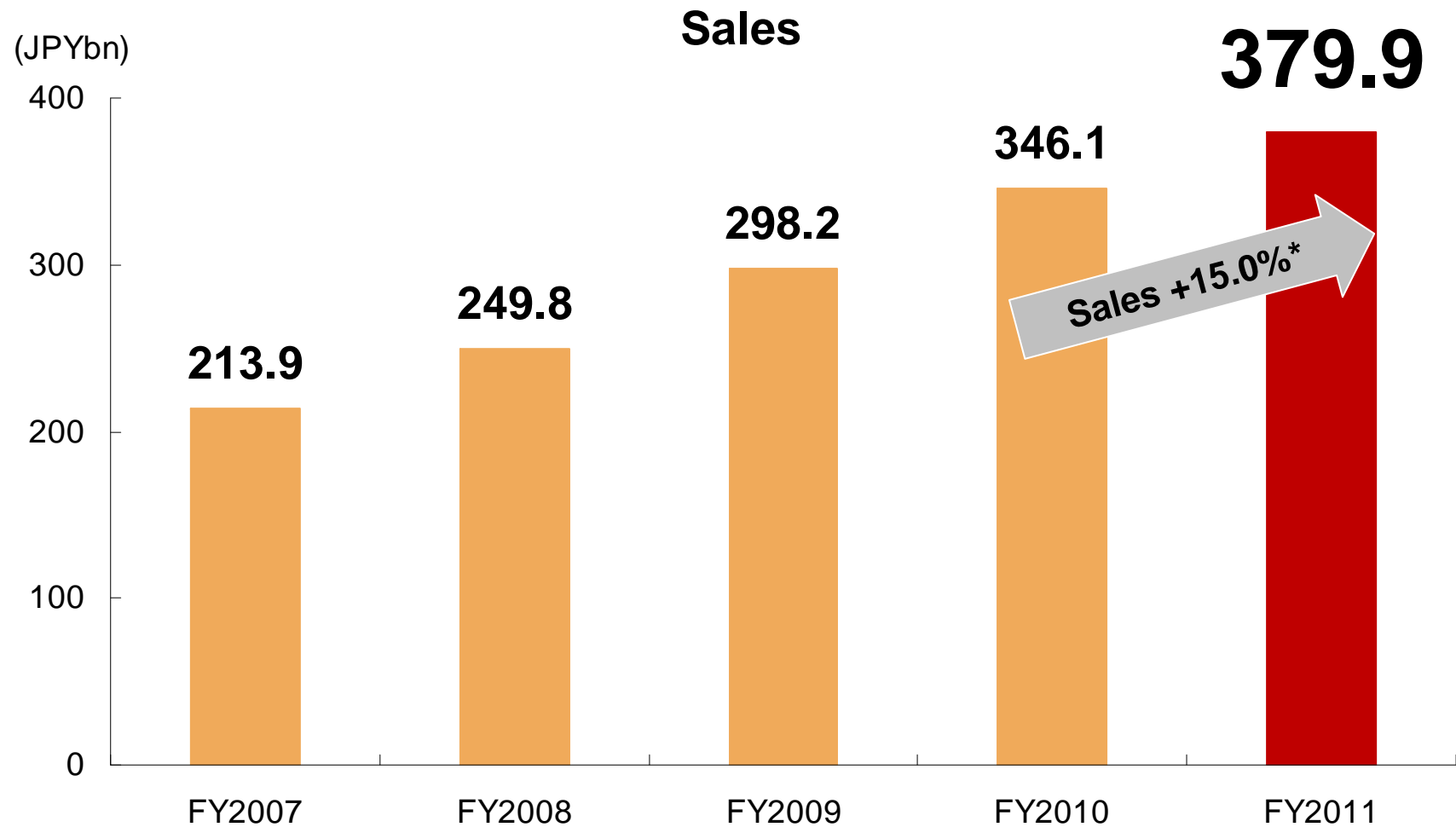
1 FY2011 Full Year Results

**Highest levels of
Sales, Operating Profit,
and Ordinary Profit
in Rakuten's history**

- Ichiba surpassed JPY 1 trillion GMS and still growing faster than expanding Japanese E-Commerce market^{*1}
- Strengthened international marketplace businesses
- Executed restructuring of finance businesses, and entered into high growth stage
- Cost control effective and ongoing
- Expanded global technology sites

*1 : Japanese Internet & mobile commerce market growth in 2011 +11.4% YoY (Fuji Keizai),
Growth of Rakuten Ichiba & Rakuten Books GMS in 2011 +17.1% YoY

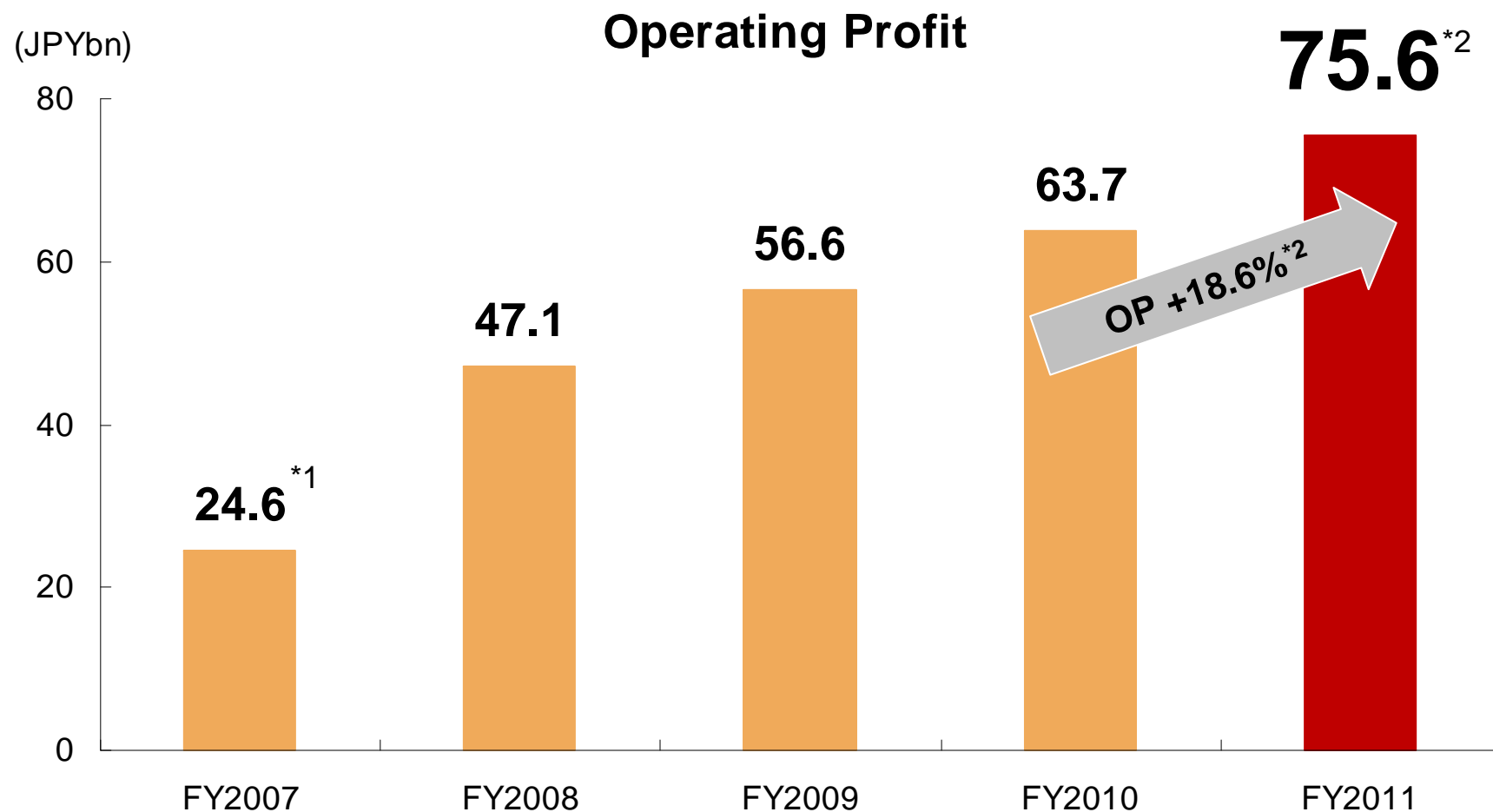
■ Sales: +9.8% (accounting), Sales excluding KC Card*1: +15.0% YoY



*1: Pro forma figures excluding sales of "KC Card" business sold on Aug. 1, 2011; FY2010 JPY25,282mm, FY2011 JPY10,818mm

Rakuten Group Consolidated Operating Profit Rakuten

- OP achieved record high for 4 consecutive years: JPY 71.3 bn, +11.9% YoY
- Adjusted OP^{*2}: JPY 75.6 bn, +18.6% YoY



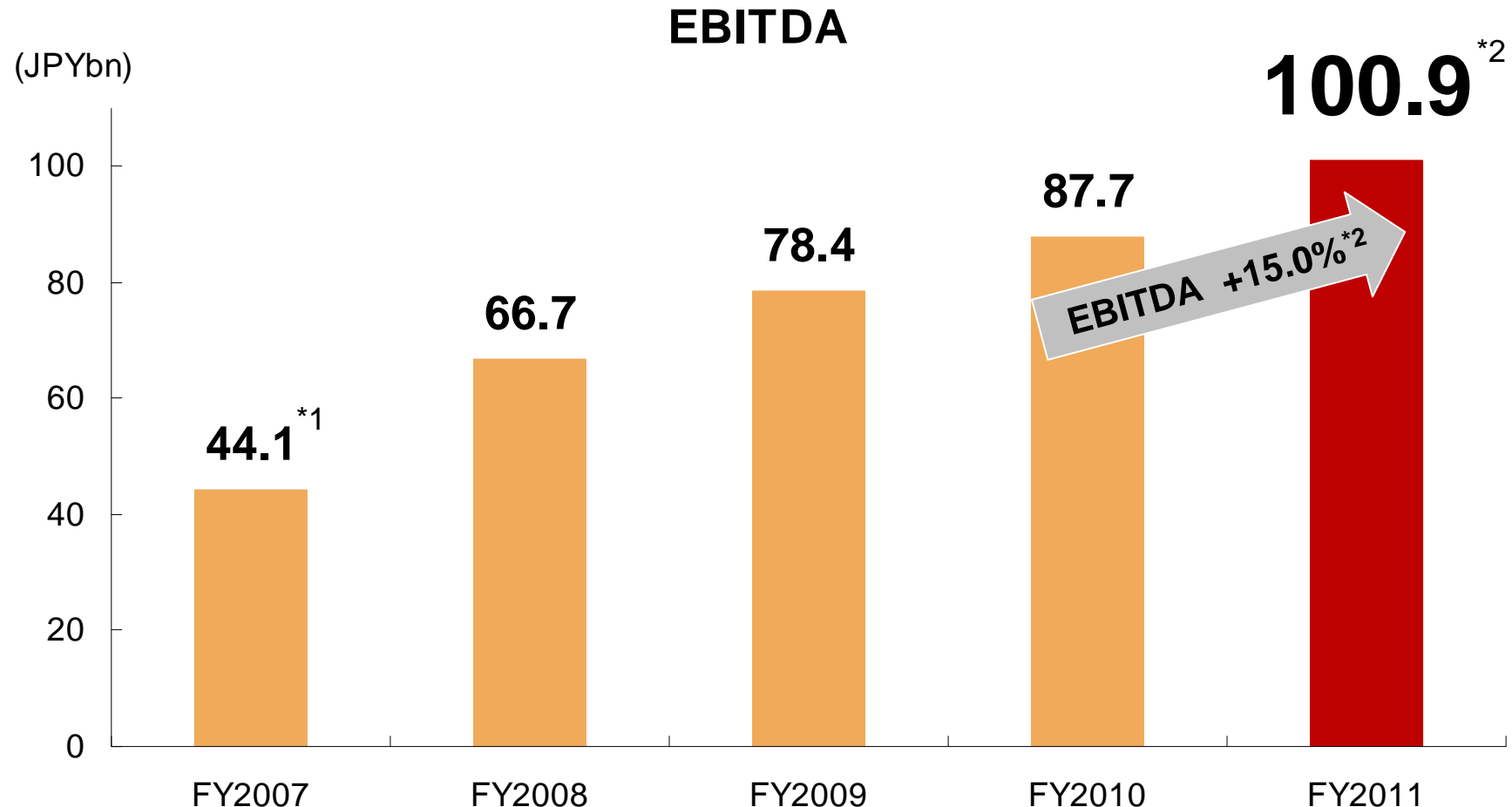
*1: Fiscal 2007 operating profit excludes a one-time expense of JPY 24.5bn due to change of estimation method of additional provisions for allowances relating to interest repayment claims at Rakuten KC Co., Ltd.

*2: Fiscal 2011 operating profit excludes JPY 4.2bn of additional provisions for allowances relating to interest repayment claims at Rakuten KC Co., Ltd. before reorganization of credit card business

Rakuten Group Consolidated EBITDA



- EBITDA achieved record high for 4 consecutive years :JPY 96.6 bn, + 10.2% YoY
- Adjusted EBITDA^{*2}: JPY 100.9bn, +15.0% YoY



*1: Fiscal 2007 EBITDA excludes a one-time expense of JPY 24.5bn due to change of estimation method of additional provisions for allowances relating to interest repayment claims at Rakuten KC Co., Ltd.

*2: Fiscal 2011 EBITDA excludes JPY 4.2bn of additional provisions for allowances relating to interest repayment claims at Rakuten KC Co., Ltd. before reorganization of credit card business

FY2011 Sales and Operating Profits by Business Category



(JPY bn)

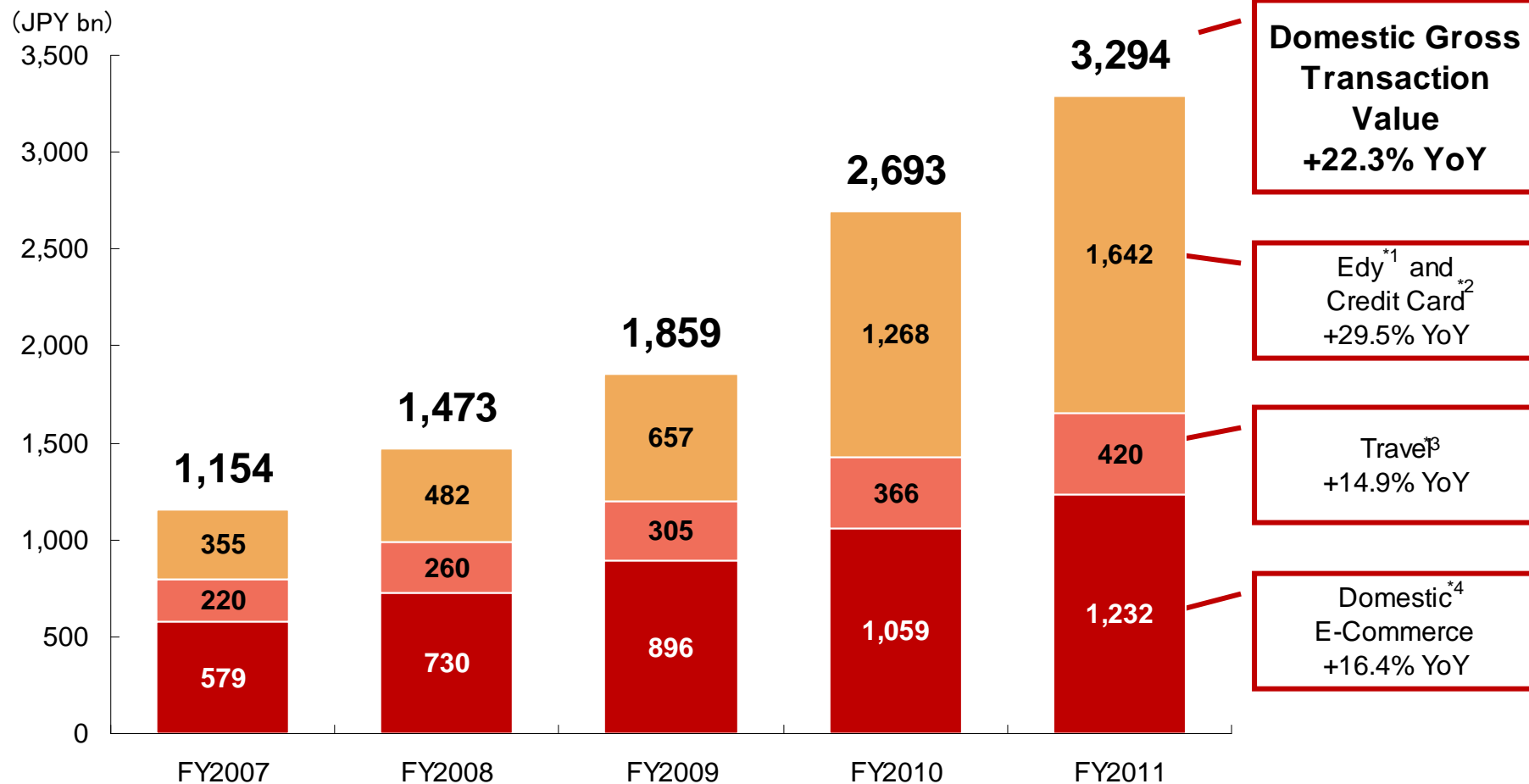
		Sales	YoY	Operating Profit	OP Margin	YoY	EBITDA ^{*1}	EBITDA Margin	YoY
Internet Services	Net ^{*2}	203.9	+23.5%	65.7	32.3%	+13.2%	73.8	36.2%	+12.8%
	Gross (Accounting)	228.5	+19.8%		28.8%			32.3%	
Internet Finance	excl. KC Card ^{*3}	130.3	+16.4%	17.5	-	+46.4%	25.5	-	+28.7%
	Accounting	141.1	+2.9%	13.3	9.4%	+10.9%	21.2	15.1%	+7.2%
Others		34.1	-6.3%	1.1	3.3%	+489.6%	3.2	9.5%	+61.6%
Adjustments		-24.0	-	-8.9	-	-	-1.7	-	-
Consolidated	excl. KC Card ^{*3}	369.0	+15.0%	75.6	-	+18.6%	100.9	-	+15.0%
	Accounting	379.9	+9.8%	71.3	18.8%	+11.9%	96.6	25.4%	+10.2%

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

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

*3: (Pro forma) Sales excludes sales of "KC Card" business sold on Aug. 1, 2011; FY2010 JPY25,282mm, FY2011 JPY10,818mm. Profits exclude JPY 4,264 mm of additional provisions for allowances relating to interest repayment claims before reorganization of credit card business

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

*4: 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

FY2011 Overseas E-Commerce GMS Jumped Rakuten

- In 2011, we completed entries into countries with high internet penetration

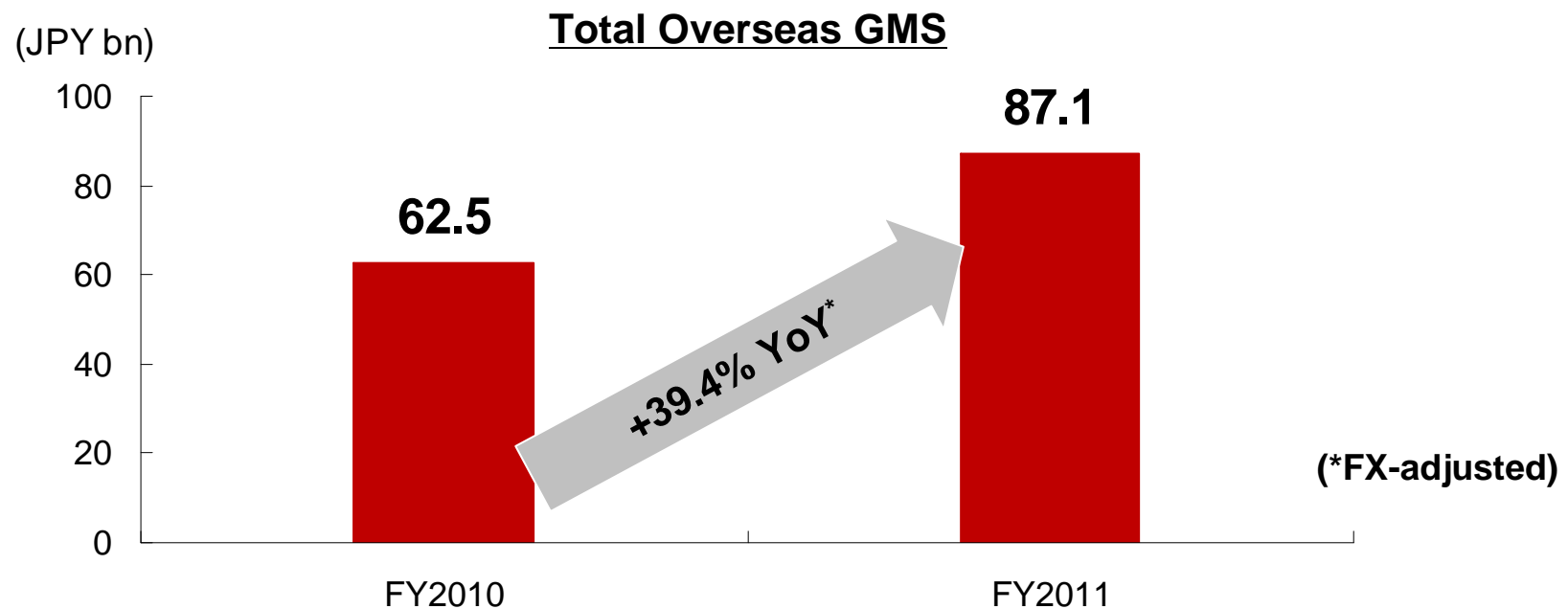
Up to Dec 2010

- Taiwan Rakuten Ichiba
- Tarad.com: Thailand
- Buy.com: US
- Priceminister: France
- Lekutian: China

New entries from Jan 2011

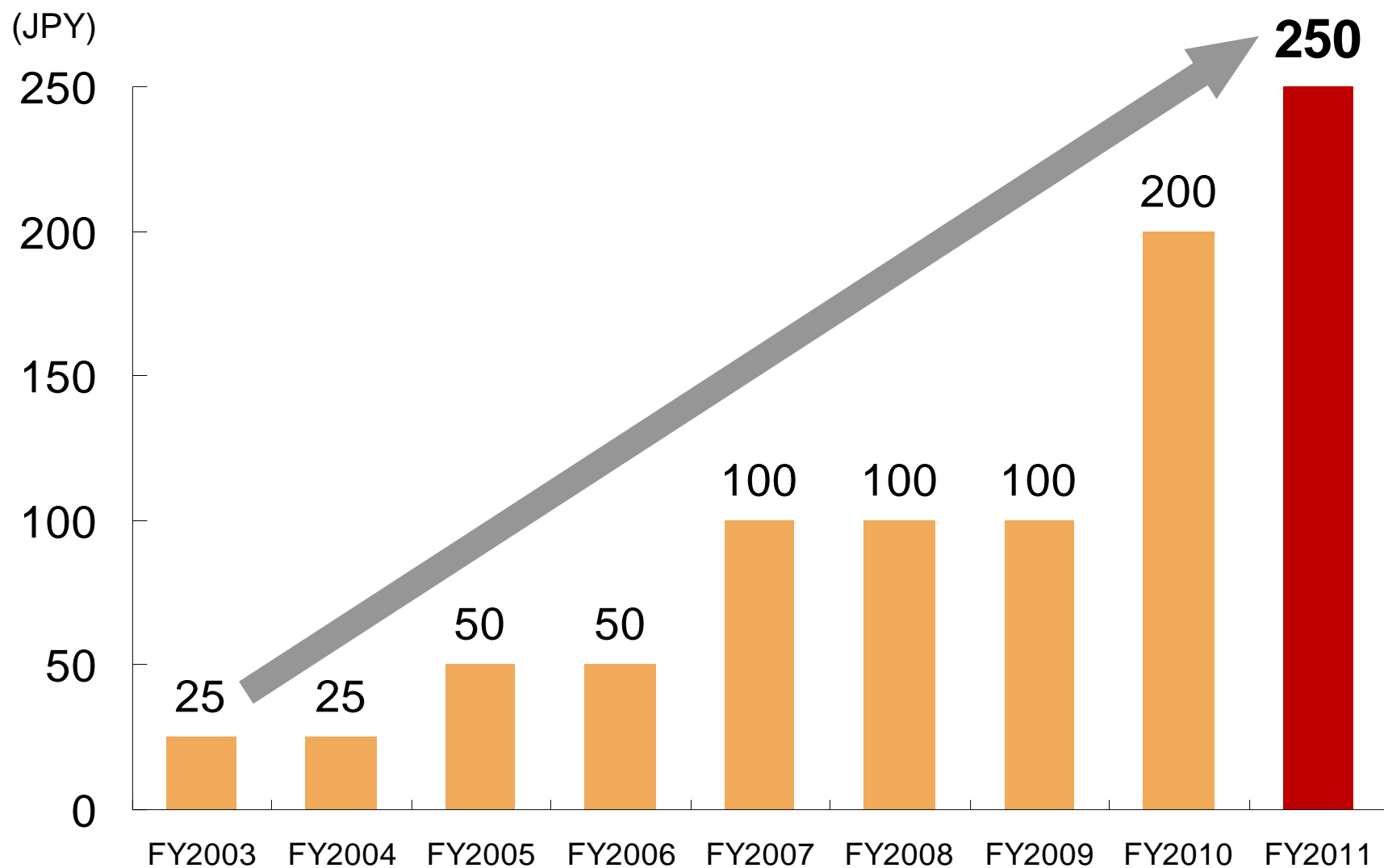
(Date of consolidation)

- Belanja: Indonesia (Q2)
- Rakuten Brazil (Q3)
- Rakuten Deutschland (Q4)
- Play.com: UK (Q4)



Dividend per Share (Adjusted for Stock Splits) Rakuten

■ Steady trend of increasing dividends



2 Mid-to-Long Term Strategy

- **Strengthen dominance and scale in Japan**
- **Create Single Global Platform**
- **2012 = Opening Year of our True Globalization**



- More powerful logo for transition of Rakuten to global brand status



- New English logo gives strong impression like Japanese logo



- Smooth transition from co-branding to Rakuten brand
 - Germany: brand transition

 Rakuten group
tradoria.de



 **Rakuten.de Shopping**

True Globalization with eBooks

Recent Press Reports on Rakuten (UK, Germany)



Handelsblatt (Jan 23):
Japanese Internet Giant
Rakuten to Challenge Amazon

The Guardian (Feb 5):
Why Rakuten's Kobo is Amazon's Only
Global Competition

InternetWorld (Jan 31):
Rakuten Chief: "In 5 Years We
Will Be No. 1 (in Germany)"





- **Now 7m readers on Kobo devices and apps**
- **Over 1m readers added in month of Dec 2011**
- **Global Business Expansion**
 - Strong launches in UK and France with no. 1 Booksellers
 - New Kobo Touch with Offers, expanding distribution in US
 - New Kobo Vox in UK, Australia and New Zealand

***1: Kobo Inc. will be consolidated from Q1/2012**

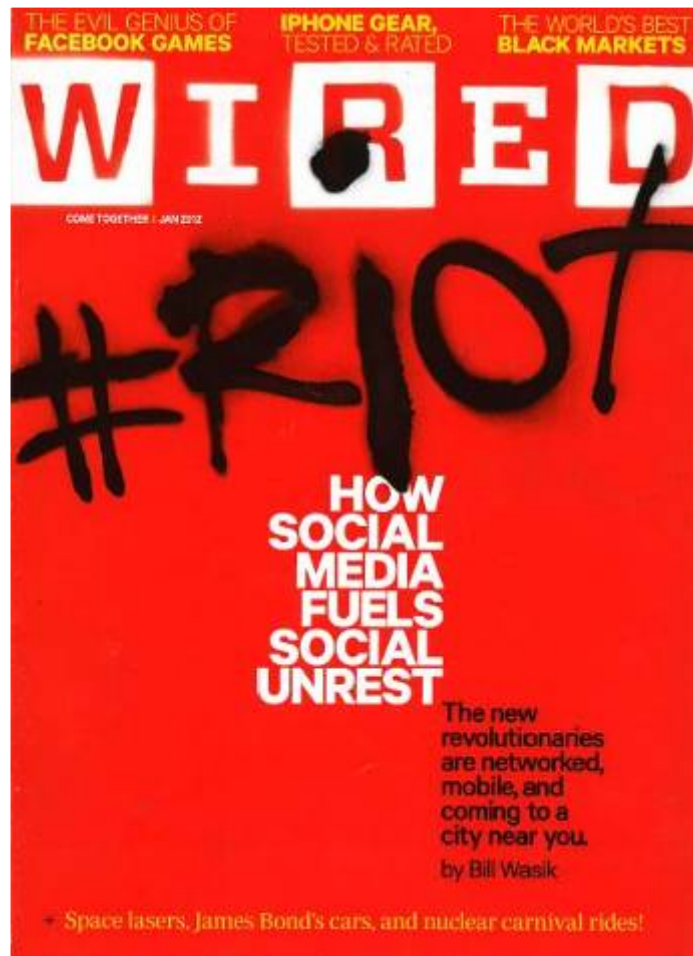
Exploring the Future with eBooks

- Provide new value to users
- Win-Win for Publishers, Retailers, OEMs
- Fast Time to Market with Capital Efficiency

- Preparing for launch in Japan
- Rakuten + Kobo to invigorate eBook market in Japan
- Win-Win model to be same in Japan
- Local content + Kobo international offering
- Competitive eReaders at affordable prices



Kobo Touch selected by WIRED as Best eReader



3 FY2011 Fourth Quarter Results

Summary of Q4/11 Consolidated Results



(JPY bn)

	Q4/10 (Oct-Dec)	Q4/11 (Oct-Dec)	Margin	YoY
Sales	93.5	109.4	100.0%	+16.9%
Operating Profit	19.5	23.1	21.2%	+18.5%
Ordinary Profit	19.1	22.0	20.1%	+14.9%
EBITDA[*]	26.0	29.7	27.1%	+13.8%

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

25

Summary of Q4/11 Consolidated Results (by Business Category)



(JPY bn)

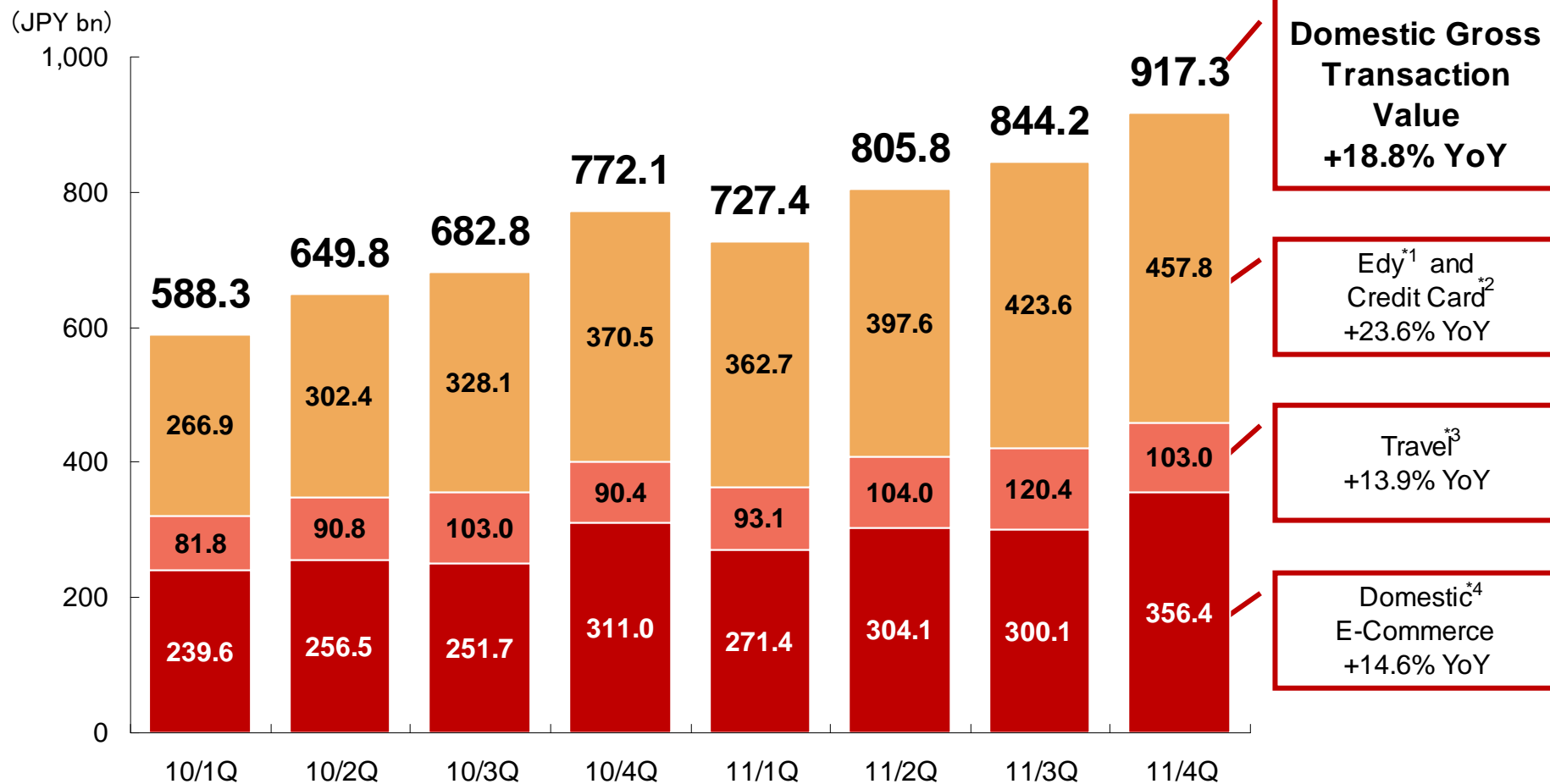
		Sales	YoY	Operating Profit	OP Margin	YoY	EBITDA ^{*1}	EBITDA Margin	YoY
Internet Services	Net ^{*2}	67.8	+41.4%	20.8	30.7%	+11.3%	23.1	34.2%	+10.9%
	Gross (Accounting)	74.7	+33.8%		27.8%			31.0%	
Internet Finance ^{*3}		34.1	-3.0%	5.2	15.3%	+37.0%	7.2	21.1%	+27.1%
Others		7.5	-1.1%	-0.2	-	-	0.2	3.7%	-
Adjustments		-7.0	-	-2.6	-	-	-0.9	-	-
Consolidated		109.4	+16.9%	23.1	21.2%	+18.5%	29.7	27.1%	+13.8%

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

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

*3: Adjusted Internet Finance sales growth was +15.1% YoY, excluding JPY 5.52bn sales of the sold KC Card business,

Quarterly 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-)

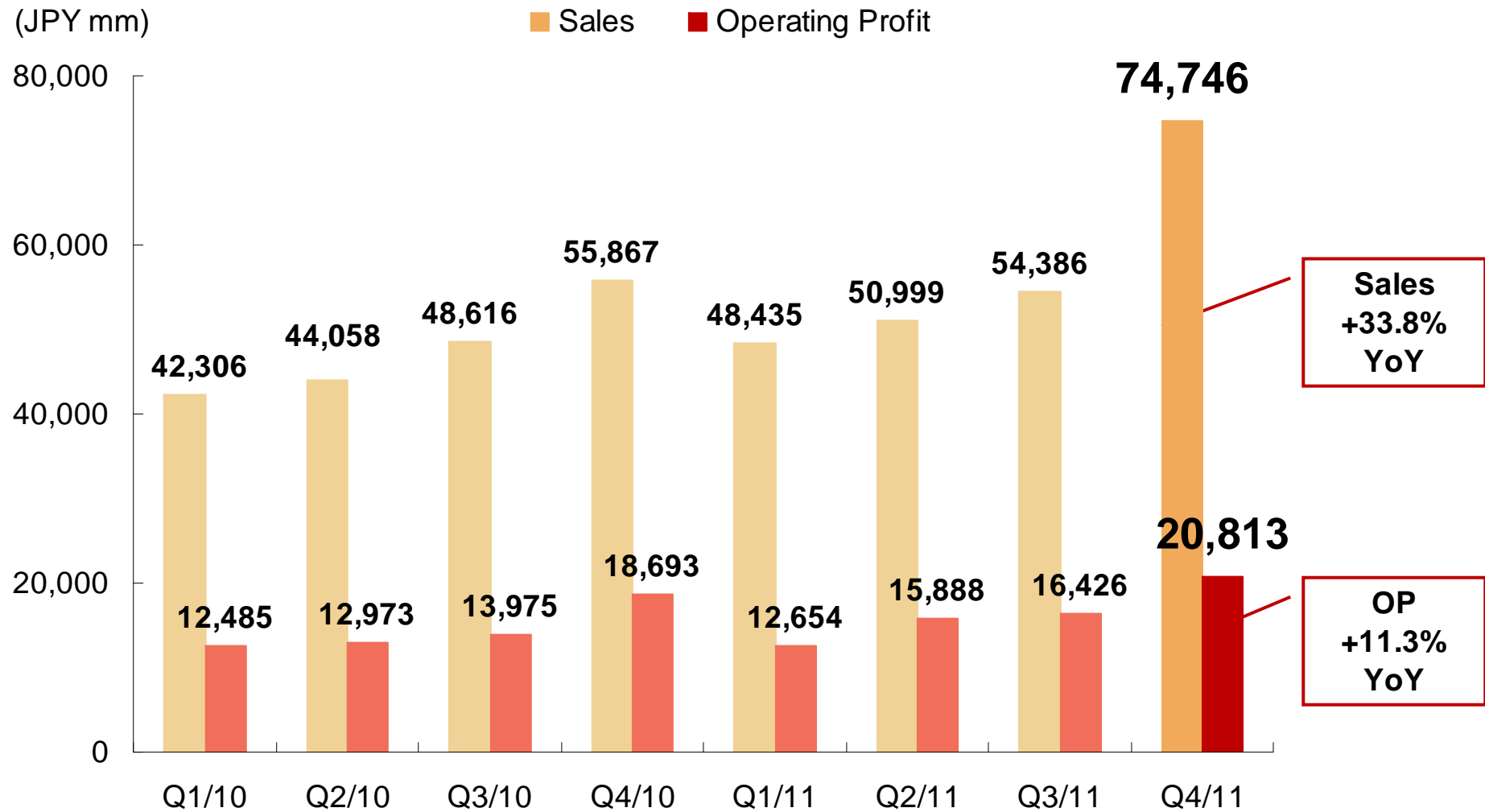
*2: Credit Card Shopping Transaction Value = Shopping Transaction Value of credit cards (including Rakuten group service use)

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

*4: 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

4 Internet Service

Internet Services Quarterly Results



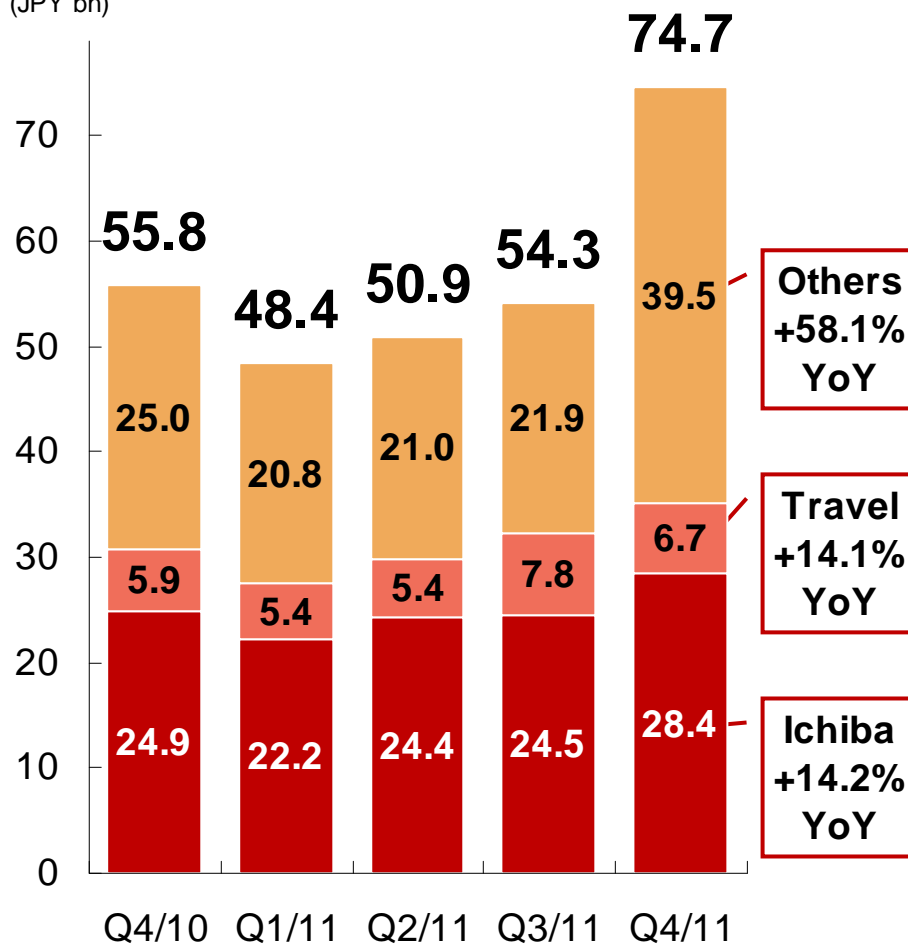
Internet Services Breakdown



- Sales of “others” surged mainly due to consolidation of Play.com since Q4/11

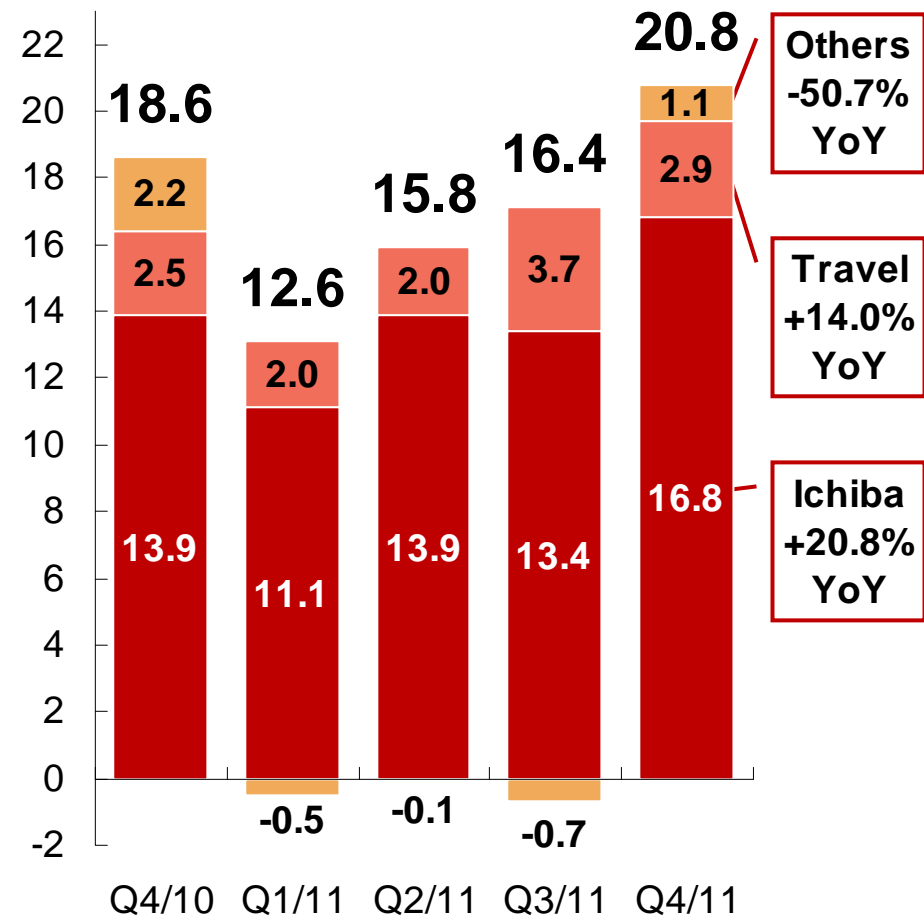
Sales

(JPY bn)



Operating Profit

(JPY bn)



Rakuten Ichiba



- Surpassed JPY 1 trillion of GMS for full year
- Q4 OP: JPY 16.8bn +20.8% YoY
- GMS through smartphones growing
- Solid growth of sales of daily products
- Rakuten Super Social Shop Service “S4” launched

Rakuten Travel



- Kept high GTV growth rate: +13.9% YoY
- Smartphone GTV growing rapidly: +5x YoY
- Business tie-up with LCC, “Peach Aviation”

Others

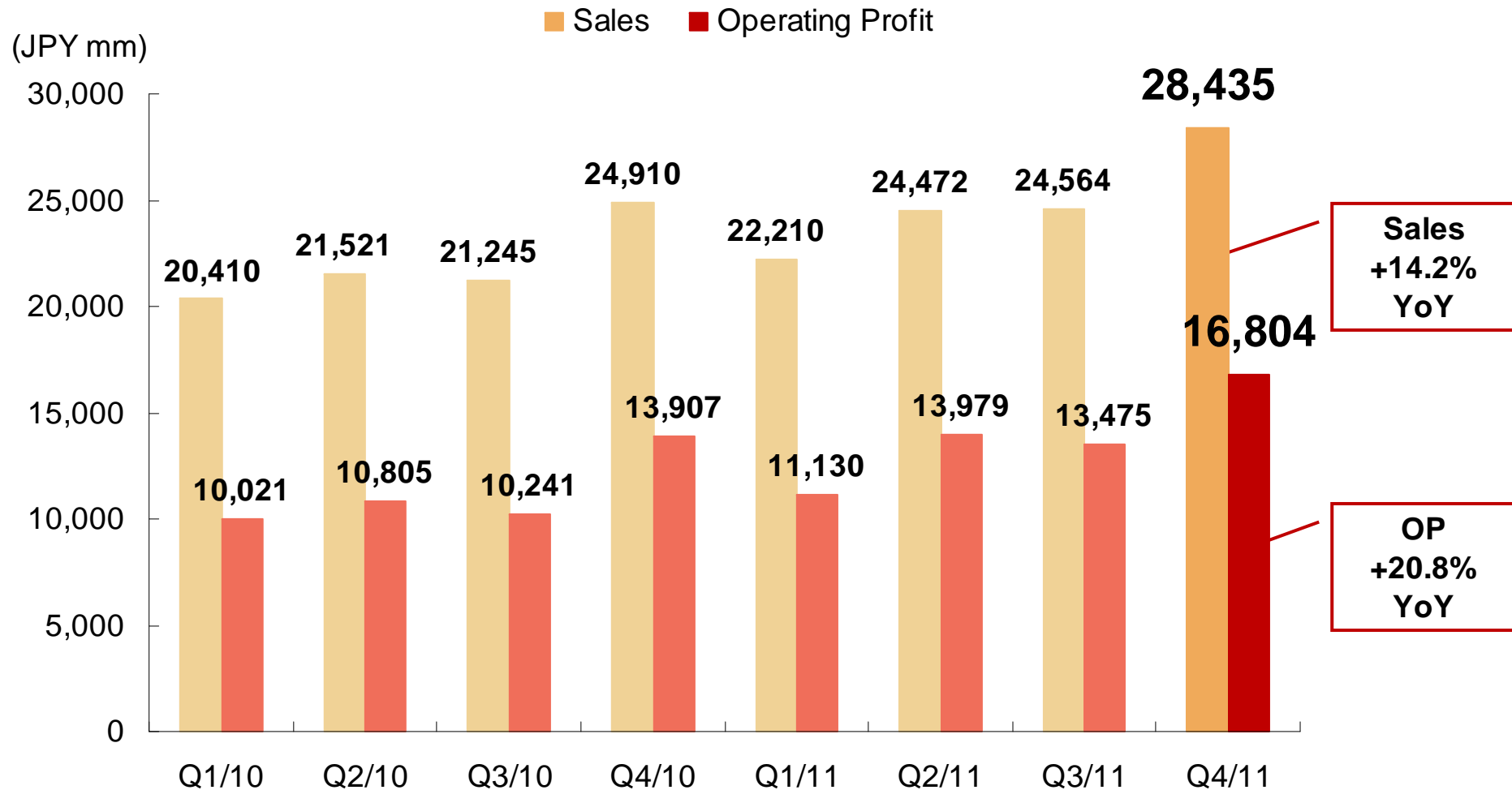


- Revenues increased due to consolidation of Play.com
- Annual overseas GMS: +39.4% YoY
- Transforming local businesses into Rakuten Ichiba model

Rakuten Ichiba Quarterly Results



■ OP growth accelerated to +20.8% YoY, OP margin reached 59.1%

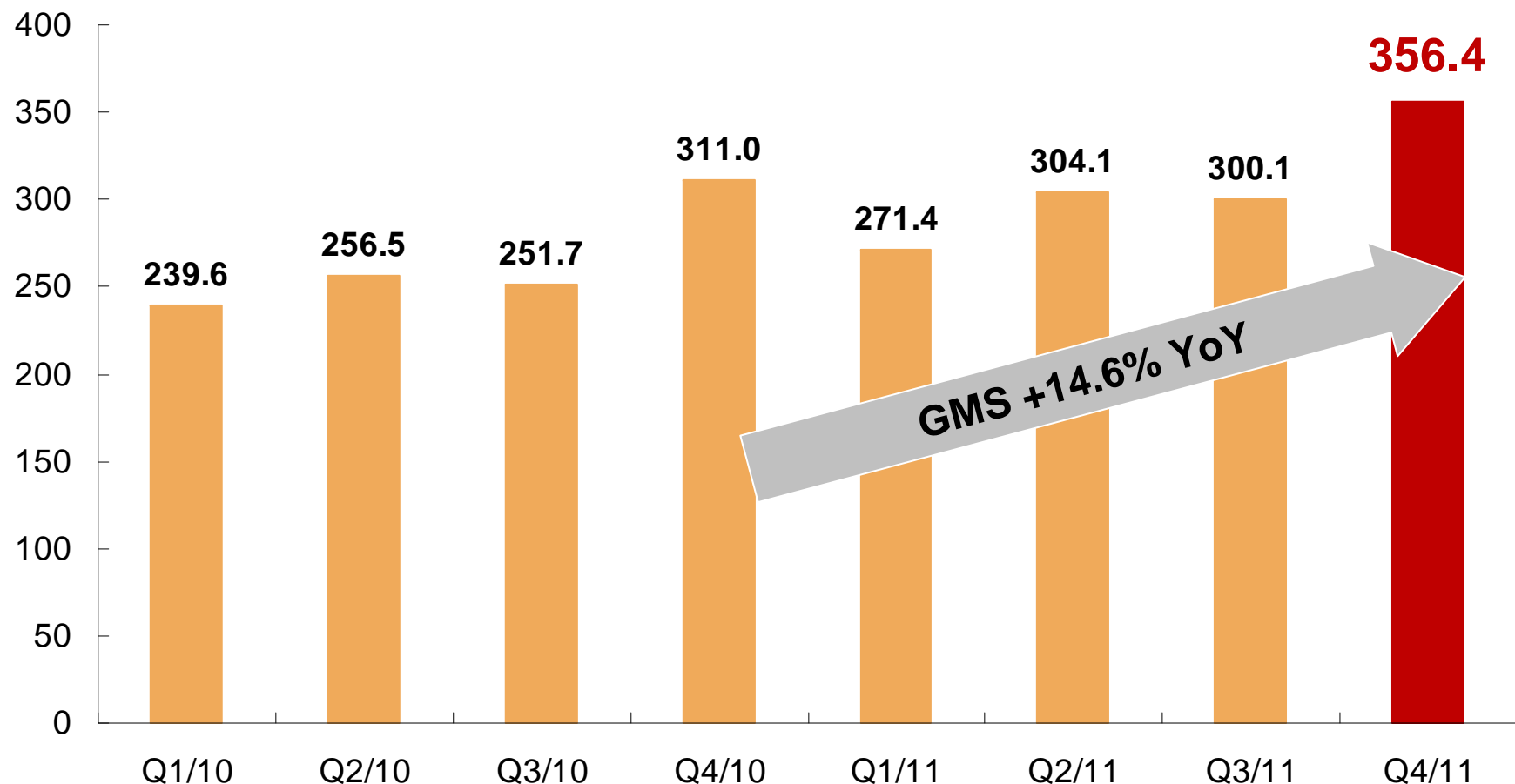


Domestic E-Commerce GMS



- Domestic E-Commerce GMS: +14.6% YoY
- GMS growth of Rakuten Ichiba and Books: +14.9% YoY

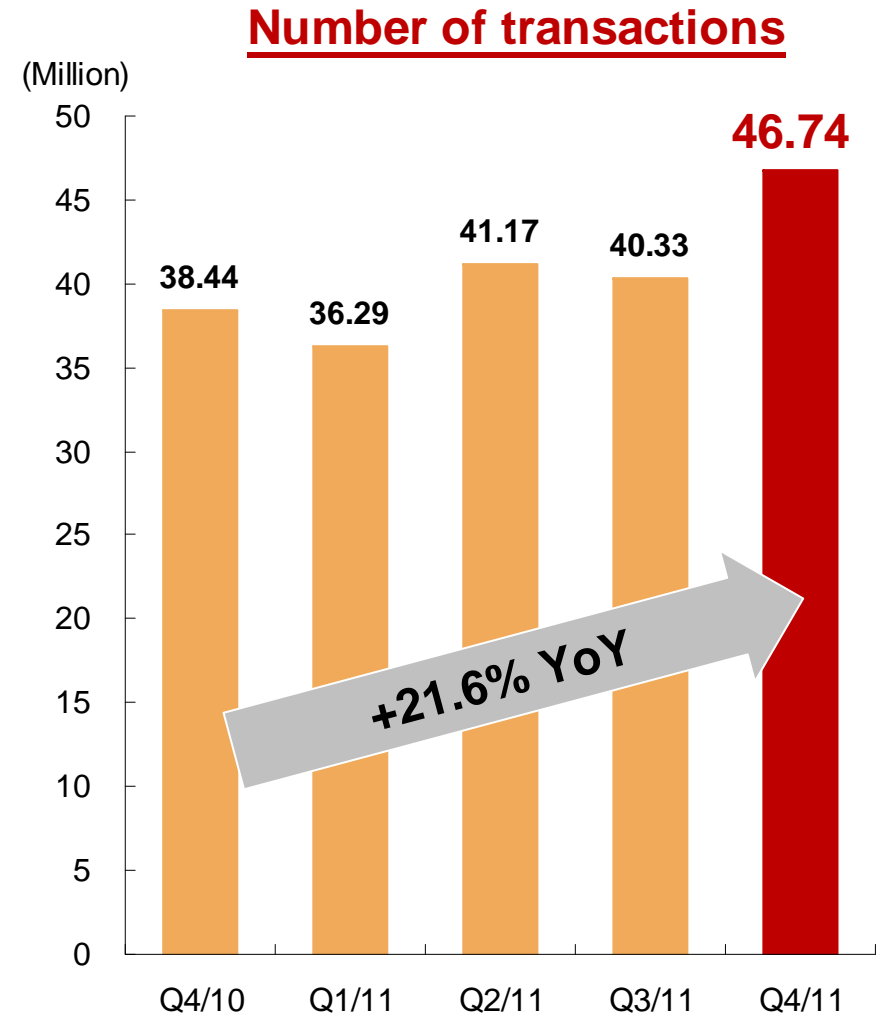
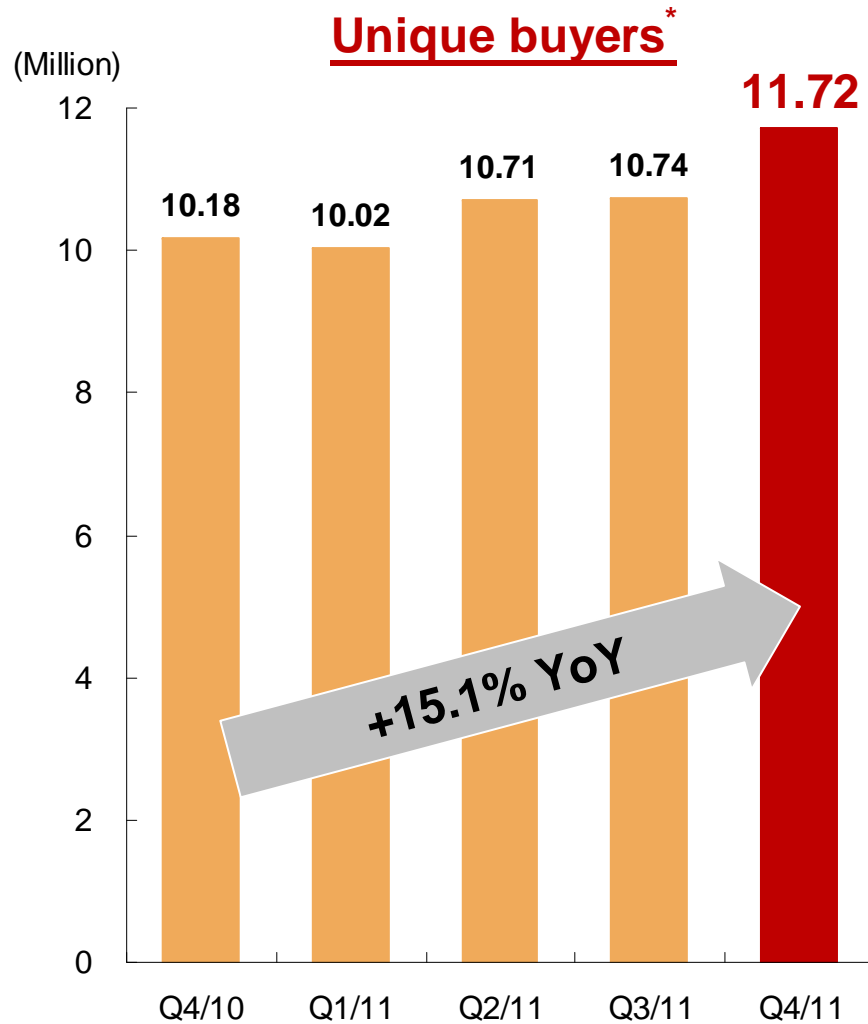
(JPY bn)



*: 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



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

Aim to Accelerate Growth with Merchants

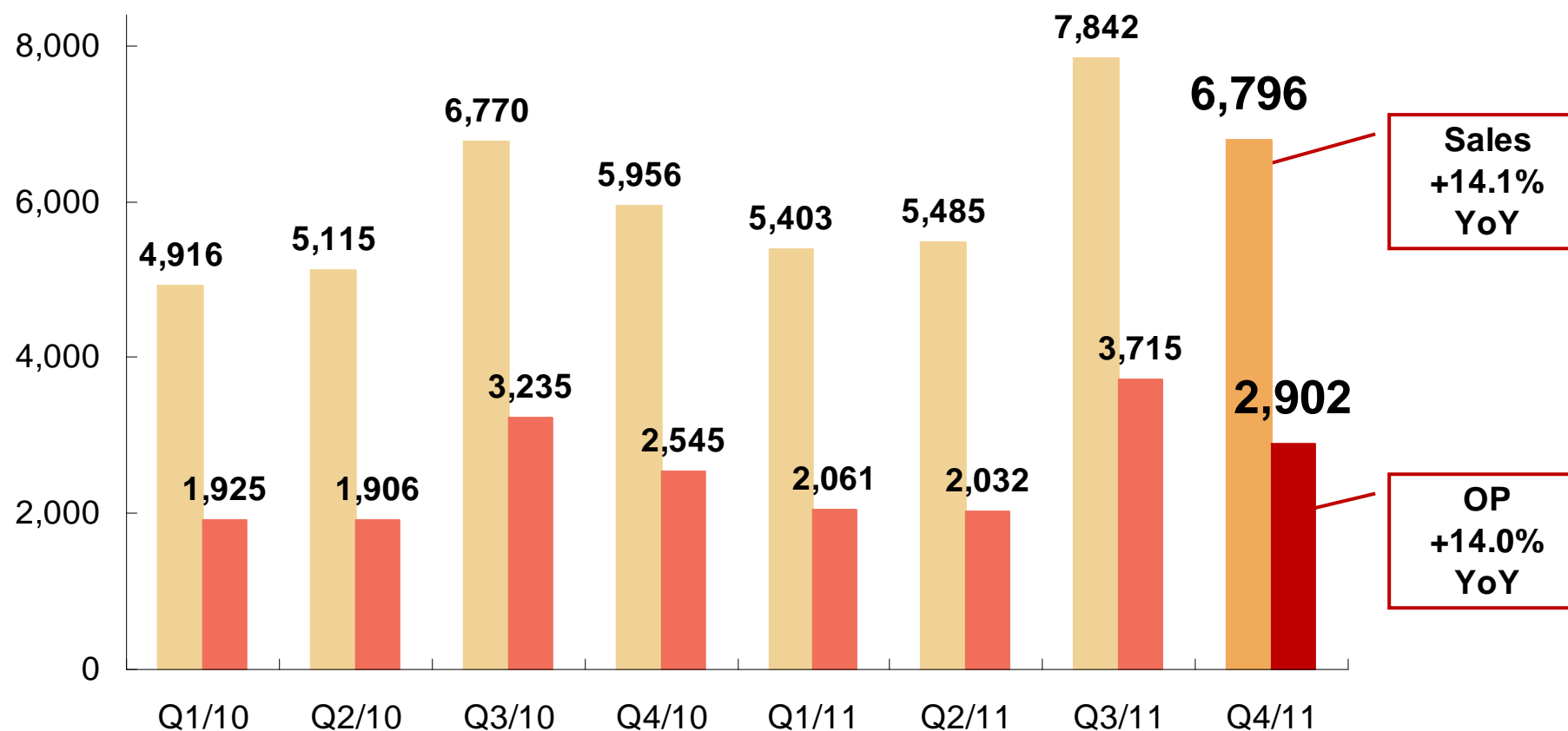
- **Further strengthening ties with loyal customers**
- **Adapting smartphones and tablets**
- **Massive expansion of product line-up**

Rakuten Travel, Inc Quarterly Results*



(JPY mm)

■ Sales ■ Operating Profit



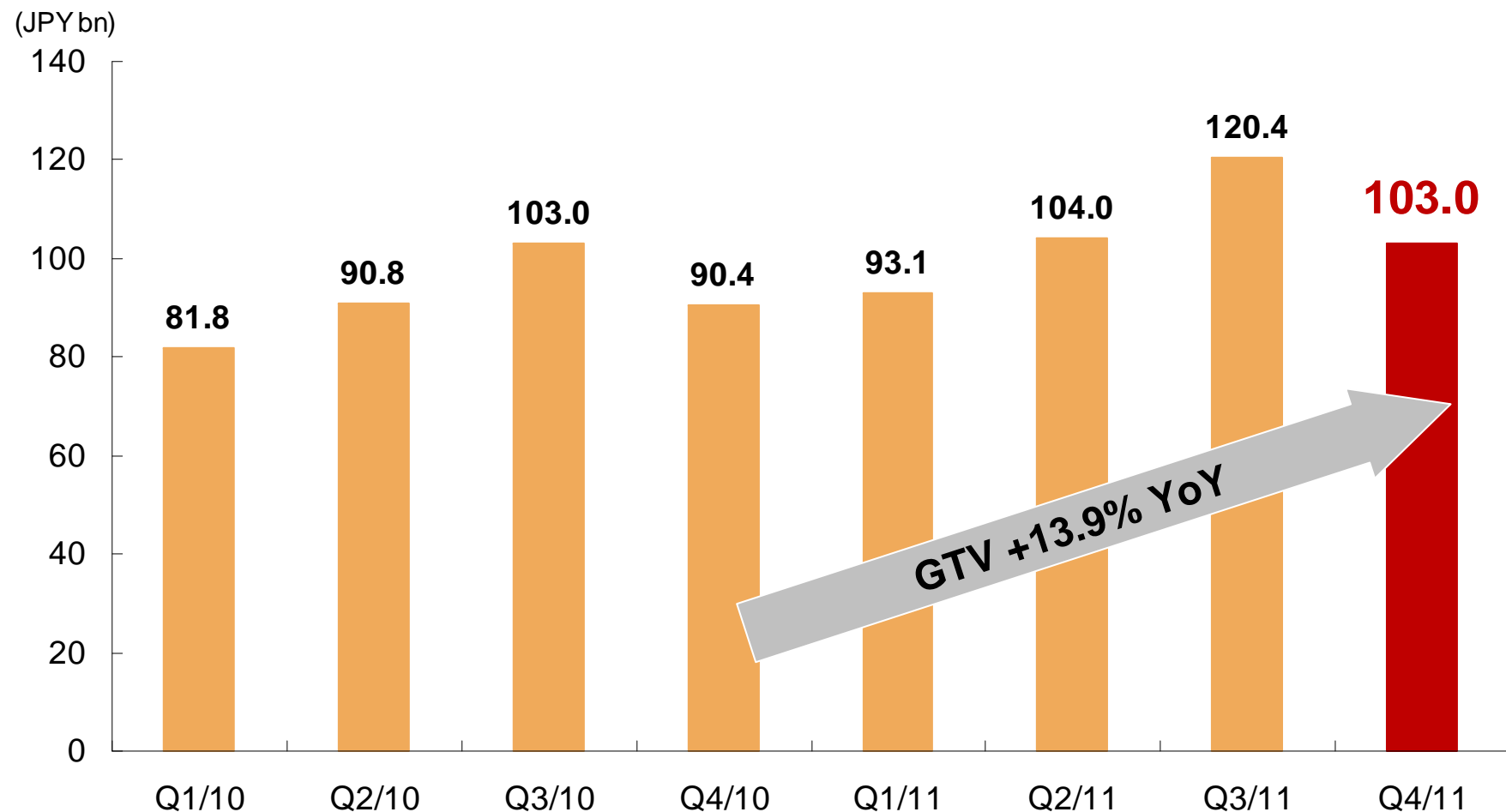
*: Financial results of Rakuten Travel, Inc, excluding bus services and overseas branches

36

Travel Business Gross Booking Transaction Value



■ Travel GTV*: +13.9% YoY



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

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

37

Strategic implementation at global EC sites:

- Brand
- Business model changes to unique Ichiba B2B2C model
- Rakuten Super Points
- “Omontenashi” concept

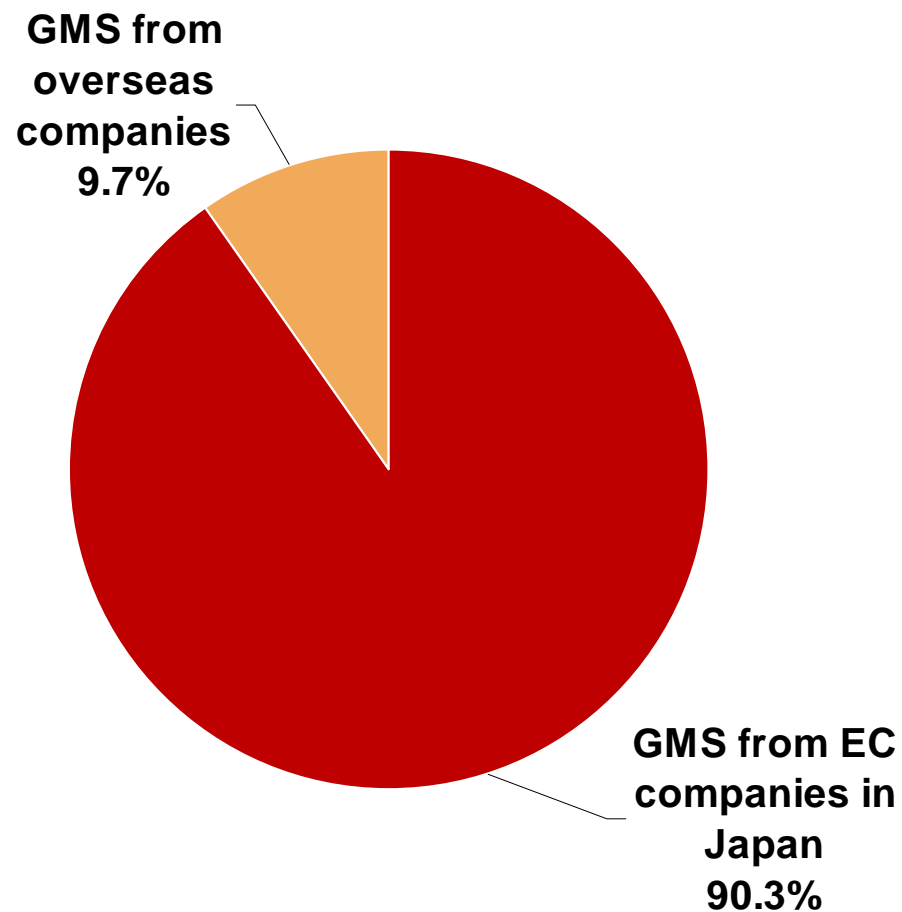


**Organic Growth of Annual Global Marketplace GMS:
+25.2% YoY**

(Excluding Buy.com first party sales, Play.com first party sales, and Rakuten Brazil)

GMS Ratio from Overseas Companies (Q4/2011)

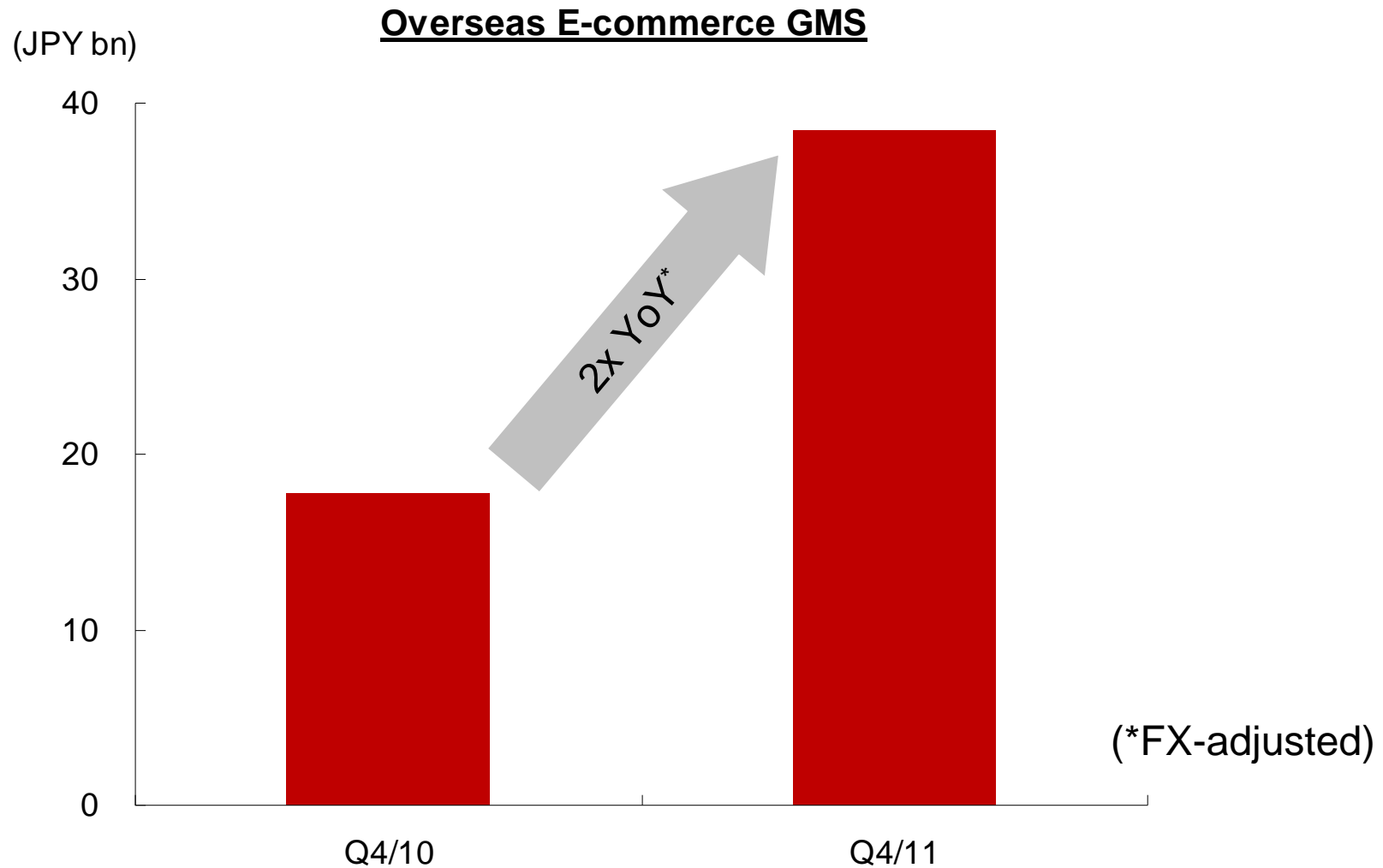
GMS by Geographic Area Q4/2011



GMS Growth from Overseas Companies (Q4/2011)



- **GMS of Overseas E-Commerce doubled as overseas sites expanded**

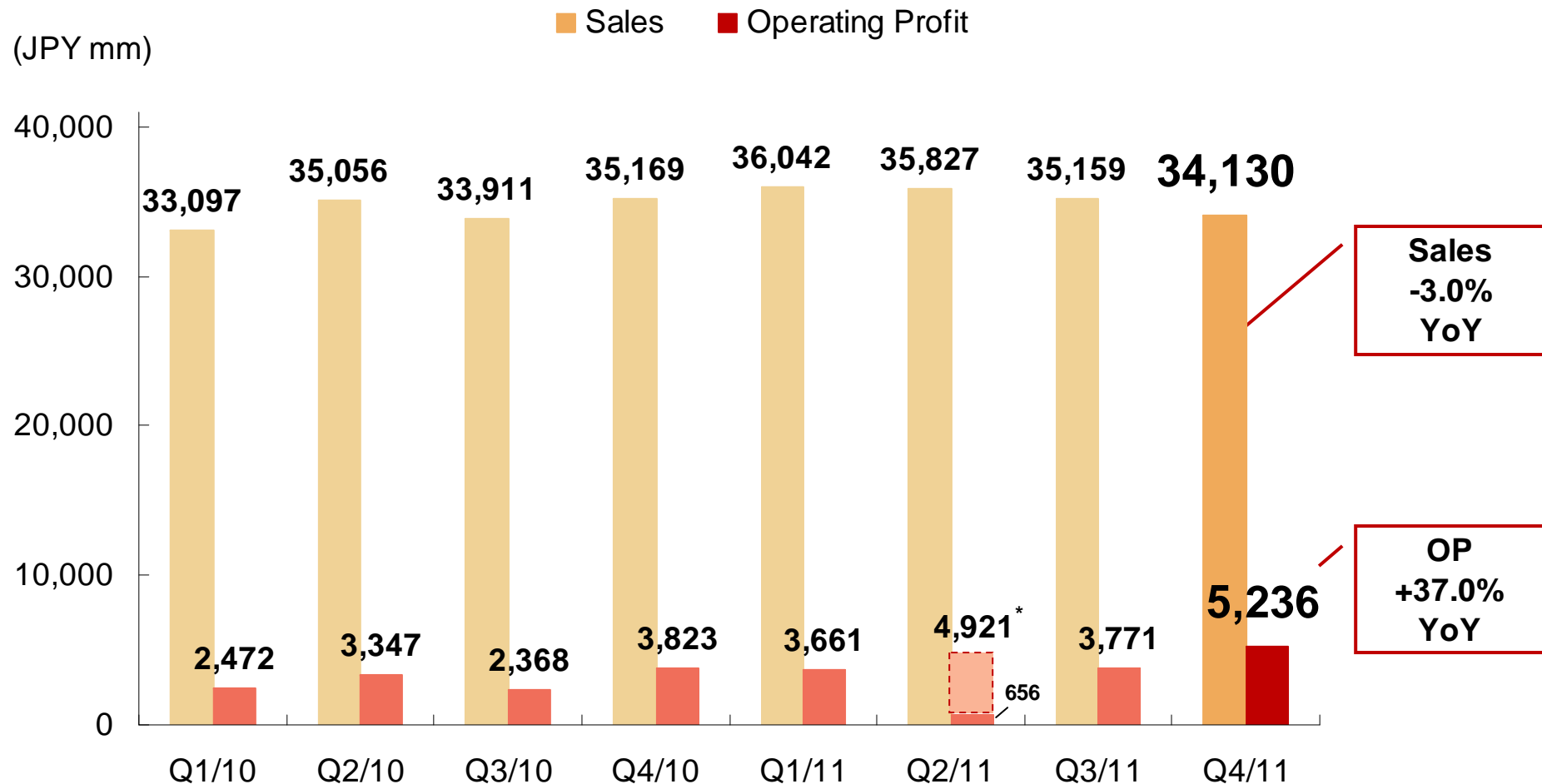


5 Internet Finance

Internet Finance Quarterly Results



- OP grew largely after card business reorganization was completed: +37.0% YoY



*: Q2/11 : Adjusted Operating Profit: Excluding one-off operating expense at Rakuten KC of JPY 4,264 mm

Rakuten Card



- Revenues of Rakuten Card business: +31.7% YoY
- Shopping revolving balance: +39.1% YoY
- Quality of loan receivables become healthier

Rakuten Bank



- Ordinary profit: +143.1% YoY
- Loan receivables of “Super Loan”: +25.0% YoY
- Number of corporate users of foreign remittance service surpassed 3,000 in first year since launch

Rakuten Securities



- Acquired the largest number of new accounts in the industry in 2011

bitWallet (E-Money)

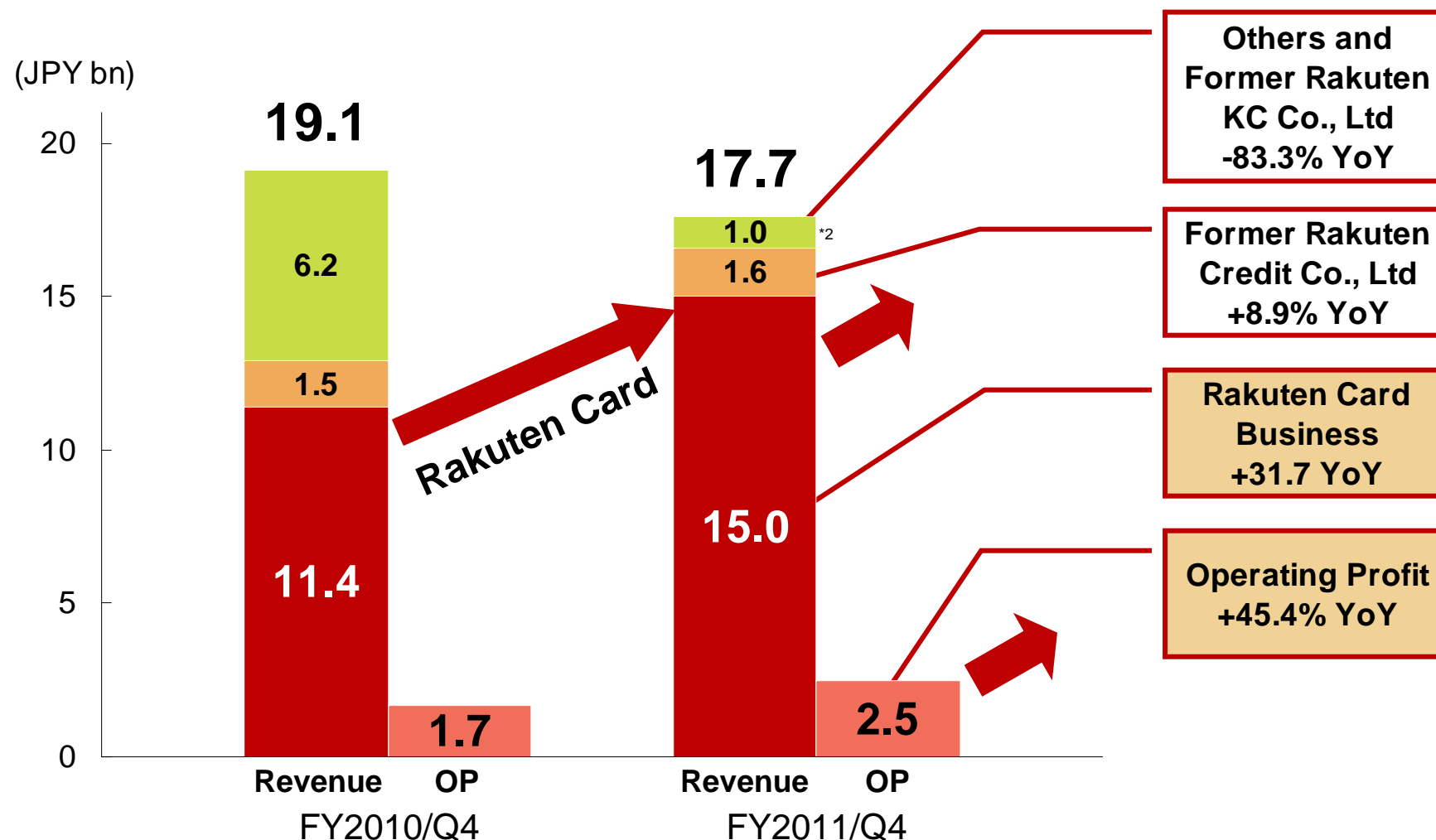


- Brand name change to “Rakuten Edy” from June 1, 2012

Credit Card Business Revenue and OP*1



■ Now entering into high growth stage



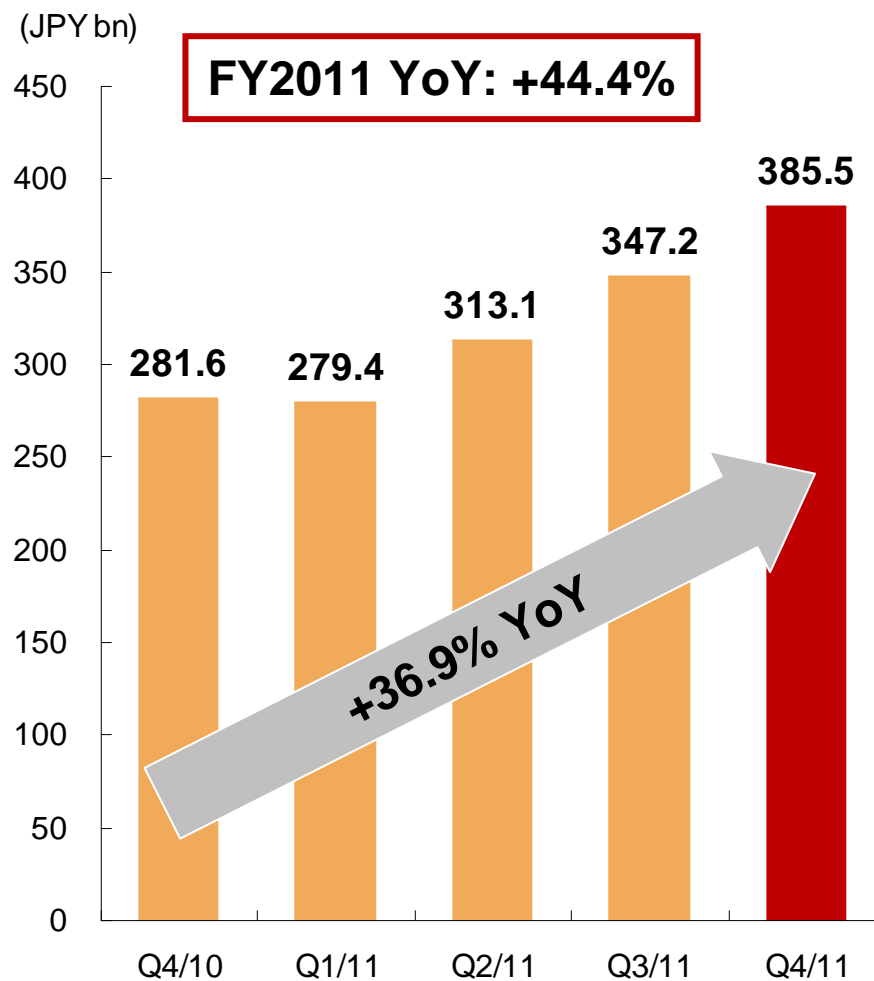
*1: FY2010/Q4 OP = former Rakuten KC Co., Ltd + former Rakuten Credit Co., Ltd ; FY2011/Q4 OP = Rakuten Card Co., Ltd

*2: Revenue of "Others and Former Rakuten KC Co., Ltd." in FY2011/Q4 was corrected from 2.6 billion yen to 1.0 billion yen on April 27, 2012

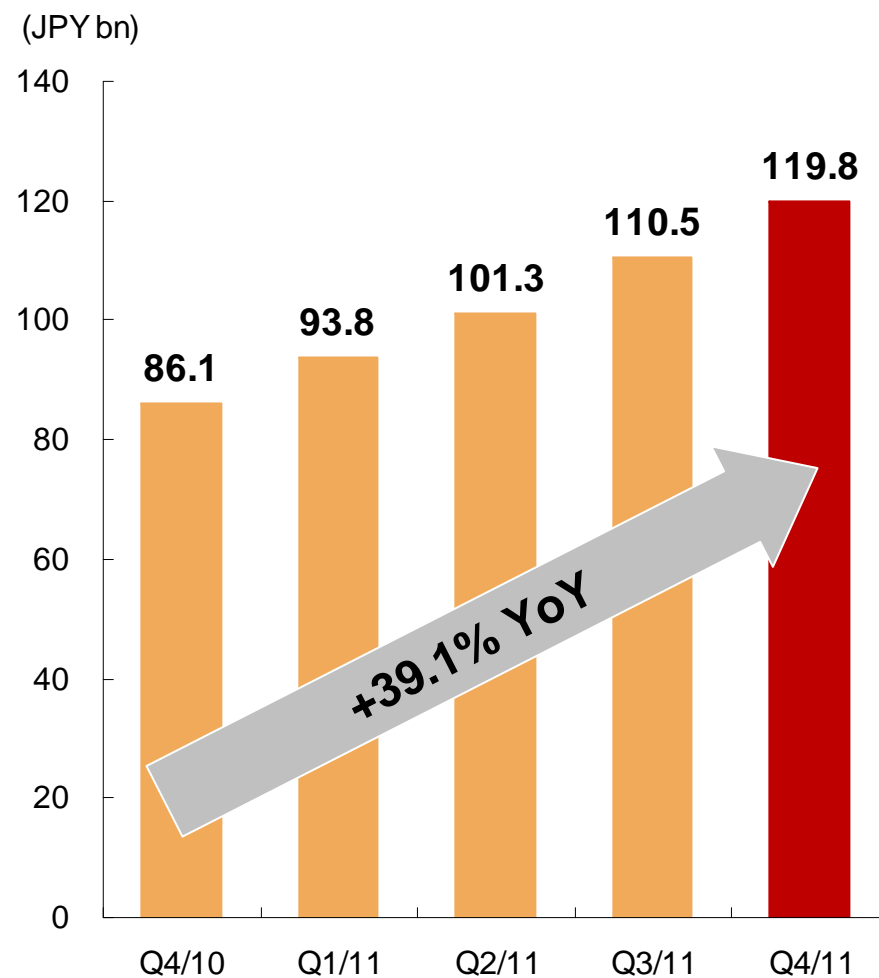
Rakuten Card Shopping Transaction Value and Shopping Revolving Balance*



Rakuten Card Shopping Transaction Value



Rakuten Card Shopping Revolving Balance

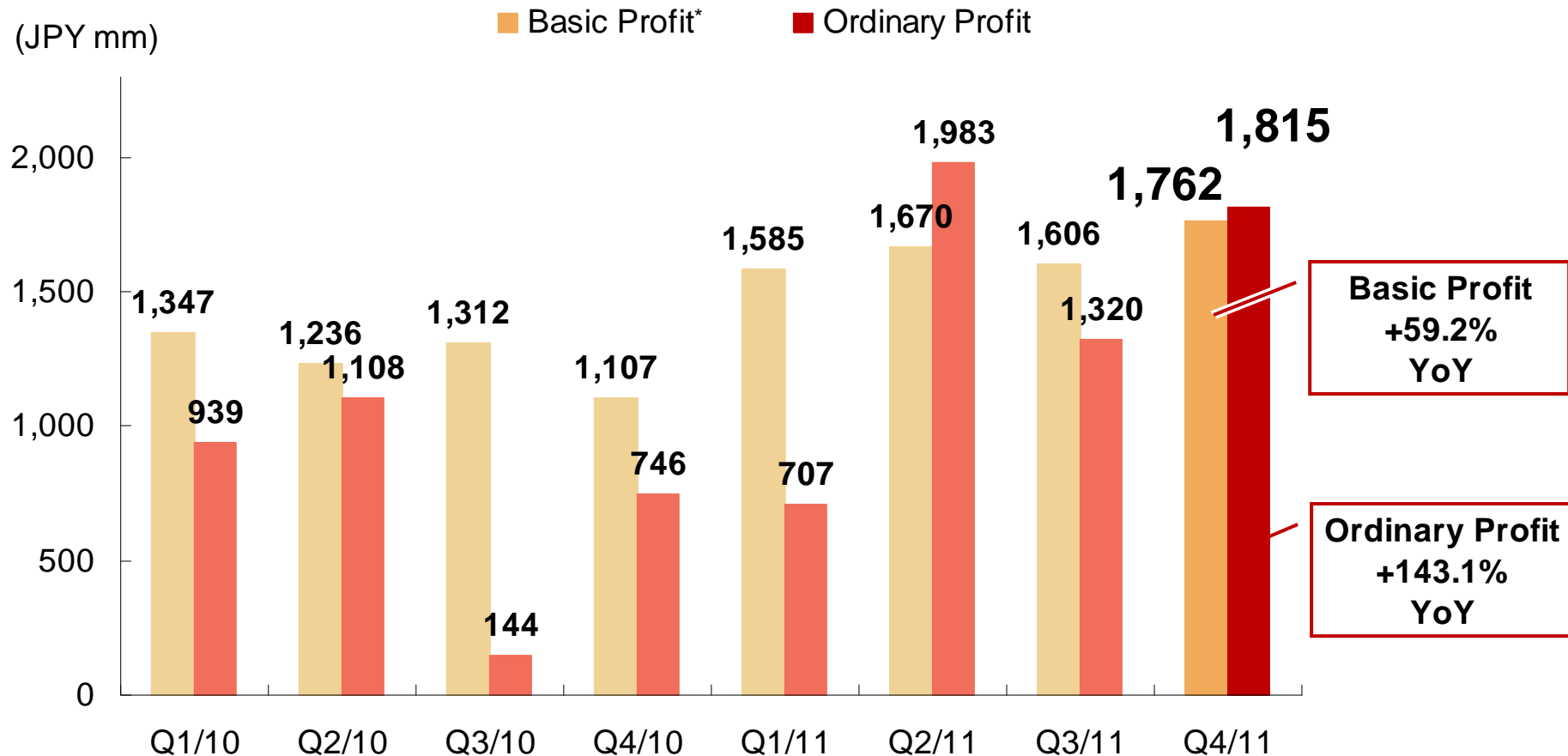


For figures of other credit cards, please refer to the appendix

Rakuten Bank Quarterly Results



- Dealt with high-risk assets acquired under the previous management, entering into a steady growth stage

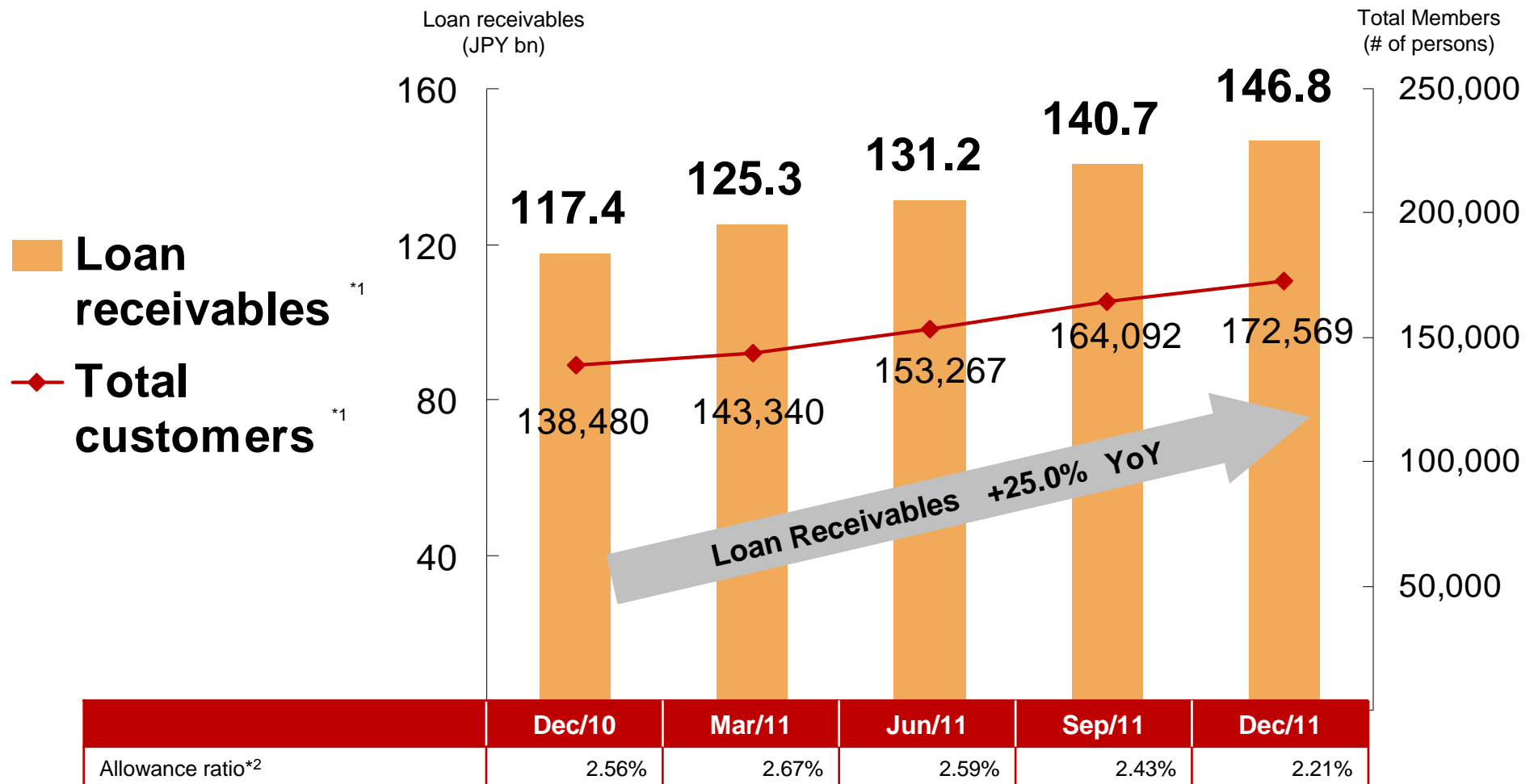


*: Basic profit = Income or loss deducted due to changes in market price or sales of investment products. Income or loss due to main business of Rakuten Bank used instead for temporary income (loss) such as investments

“Rakuten Bank Super Loan” Trends of Loan Receivables



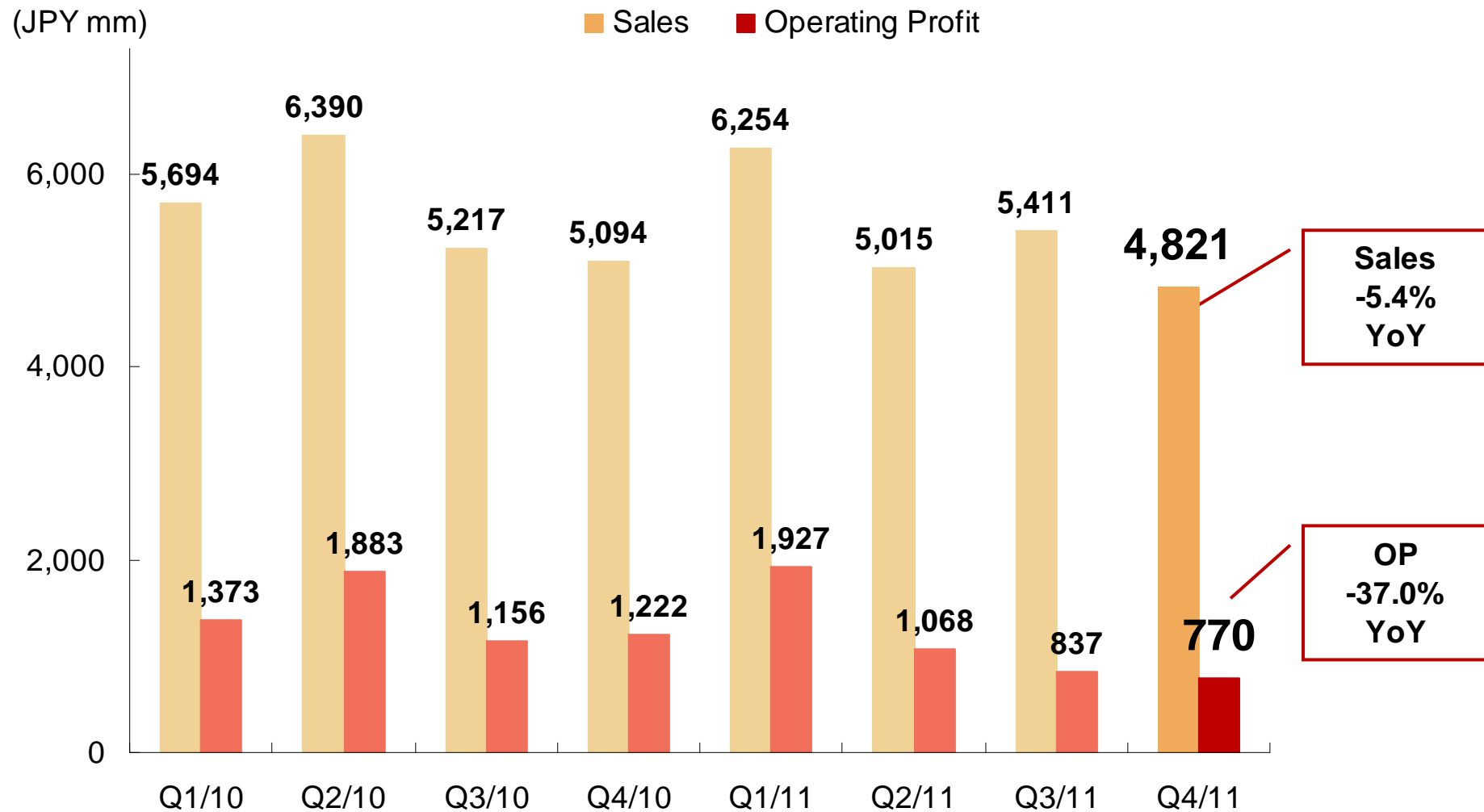
- Loan Receivables kept high growth, over +20% YoY



*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

Rakuten Securities Quarterly Results*



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

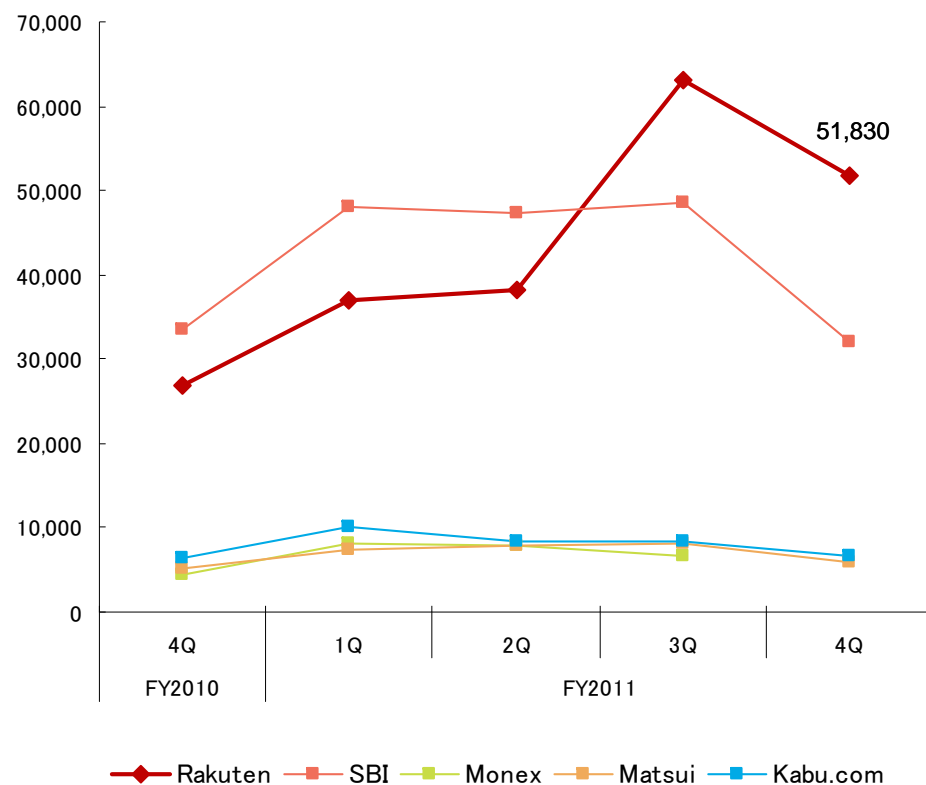
Rakuten Securities New Accounts / Ratio of Applications via Rakuten Group



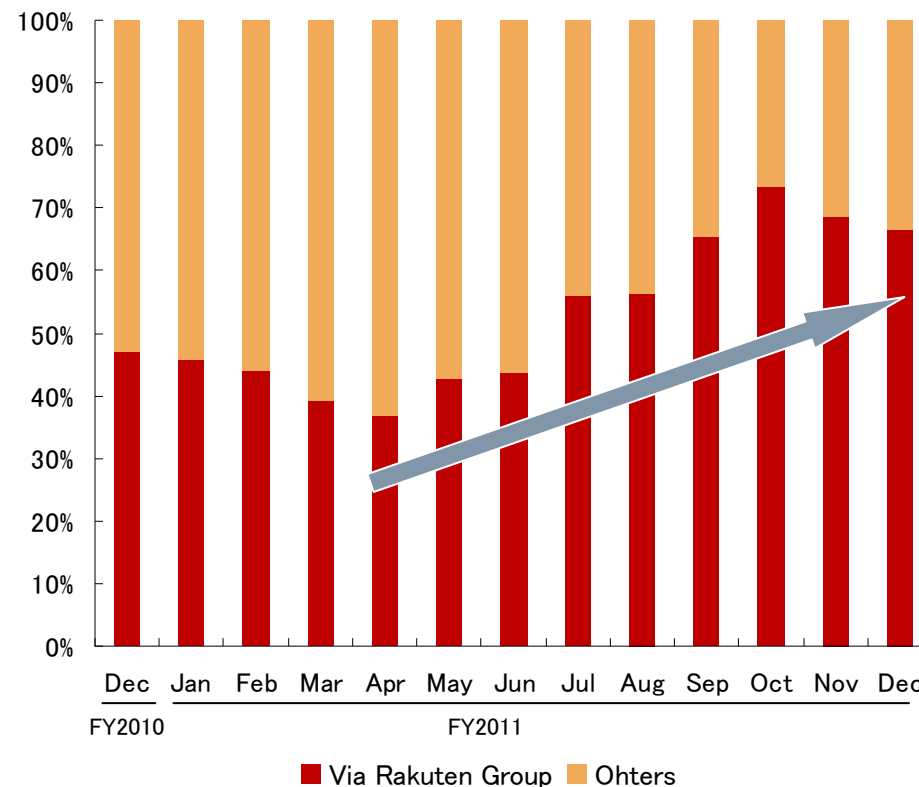
- No. 1 in new account acquisitions in 2011 (190,070 accounts in 2011)
- Achieved 70% of new accounts from Rakuten Group in October 2011

Monthly new accounts at major securities companies

(# of Accounts)



% of new accounts from Rakuten group

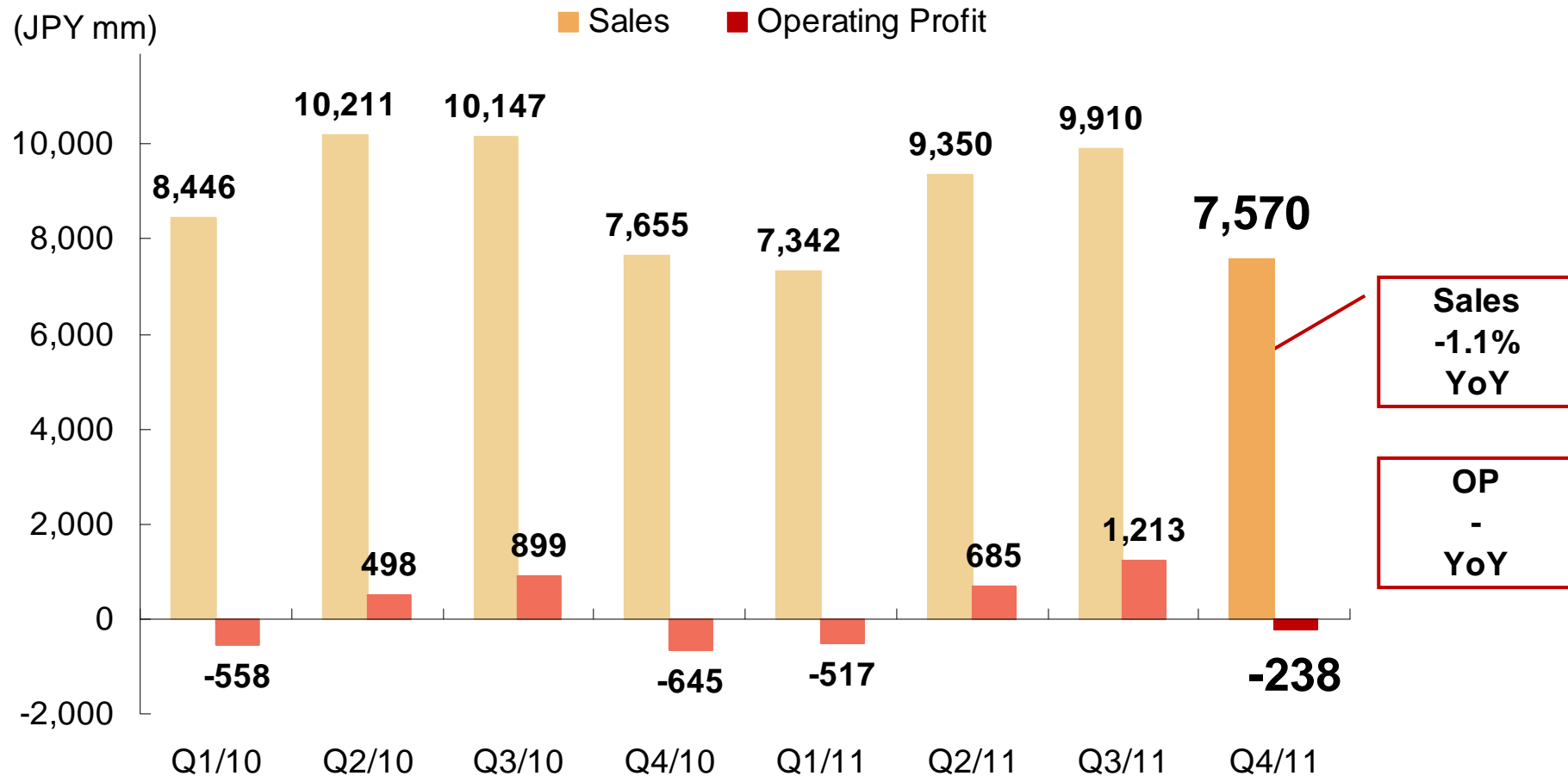


Source: Data disclosed by each company

6 Others

Others Quarterly Results

■ Profit increase at IP telephony business



Fusion Communications (Telecom)



- OP: JPY 433 MM (+72.7% YoY)
- Pay-Per-Call service for advertising media in good shape

Rakuten Baseball



- Sponsors and broadcasting sales in good shape
- Total attendants at 72 home games +2.3% YoY

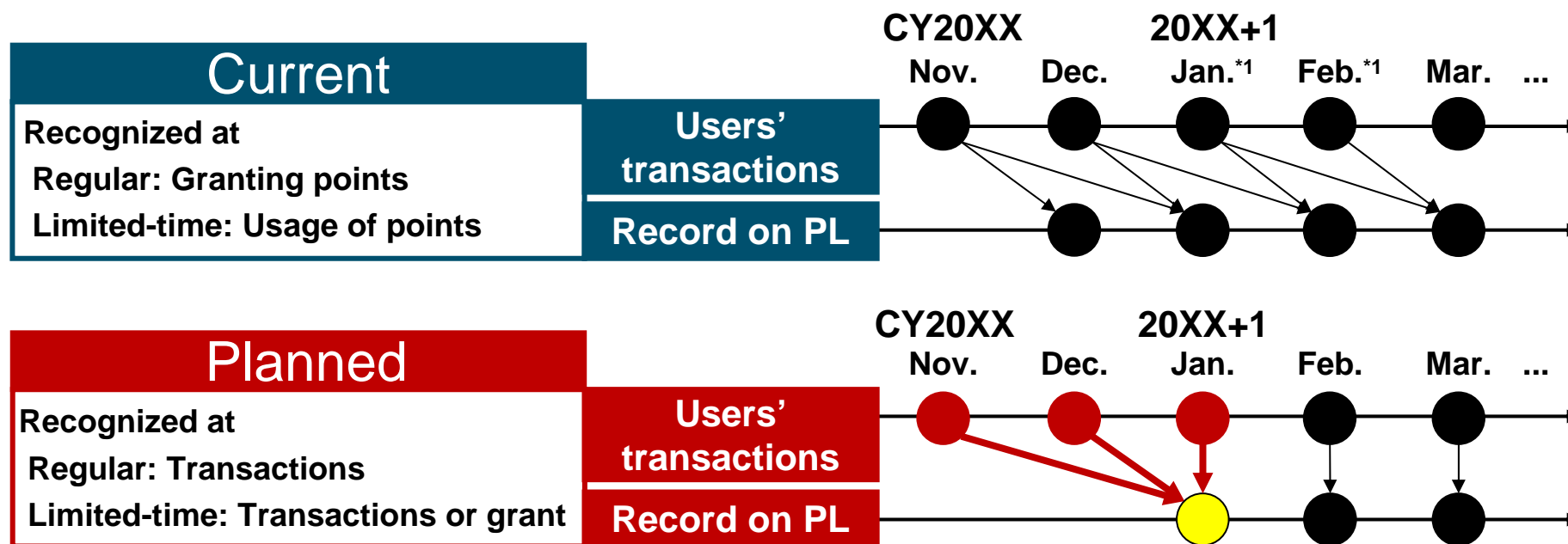


Appendix

- Improvement of Calculation Method of a Part of Operating Costs
- Financial Condition
- Other Information

Plan of Improvement of Point Related Cost Estimation

- Currently, costs of Rakuten Super Points is recognized at the time of granting or usage, about two months after users' transactions (purchase, booking, etc), in order to deal with cancellation of orders, campaigns across multiple services and so on.
- Rakuten group is planning to improve the estimation method for point costs, including a system for the preparation of introduction of IFRS. Costs for regular points will be recognized at the time of transactions. Costs for limited-time points will be recognized at the time of transactions or usage, depending on type of campaign.



*1: The point costs (partly promotion costs) recognized in Jan. and Feb. 2011 were approx. JPY 4 billion in total for the Ichiba and Card businesses, where this planned change will have the biggest impacts

Reclassification of Part of Advertisement Costs (FY2011)



■ Part of advertisement costs was reclassified from cost of sales to advertisement and promotion expenses in SG&A expenses. The amount of such costs from Jan. 2011 to Dec. 2011 was JPY 9,479 million, all of it reclassified in Q4/2011. This treatment is as a result of careful examination of cost of sales and SG&A expenses through the IFRS preparation project. The amount of such advertisement costs included in cost of sales in FY2010 totaled JPY 8,225 million.

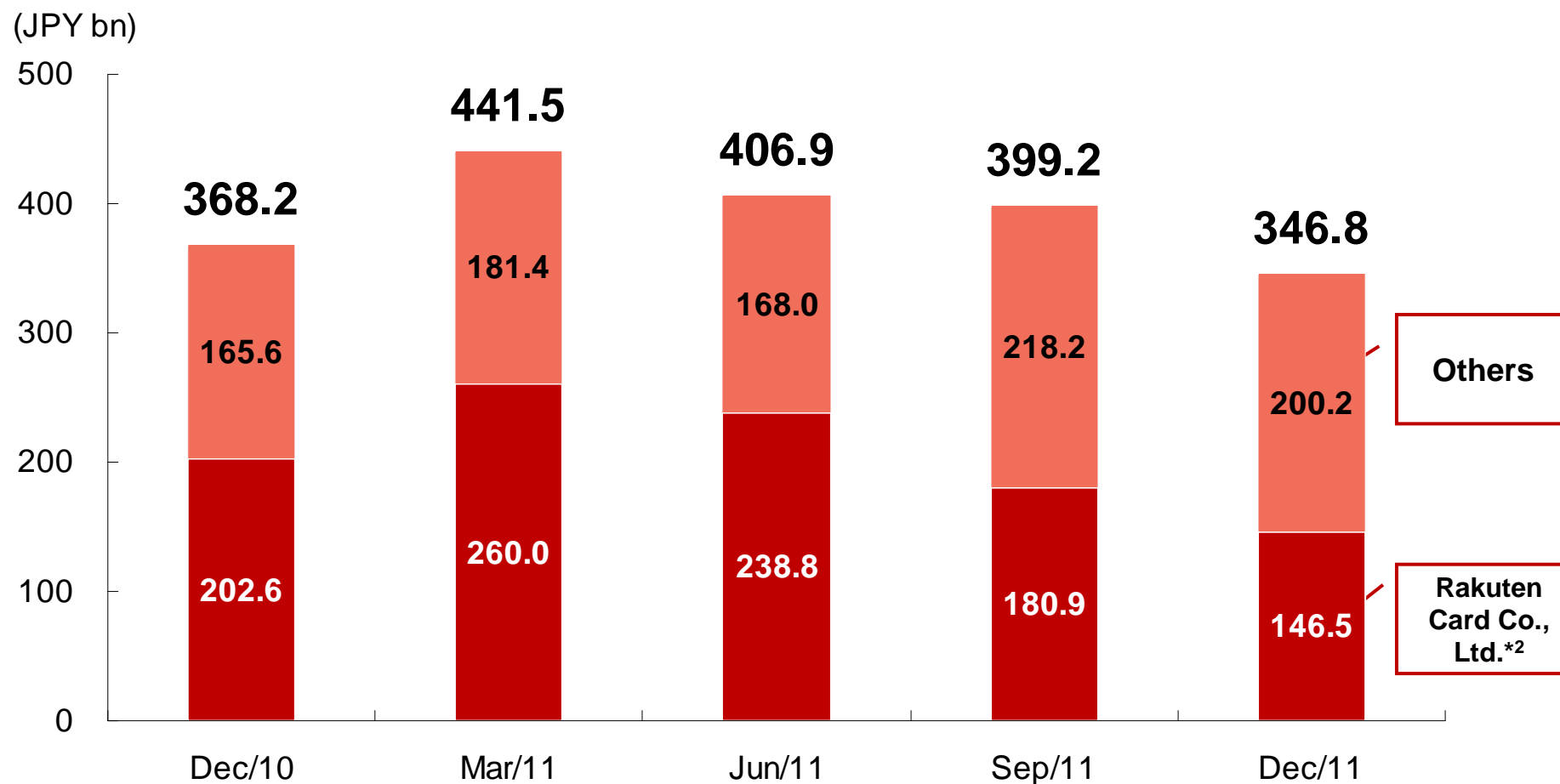
(JPY MM)

	Q4/10	Q4/11		
		Previous method	Change	Reported
Sales	93,588	109,442	-	109,442
Cost of Sales	20,332	29,127	-9,479	19,648
Gross Profit	73,255	80,314	+9,479	89,793
Selling, General and Administrative Expenses	53,691	57,141	+9,479	66,620
Point Costs	2,344	2,220	-	2,220
Advertisement and promotion expenses	7,115	8,686	+9,479	18,166
Personnel expenses	13,473	14,868	-	14,868
Depreciation	4,364	4,120	-	4,120
Communications and Maintenance expenses	3,798	3,686	-	3,686
Outsourcing expenses	6,239	6,760	-	6,760
Expenses for doubtful accounts	4,228	1,897	-	1,897
Others	12,127	14,901	-	14,901
Operating Profit	19,563	23,173	-	23,173



Financial Condition

Financial Institutions Debt*¹ Trend



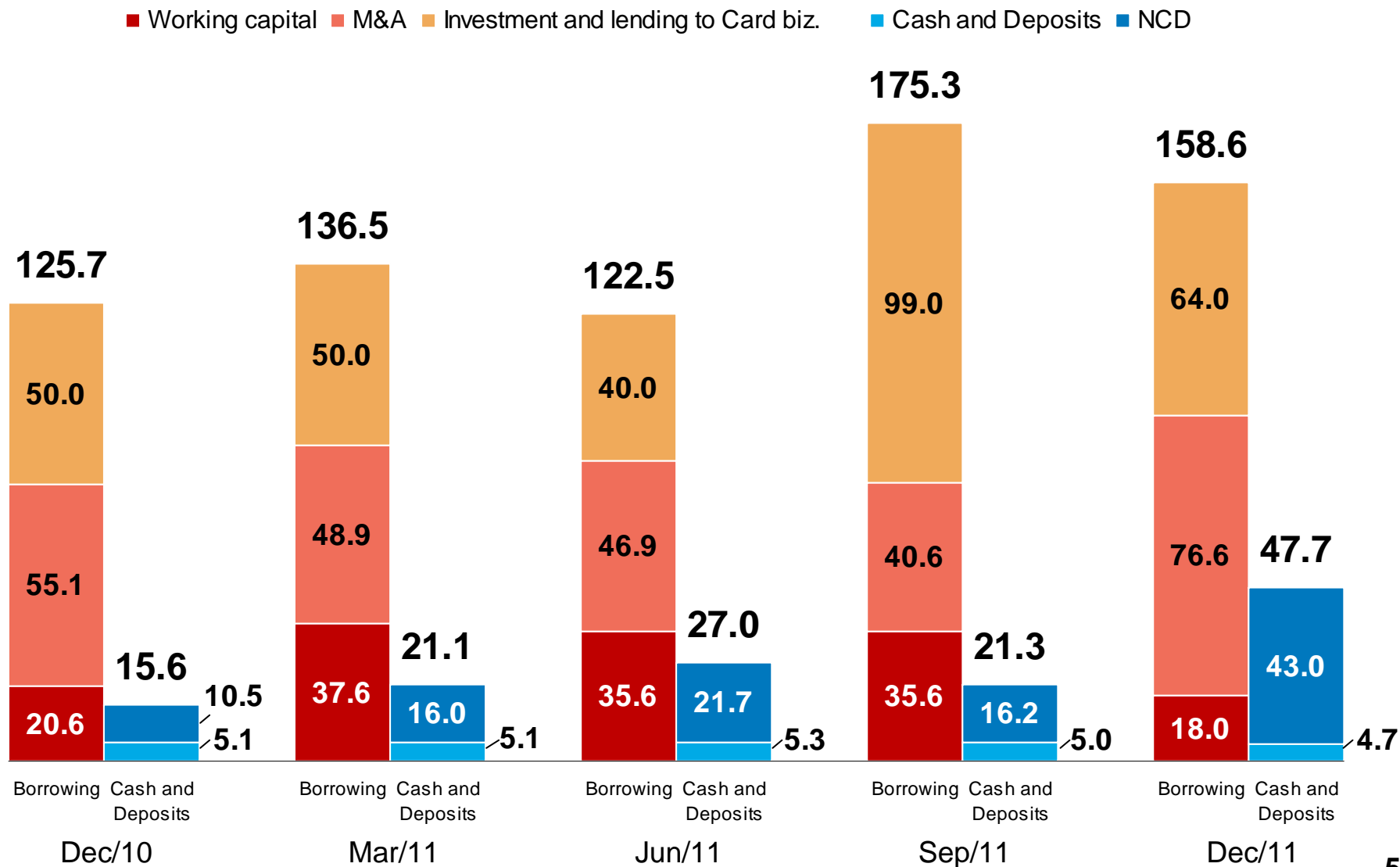
*1: Debt from outside financial institutions = Bonds + CP + short-term debt + long-term debt

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

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



(JPY bn)

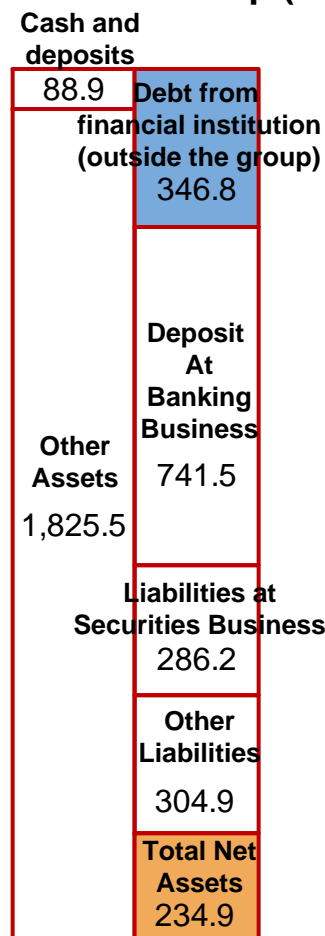


Rakuten Group : Balance Sheets (As of December 31, 2011)



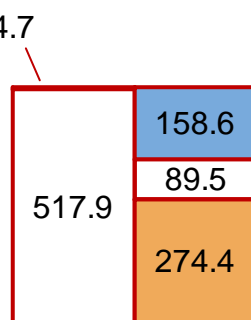
Rakuten Group (Consolidated)

(JPY bn)



Total Assets
1,914.5

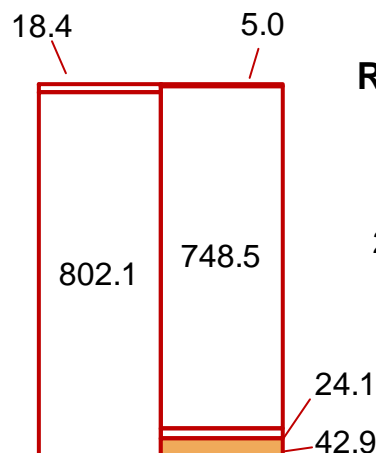
Rakuten, Inc. (Non-Consolidated)



Total Assets
522.6

Rakuten Bank (Consolidated)

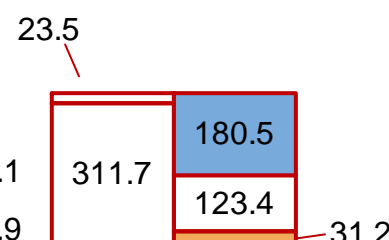
*JPY5.0bn of borrowing at Rakuten Bank is from Rakuten, Inc.



Total Assets
820.6

Rakuten Card Co., Ltd.

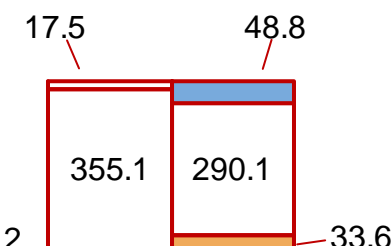
*JPY34.0bn of borrowing at Rakuten Card is from Rakuten, Inc.



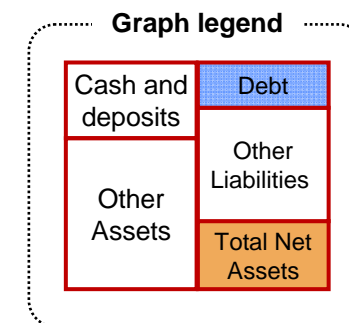
Total Assets
335.2

Rakuten Securities (Non-Consolidated)

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



Total Assets
372.6



*: 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-term borrowings

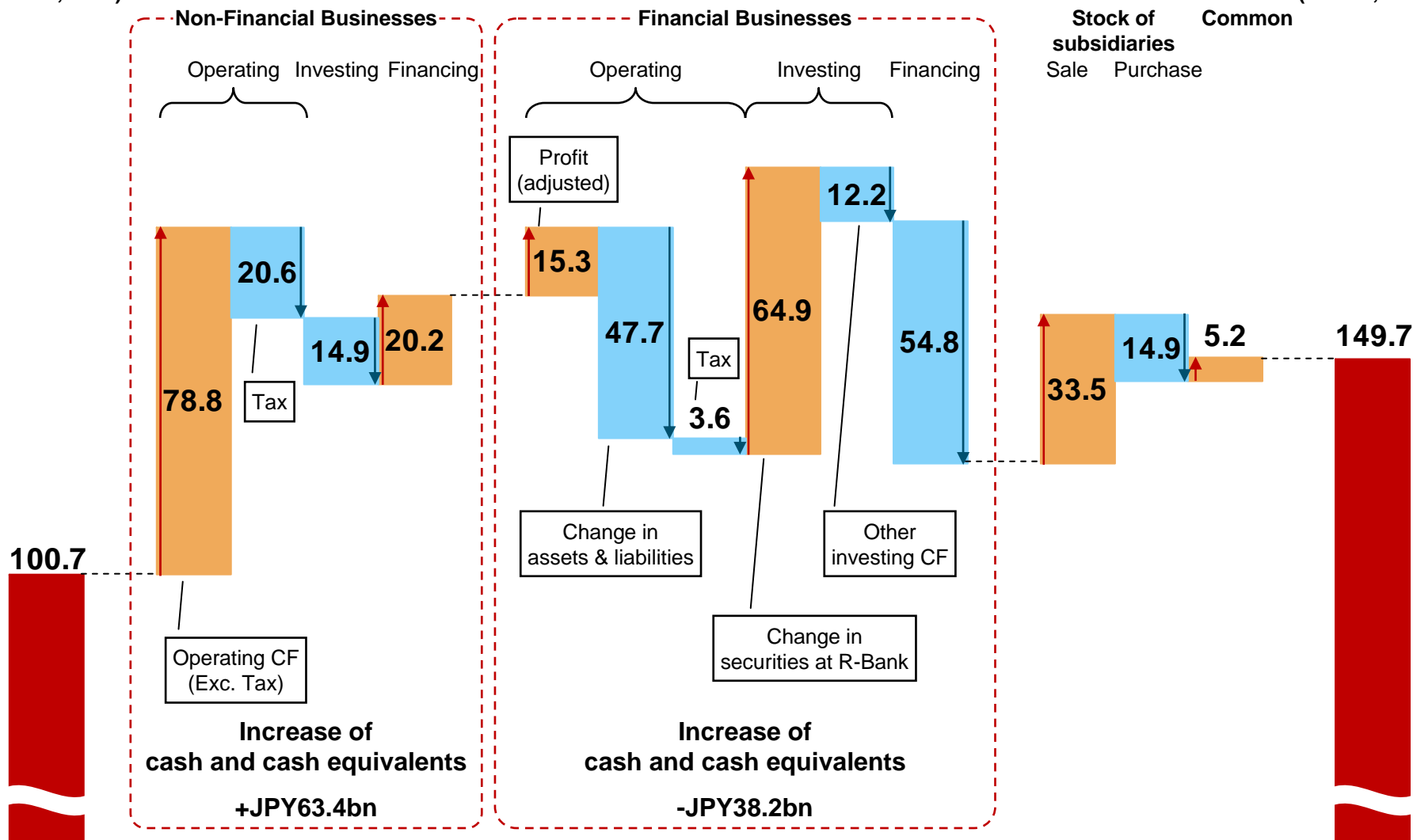
Cash Flow Breakdown : Jan - Dec 2011



(JPY bn)

Beginning
(Dec 31, 2010)

End
(Dec 31, 2011)



Breakdown of Cash Flow by Financial Businesses and Non-financial Businesses : FY2011 (1)



(JPY bn)

Overview of cash flow statements for FY2011	Consolidated	Financial	Non-Financial	Common
I Net cash provided by (used in) operating activities				
Income (loss) before income taxes and minority interests	(14.4)	(72.9)	58.5	-
Depreciation and amortization	16.9	6.8	10.0	-
Amortization of goodwill	7.8	3.2	4.6	-
Increase (decrease) in allowance for doubtful accounts	(0.7)	(1.0)	0.3	-
Loss (gain) on valuation of securities for banking business	2.2	2.2	-	-
Loss on business restructuring	77.1	77.1	-	-
Other loss (gain)	5.5	-	-	5.5
Decrease (increase) in notes and accounts receivable-trade	(4.2)	0.0	(4.3)	-
Decrease (increase) in accounts receivable-installment	13.5	13.5	-	-
Decrease (increase) in beneficial interests in securitized assets	(88.6)	(88.6)	-	-
Decrease (increase) in operating loans receivable	22.6	22.6	-	-
Increase (decrease) in notes and accounts payable-trade	21.2	20.3	0.8	-
Increase (decrease) in accounts payable-other and accrued expenses	21.7	16.6	5.1	-
Increase (decrease) in deposits for banking business	28.2	28.2	-	-
Decrease (increase) in call loans for banking business	(24.0)	(24.0)	-	-
Decrease (increase) in cash loans and bills discounted for banking business	(29.7)	(29.7)	-	-
Decrease (increase) in operating receivables for securities business	28.9	28.9	-	-
Increase (decrease) in operating payable for securities business	(21.5)	(21.5)	-	-
Increase (decrease) in loans payable secured by securities for securities business	(4.0)	(4.0)	-	-
Other, net	(8.3)	(12.0)	3.6	-
Subtotal	50.1	(34.1)	78.8	5.5
Payments for guarantee deposits for business operation	(0.3)	(0.3)	-	-
Proceeds from guarantee deposits for business operation	2.1	2.1	-	-
Income taxes paid	(23.1)	(2.4)	(20.6)	-
Other, net	(1.2)	(1.2)	-	-
Net cash provided by (used in) operating activities	27.5	(36.0)	58.1	5.5

*: 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 : FY2011 (2)

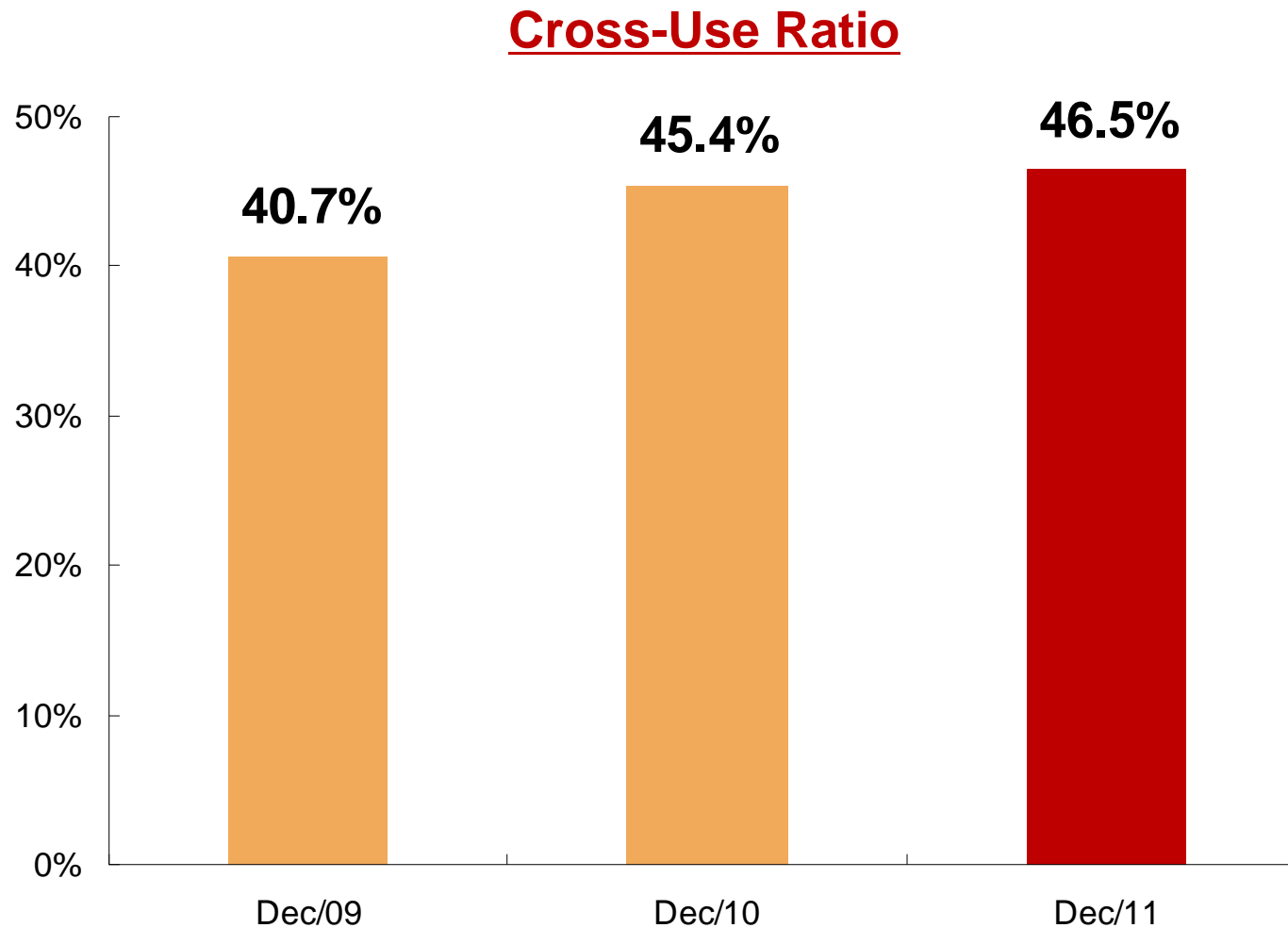


(JPY bn)

Overview of cash flow statements for FY2011	Consolidated	Financial	Non-Financial	Common
II Net cash provided by (used in) investing activities				
Payments into time deposits	(9.9)	(9.5)	(0.3)	-
Proceeds from withdrawal of time deposits	5.5	5.3	0.1	-
Acquisition of securities for banking business	(390.8)	(390.8)	-	-
Proceeds from sales and redemption of securities for banking business	455.8	455.8	-	-
Purchase of investments in subsidiaries	(7.4)	(1.5)	(5.9)	-
Purchase of subsidiaries stocks with change in consolidation	(7.4)	-	(7.4)	-
Proceeds from sales of subsidiaries stocks with change in consolidation	33.5	-	33.5	-
Purchase of property, plant and equipment	(3.8)	(0.5)	(3.2)	-
Purchase of intangible assets	(15.1)	(6.3)	(8.7)	-
Other payments	(6.4)	(2.9)	(3.5)	-
Other proceeds	2.2	1.8	0.3	-
Interest and dividends income received	0.4	-	0.4	-
Net cash provided by (used in) investing activities	56.3	51.1	5.1	-
III Net cash provided by (used in) financing activities				
Net increase (decrease) in short-term loans payable	(19.2)	(17.9)	(1.3)	-
Increase (decrease) in commercial papers	(30.2)	(30.2)	-	-
Proceeds from long-term loans payable	173.3	55.0	118.3	-
Repayment of long-term loans payable	(143.5)	(60.5)	(82.9)	-
Redemption of bonds	(4.8)	-	(4.8)	-
Interest expenses paid	(1.5)	-	(1.5)	-
Cash dividends paid	(2.6)	-	(2.6)	-
Other, net	(6.0)	(1.2)	(4.7)	-
Net cash provided by (used in) financing activities	(34.6)	(54.8)	20.2	-
IV Effect of exchange rate change on cash and cash equivalents	(1.1)	-	-	(1.1)
V Net increase (Decrease) in cash and cash equivalents	48.1	(39.7)	83.5	4.3
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 December 31, 2011)	149.7	-	-	-

*: 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	Q4/11
Internet Finance	Credit Card	246	246	246	246	829	825	677	841
	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	1,280
	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	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	2,164

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

Rakuten Group's CAPEX*1



(JPY bn)

		2010				2011			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Non Consolidated	Hardware ^{*2}	1.59	0.83	1.14	0.18	0.53	0.39	0.19	0.19
	Software	1.39	1.48	1.96	1.69	1.84	1.51	1.48	1.79
	Total	2.98	2.32	3.10	1.87	2.37	1.90	1.67	1.99
Consolidated	Hardware ^{*2}	2.81	1.26	1.71	1.44	1.63	1.09	0.74	1.13
	Software	3.47	3.10	4.12	3.97	4.44	3.23	3.88	3.86
	Total	6.29	4.37	5.83	5.42	6.07	4.32	4.62	5.00

*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 1,056mm during the nine months ended December 31, 2011.

■ Balance Sheets

As of Dec 31, 2011

(JPY bn)

CURRENT ASSETS	129.5	CURRENT LIABILITIES	119.5
Cash and deposits	4.7	Account payable-trade	3.7
Accounts receivable-trade	37.1	Short-term debts	27.3
Other current assets	88.0	Accounts payable	20.5
Allowance for doubtful accounts	-0.3	Income taxes payable	0.2
		Advance receipt	5.1
		Reserve for point program	15.0
		Other current liabilities	47.4
		LONG-TERM LIABILITIES	128.7
		TOTAL LIABILITIES	248.2
NONCURRENT ASSETS	393.1	SHAREHOLDERS' EQUITY	272.1
Property, plant and equipment	6.1	Capital stock	107.9
Intangible assets	14.6	Capital surplus	116.7
Investment and other assets	372.2	Retained earnings	51.0
(Allowance for doubtful accounts)	-0.7	Treasury stock	-3.6
(Allowance for investment loss)	-1.3	VALUATION AND TRANSLATION	1.1
		Unrealized gain on available-for-sale securities	1.0
		Deferred gains or losses on hedges	0.0
		Subscription rights to shares	1.1
		TOTAL NET ASSETS	274.4
TOTAL ASSETS	522.6	TOTAL LIABILITIES AND NET ASSETS	522.6

■ Income Statements

Three months ended Dec 31, 2011

(JPY bn)

Sales	41.5
Cost of Sales	7.9
Gross Profit	33.5
Sales, General and Administrative Expense	17.3
Personnel costs	6.7
Advertising and sales promotion	4.5
Depreciation	1.3
Communication and maintenance	1.1
Outsourcing	3.6
Others	0.0
Operating Profit	16.2
Non-Operating Profit	0.2
Non-Operating Expense	0.9
Ordinary Profit	15.4
Extraordinary income	0.3
Extraordinary loss	0.8
Net income before tax	15.0
Income taxes-current	0.1
Income taxes-deferred	6.5
Net Income	8.3

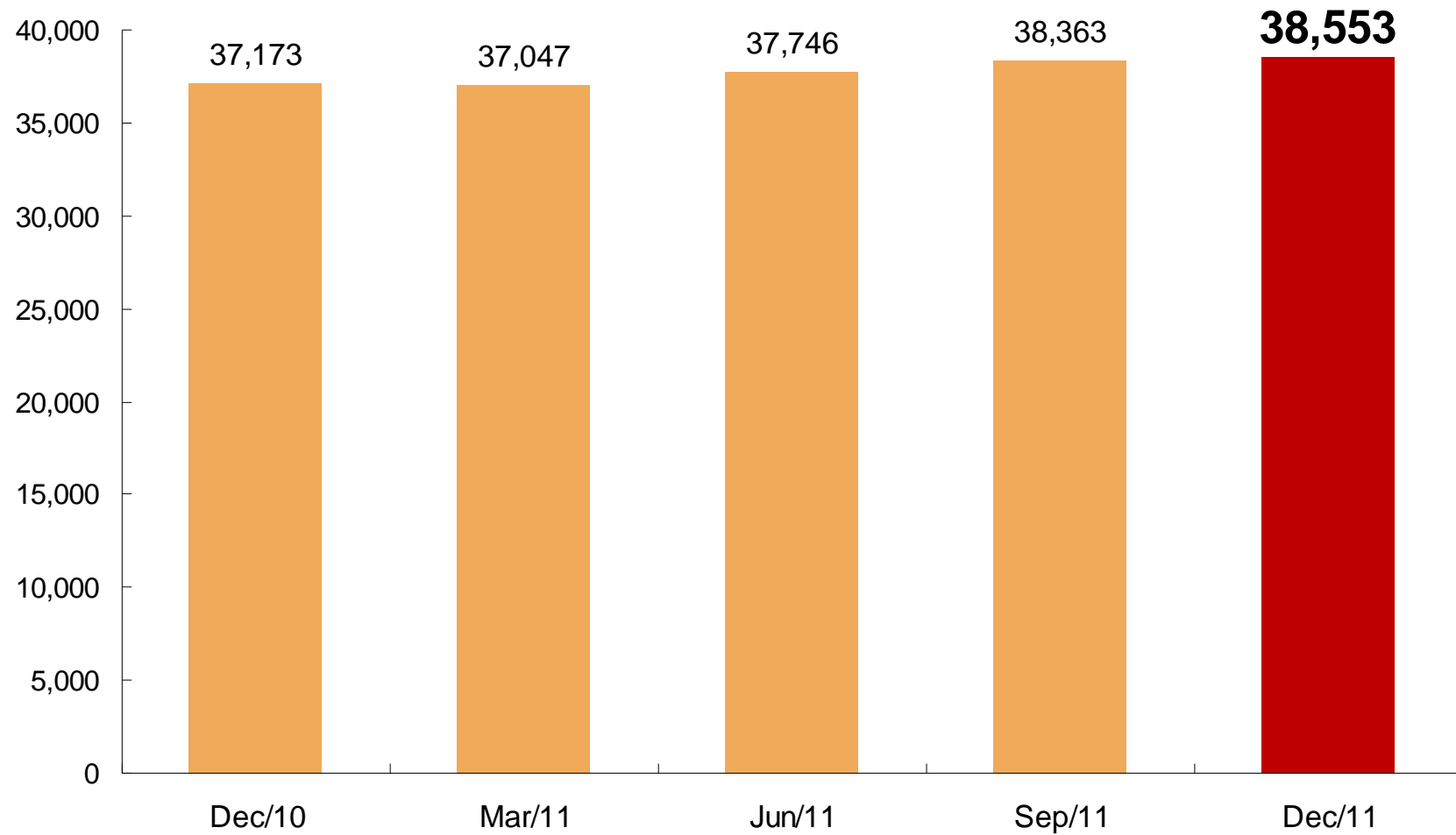
*: Amounts Less Than 0.1 Billion Omitted

Number of Merchants



■ Number of merchants: +3.7% 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 (1)	Rakuten Card (Rakuten Credit) Jul-Sep (2)	Q3/11 (1) + (2)	Q4/11
Revenues							
General services	9,834	0	9,834	3,569	6,401	9,970	10,455
Card shopping	9,816	0	9,816	3,562	6,390	9,952	10,438
Others	18	0	18	7	10	18	16
Financing	4,166	13	4,179	1,325	559	1,884	915
Card cash advances	2,738	0	2,738	878	511	1,390	848
Loan card	1,411	0	1,411	441	24	465	38
Others	15	13	29	5	23	28	29
Credit guarantee (Rakuten Credit)	0	1,421	1,421	0	1,511	1,511	1,636
Others	4,004	178	4,182	1,588	2,744	4,332	4,708
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)	17,716 (17,415)
Operating expenses							
Personnel costs	1,420	158	1,579	566	789	1,356	1,264
General expenses	9,845	332	10,177	3,612	6,779	10,391	11,071
Interest expenses	1,795	5	1,801	551	983	1,535	1,160
Costs related to doubtful accounts	3,328	686	4,015	951	1,664	2,615	1,637
Interest repayment expenses	4,264	0	4,264	0	0	0	0
Total operating expenses	20,653	1,183	21,836	5,681	10,217	15,898	15,134
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)	2,582 (1,731)

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

(JPY mm)

			Q2/11			Q3/11	Q4/11
[Pro forma] Revenues of Rakuten Card biz.			12,771			13,799	15,034

Credit Card Business: Transaction Volume*

■ Composition of Transaction Volume

(JPY mm)

	Q4/10	Q1/11	Q2/11	Q3/11	Q4/11
General services	304,331	299,778	332,863	354,446	386,800
Card shopping	303,708	299,120	332,290	353,767	386,132
Others	623	657	573	678	668
Financing	9,463	9,442	10,190	9,999	10,228
Card cash advances	8,484	8,536	9,354	9,460	9,877
Loan card	979	905	835	539	350
Others	4,074	4,097	4,093	4,279	4,475
Total transaction volume	317,869	313,318	347,148	368,725	401,505

*: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)
Since Q4/11, results of Rakuten Card., Ltd are shown.

Credit Card Business: Balance of Loan Receivables



(JPY mm)

	10/4Q	11/1Q	11/2Q	11/3Q	11/4Q
General services	201,897	197,753	223,167	219,393	257,982
Card shopping	201,259	197,190	222,691	219,140	257,727
Card shopping (Securitized)	137,361	141,364	150,781	172,585	188,833
(Securitized, off-balance)	101,039	105,049	114,683	172,585	188,833
(Securitized, on-balance)	36,321	36,314	36,098	0	0
incl. Revolving balance (principal)	97,985	105,533	112,792	110,836	120,064
Others	638	563	475	253	255
Financing	159,837	150,733	141,460	65,836	64,233
Card cash advances	65,428	60,961	56,632	17,978	18,455
Loan card	43,517	39,035	34,880	1,364	1,446
(Securitized, off-balance)	9,035	100	100	0	0
(Securitized, on-balance)	17,930	16,024	14,406	0	0
Others	50,890	50,736	49,946	46,494	44,331
Installment	802	708	659	601	476
Others	31,266	30,013	28,510	27,426	26,089
Credit guarantee	30,215	29,245	27,946	27,007	25,783
(Off-balance guarantees)	27,749	26,855	25,636	24,775	23,630
Others (Off-balance)	1,051	767	564	418	306
Total balance (incl. off-balance)	393,804	379,209	393,798	313,258	348,782
(Total on-balance)	254,928	246,436	252,815	115,479	136,012
Credit guarantee for Rakuten Bank	115,685	123,630	129,684	139,240	145,350
(Off-balance guarantees)	108,054	116,132	122,201	131,837	137,993
(On-balance loan receivables)	7,630	7,497	7,482	7,402	7,356

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

Credit Card Business: Allowance for Doubtful Accounts



■ Balance of Uncollected Loan Receivables and Allowances

(JPY mm)

	Q3/11	Q4/11	% of total
Rakuten Card	236,456	277,638	86.64%
Normal	231,048	271,883	84.84%
Doubtful (4months-and-over-delinquent)	5,407	5,754	1.80%
Others (incl. re-contract)	47,223	42,814	13.36%
Normal	33,416	30,108	9.40%
Doubtful (4months-and-over-delinquent)	13,806	12,706	3.97%
Sub-total balance of loan receivables	283,679	320,453	98.54%
Normal	264,465	301,991	94.24%
Doubtful (4months-and-over-delinquent)	19,214	18,461	5.76%
% of doubtful accounts	6.77%	5.76%	-
Secured	4,799	4,762	1.46%
Total balance of loan receivables	288,478	325,215	100.00%
Allowance for doubtful accounts	22,377	21,408	
Allowance ratio	7.8%	6.6%	
Write-off for bad debt	2,479	2,142	

- Other loan receivables (including re-contract) decreased
- 4 months and over delinquent loan ratio also declined
- As a result of improvement of quality of loans and lower allowance ratio, a JPY 1,066 mm reversal of allowance for bad debt was recorded in Q4

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

(JPY mm)

	Q3/11	Q4/11
Loan receivables	7,402	7,356
Credit guarantee	131,837	137,993
Allowance	3,087	3,243
Write-off for bad debt	652	648

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

Rakuten Bank, Ltd. and Its Subsidiaries PL Rakuten

(JPY mm)

		Q4/10	Q1/11	Q2/11	Q3/11	Q4/11
	Settlement	1,465	1,111	1,461	1,586	1,503
	Card	243	296	322	318	330
	Financial products	487	535	537	542	472
	Others	375	444	372	338	331
	1. Income (loss) from commission	2,572	2,387	2,694	2,785	2,637
	2. Income (loss) from investment	1,289	1,613	1,521	1,358	1,491
	3. Operating expenses	3,165	2,902	3,091	3,233	3,269
	Basic profit (exc. loan)	696	1,098	1,124	910	859
	Basic profit (loan)	410	486	546	695	902
	Total basic profit (A)*¹	1,107	1,585	1,670	1,606	1,762
	Non-basic profit (B)*²	-360	-877	312	-286	52
	Ordinary profit (A+B)*³	746	707	1,983	1,320	1,815

*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)

Rakuten Bank, Ltd. Assets and Deposits



(JPY bn)

	Dec 31 2010 Market Value	Dec 31 2011 Market Value	Changes in Market Value from Dec 31 2010 to Dec 31 2011	Allowances (as of Dec 31 2011)	Unrealized gains and losses (Rakuten consolidated)
JGB, Local Government Bonds, Corporate Bonds	323.3	288.4	-34.8	0.0	0.0
JGB(Japanese Government Bonds)	154.6	141.0	-13.6	-	1.4
Others ^{*1}	168.6	147.4	-21.2	0.0	-1.4
Loan Receivables	125.8	155.6	29.7	1.0	-
Stocks	0.5	0.9	0.4	-	0.0
ABS (securitized loan receivables)	211.3	236.9	25.6	0.0	0.8
Funds	7.6	4.8	-2.7	-	0.1
Hedge Funds (FOF)	4.1	2.4	-1.6	-	-0.1
Others	3.5	2.4	-1.1	-	0.2
ABS (Real estate products)	16.7	5.0	-11.6	-	0.2
Private Funds ^{*2}	6.6	0.9	-5.7	-	-
CMBS (with market value)	10.1	4.1	-5.9	-	0.2
CDO	3.4	2.9	-0.5	-	-0.0
Total	688.9	695.0	6.1	1.0	1.2

*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)

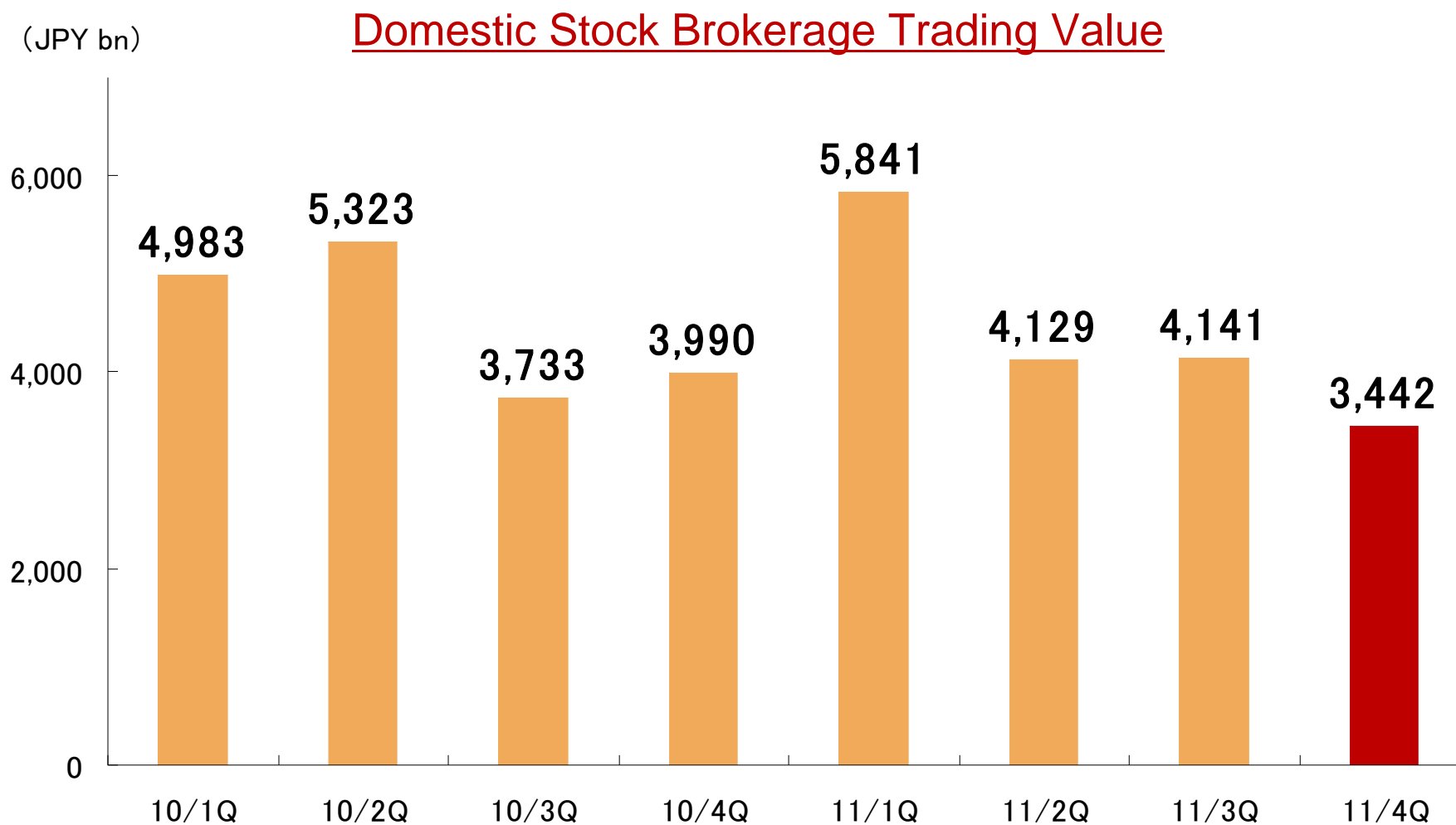
	Dec 31 2010	Dec 31 2011	Changes
Deposit Balance	721.2	749.0	27.7
Ordinary Deposits	327.0	393.5	66.4
Time Deposits	323.4	283.8	-39.5
Other Deposits [*]	70.7	71.5	0.7

*: Other deposits include deposits in foreign currencies and others

Rakuten Securities Quarterly Change in Stock Brokerage Trading Value



■ Trading value at historical low due to weak domestic stock markets



(Million persons)

	10/Dec	11/Sep	11/Dec	YoY
Rakuten Members	68.98	73.60	75.18	+9.0%
Rakuten Bank	3.65	3.84	3.91	+6.9%
Rakuten Securities (General Account)	1.04	1.18	1.23	+17.5%

*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: Dec 2010: 42.51m, Sep 2011: 46.99m, Dec 2011: 48.57m. Definition changed from 2011. Sep 2010 has been retroactively adjusted.

