



Fiscal Year 2012 First Quarter Financial Results

May 10, 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.

New Accounting Policy Regarding Loyalty Points

The Rakuten Group changed an accounting policy regarding loyalty points and made a retrospective application of such change to the financial statements of previous fiscal years. A summary of the impact on profits in FY2011 is shown in the Appendix.

1 FY2012 First Quarter Results

2 Progress in Globalization

3 Internet Services

4 Internet Finance

5 Others

Appendix

- **Domestic dominance strengthening through Rakuten ecosystem**
- **Globalization strategy on track, with thorough KPI management**
- **Kobo users increasing worldwide**

1 **FY2012 First Quarter Results**

Summary of Q1/12 Consolidated Results



(JPY bn)

| | Q1/11 (Jan-Mar) | Q1/12 (Jan-Mar) | Margin | YoY |
|--|--------------------|--------------------|--------|--------|
| Sales (excluding discontinued business ^{*1}) | 82.0 | 98.7 | 100.0% | +20.3% |
| Sales (Accounting) | 86.9 | | | +13.6% |
| Operating Profit ^{*3} (Accounting) | 15.0 | 17.1 | 17.4% | +13.9% |
| Ordinary Profit ^{*3} (Accounting) | 14.8 | 17.0 | 17.2% | +14.3% |
| EBITDA ^{*2, 3} | 21.2 | 24.0 | 24.4% | +13.2% |

*1: Q1/11 results exclude JPY 4.8bn sales of the sold KC Card business

*2: EBITDA = Ordinary Profit + Interest expense + Depreciation + Amortization of goodwill

*3: Profits are after retrospective application of the change in accounting policy regarding loyalty points

Summary of Q1/12 Consolidated Results (by Business Category)



(JPY bn)

| | | Sales | YoY | Operating Profit ^{*4} | OP Margin | YoY | EBITDA ^{*1,4} | EBITDA Margin | YoY |
|-------------------|--------------------|-------|----------------------------------|--------------------------------|-----------|--------|------------------------|---------------|--------|
| Internet Services | Net ^{*2} | 57.4 | +35.7% | 15.9 | 27.7% | +17.7% | 18.2 | 31.7% | +18.1% |
| | Gross (Accounting) | 62.9 | +30.0% | | 25.3% | | | 29.0% | |
| Internet Finance | | 34.8 | -3.3% (+11.9%) ^{*3} | 3.7 | 10.7% | -1.1% | 5.5 | 15.9% | -1.9% |
| Others | | 7.1 | -3.2% | -0.4 | - | -21.5% | 0.0 | 1.3% | +2.4% |
| Adjustments | | -6.2 | - | -2.0 | - | - | 0.2 | - | - |
| Consolidated | | 98.7 | +13.6% (+20.3%) ^{*3} | 17.1 | 17.4% | +13.9% | 24.0 | 24.4% | +13.2% |

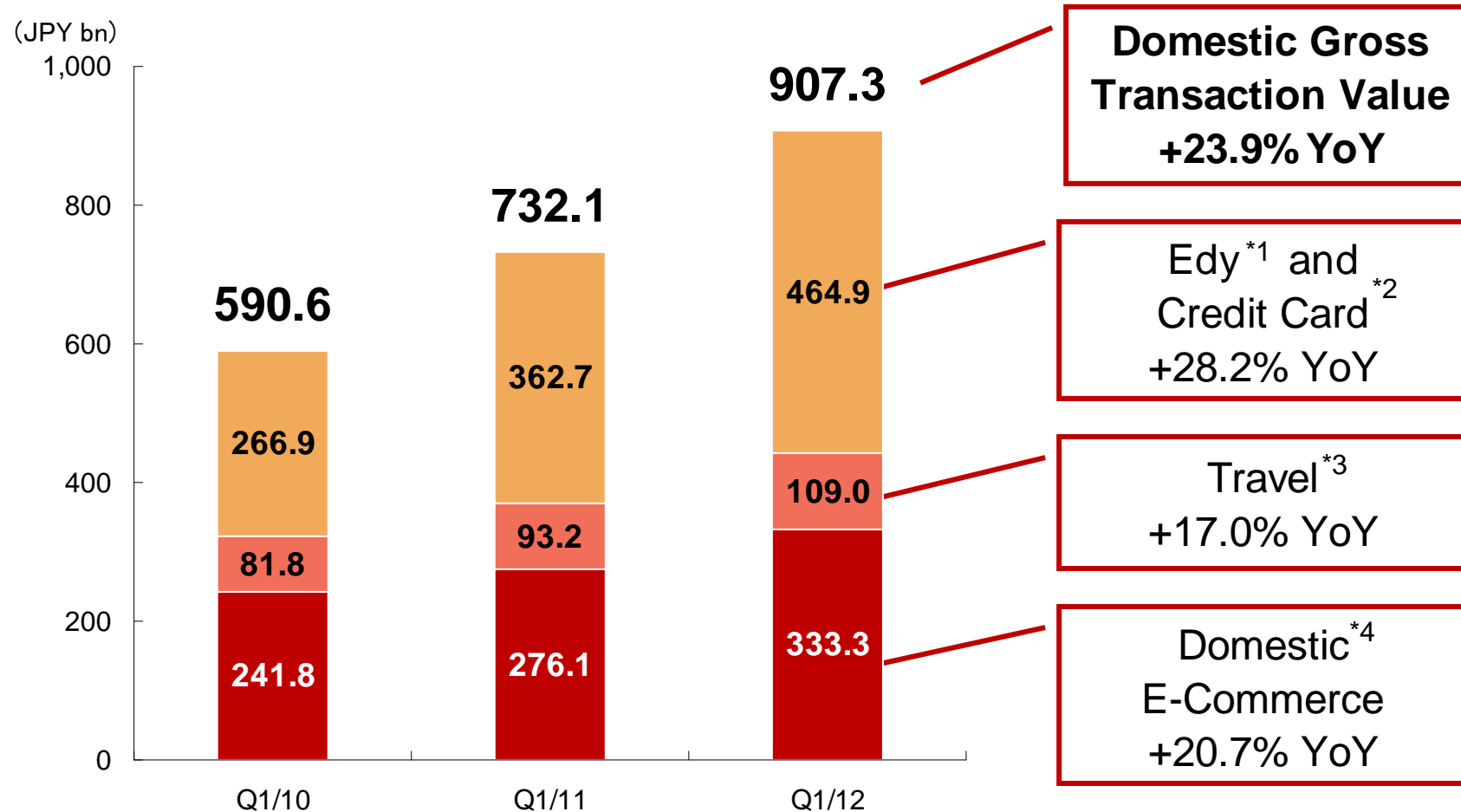
*1: EBITDA = Ordinary Profit + Interest expense + Depreciation + Amortization of goodwill

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

*3: Adjusted Internet Finance and consolidated sales growth excludes JPY 4.8bn sales of the sold KC Card business.

*4: Profits are after retrospective application of the change in accounting policy regarding loyalty points.

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, bus services, rent-a-car and pet hotel (retroactively added) 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 and Dining (Q1/10~ retroactively added)

2 Progress in Globalization

Globalization Strategy on Track

**E-Commerce
in US and
Europe**



- Transformation of acquired companies into Rakuten Ichiba model progressing

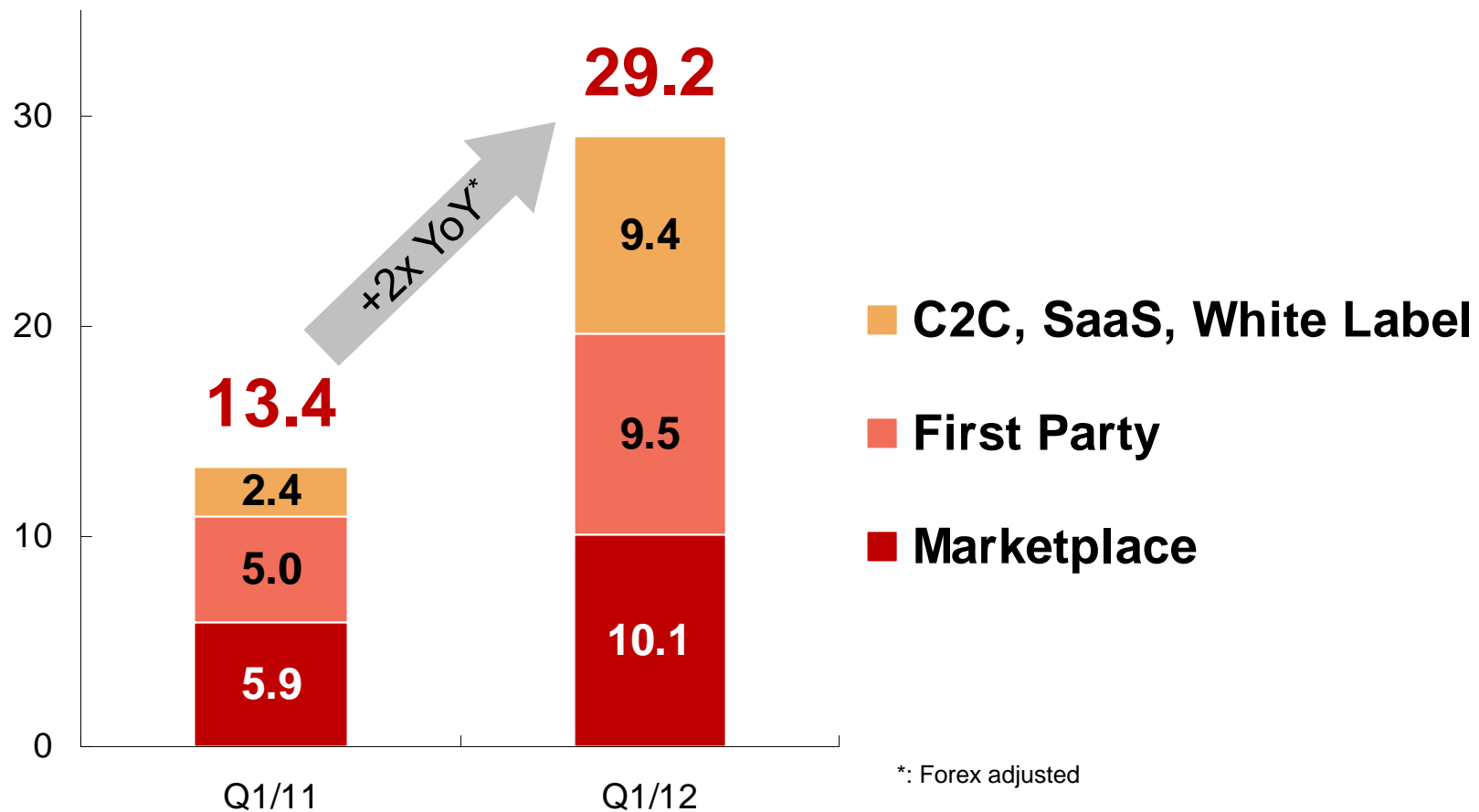
**E-Commerce
in emerging
countries**



- Achieving rapid growth in Brazil, Indonesia and other countries
- Closed China service in April after review of the market and performance, but seek future opportunity

- Global E-commerce GMS up 2x YoY
- Organic growth of marketplace and acquisition of Play.com and Rakuten Brasil contributed

(JPY bn)



**Global E-Commerce
Marketplace GMS* Q1/12**
+71.8% YoY

*: Global Marketplace: Excludes Buy.com First Party and White Label sales, PriceMinister C2C sales, Play.com First Party sales, and Rakuten Brasil SaaS sales

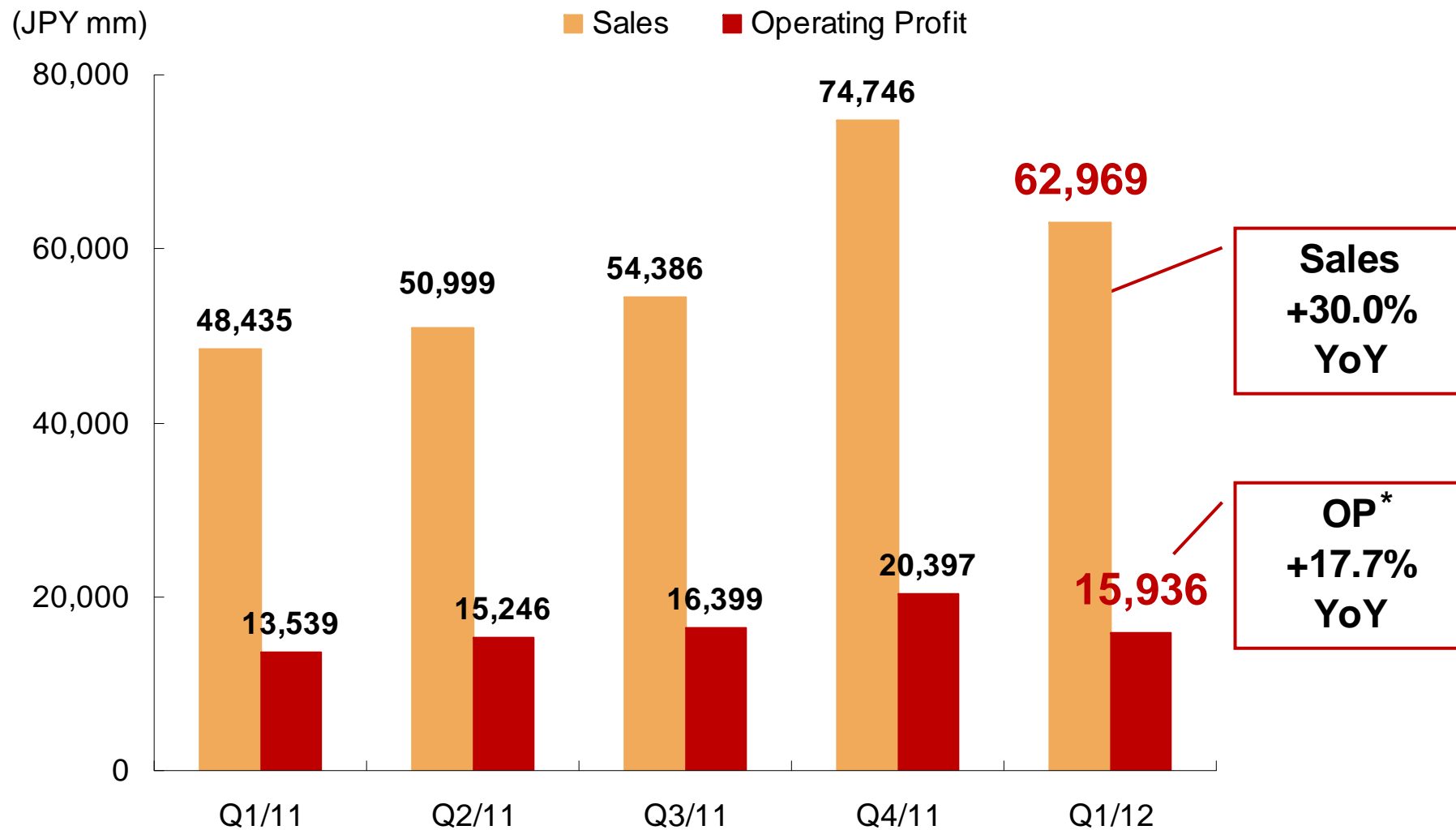
- **Very strong content revenue globally**
- **High double digit YoY revenue growth in Q1/12**
- **Rapid expansion globally**
 - **New entry into the Netherlands in Q1/12**
 - **Kobo has in-store retail partners in 10 countries and country-specific online stores in 13 countries including partnership**
- **Preparation of entry into Japan and other countries**
 - **Plan entries into over 10 countries within this year**

3 Internet Services

Internet Services Quarterly Results



■ Sales: +30.0% YoY, Operating Profit: +17.7%

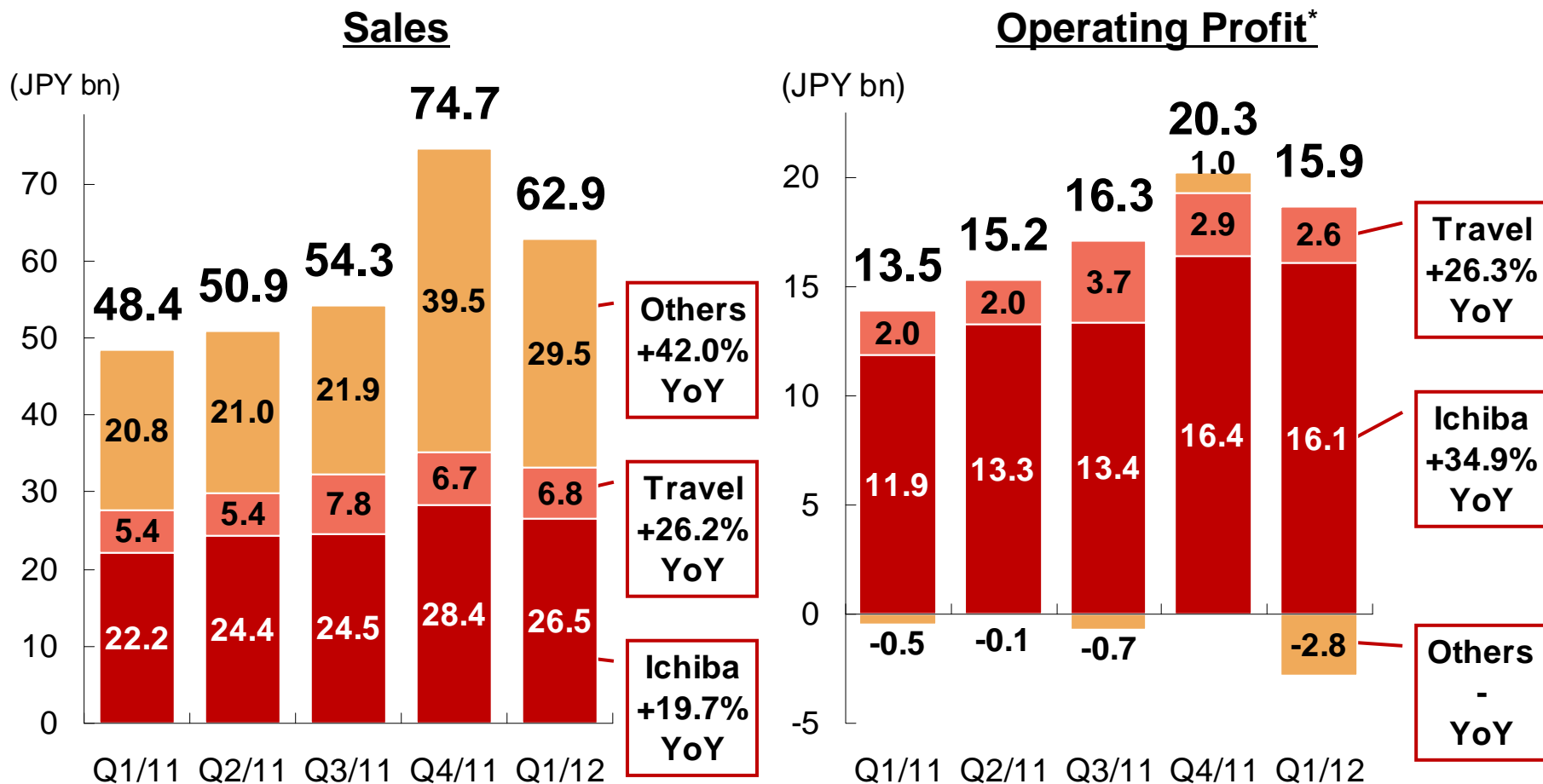


*: Profits are after retrospective application of the change in accounting policy regarding loyalty points

Internet Services Breakdown



- Play.com consolidated from Q4/11 and started changing business model since Q1/12
- Kobo consolidated from Q1/12, making rapid global expansion and massive technology developments



*: Profits are after retrospective application of the change in accounting policy regarding loyalty points

Rakuten Ichiba



- GMS (Ichiba & Books): +19.8% YoY
- GMS via mobile phones and tablets is accelerating
- Rakuten Super Sale: JPY13 B of GMS in 24 hours
- Strengthening Fashion page

Rakuten Travel



- Kept high GTV growth rate: +17.0% YoY
- Established overseas subsidiary in Singapore
 - Branch offices in Indonesia and San Francisco

Others (Japan)



- Logistics services expanding for various items

Others (Overseas)

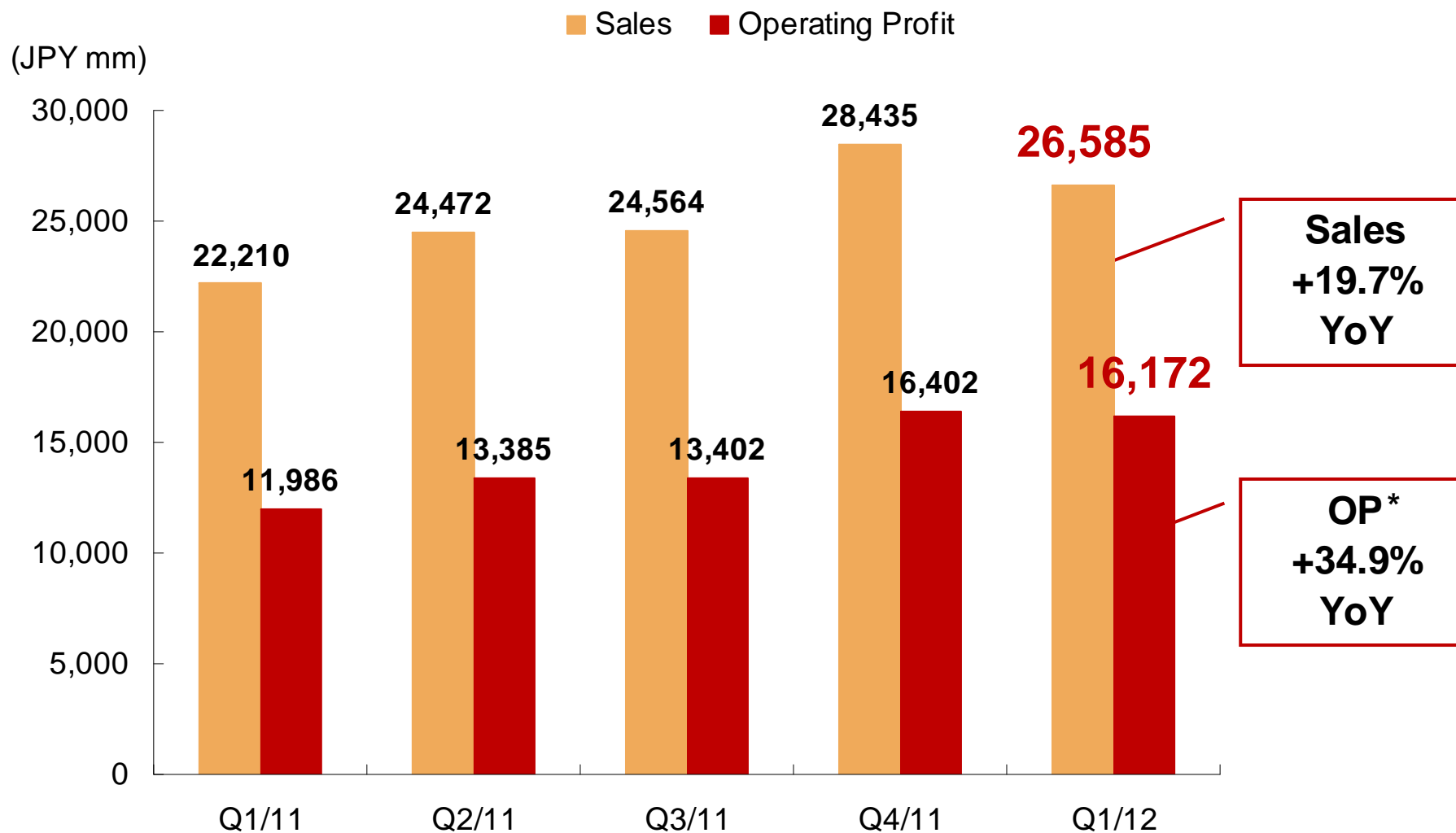


- Overseas marketplace GMS: +71.8% YoY
- Transforming local businesses into Rakuten Ichiba model
- Kobo expanding in Europe

Rakuten Ichiba Quarterly Results



■ OP growth accelerated to +34.9% YoY, OP margin reached 60.8%

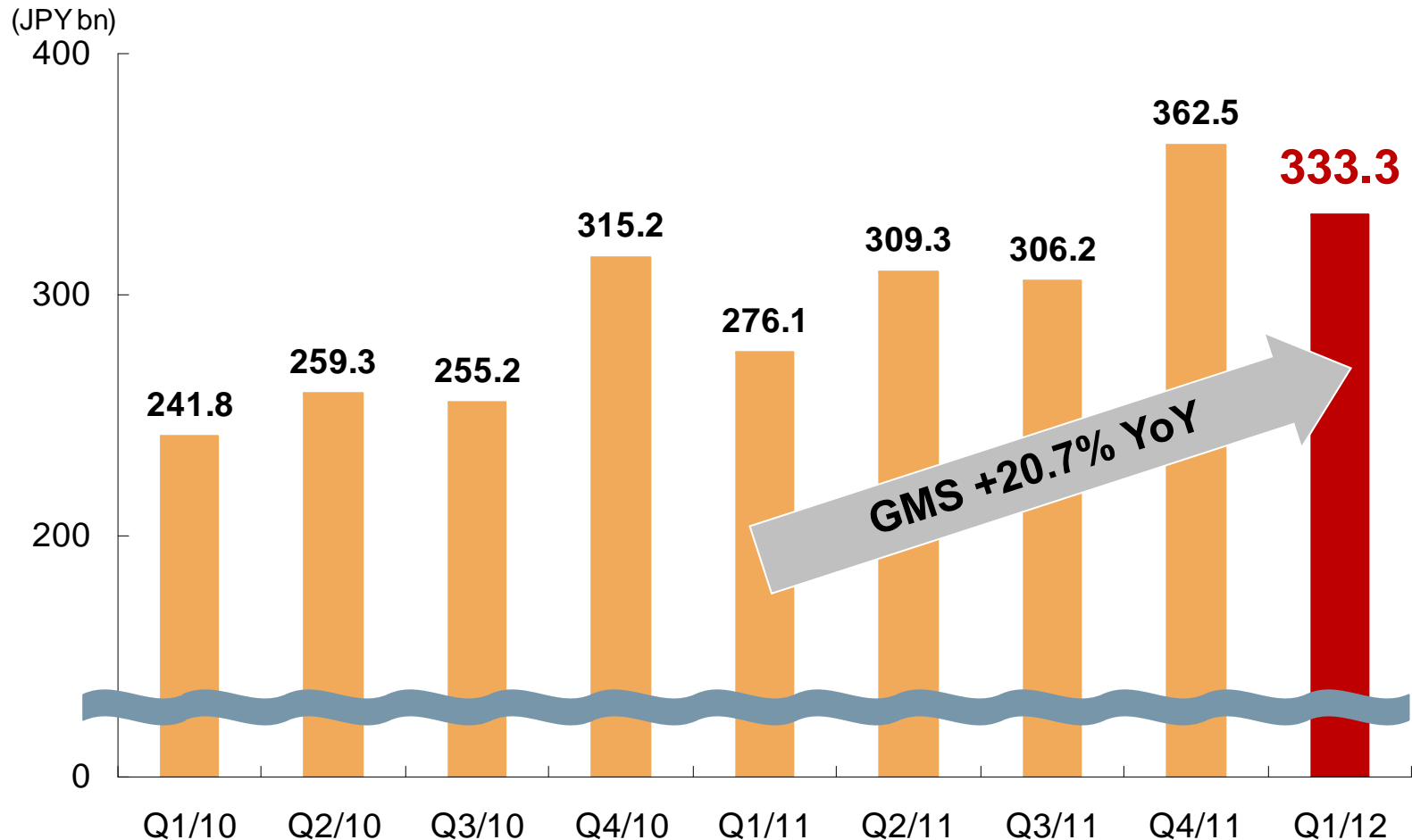


*: Profits are after retrospective application of the change in accounting policy regarding loyalty points

Domestic E-Commerce GMS



- Domestic E-Commerce GMS: +20.7% YoY
- GMS growth of Rakuten Ichiba and Books: +19.8% YoY

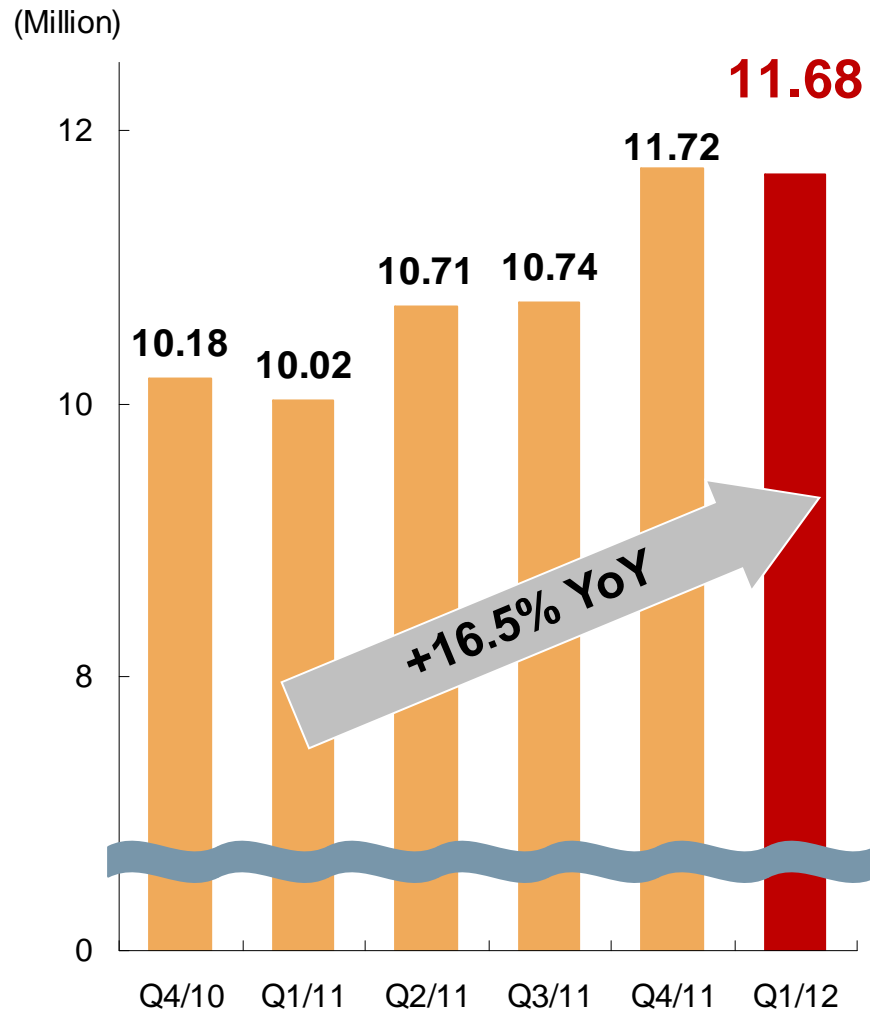


*: Domestic E-Commerce = Mall (Fixed-price, Group purchase), Mobile, Business, Golf, Books, Auction (Flea market), download, tickets, Internet Supermarket, Check Out, Off-track betting, toto, ShowTime, Media rental and Dining (Q1/10~ retroactively added)

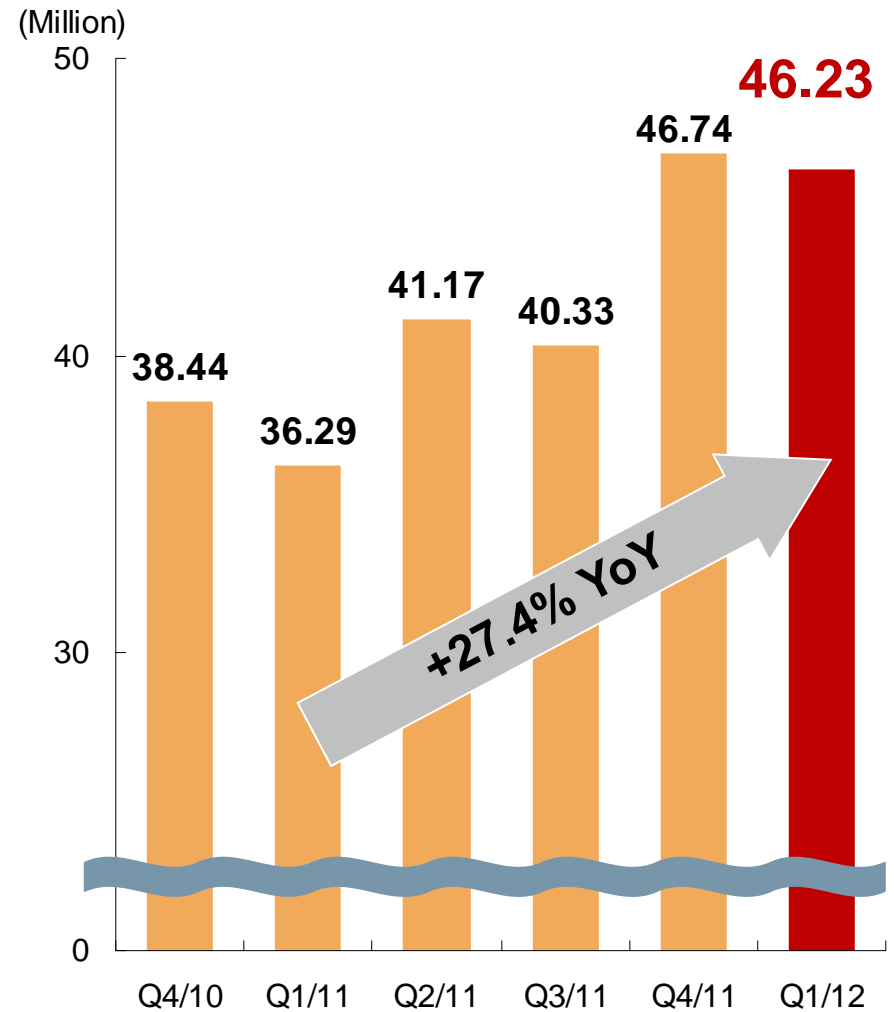
Rakuten Ichiba Unique Buyers* and Transactions



Unique buyers*



Number of transactions

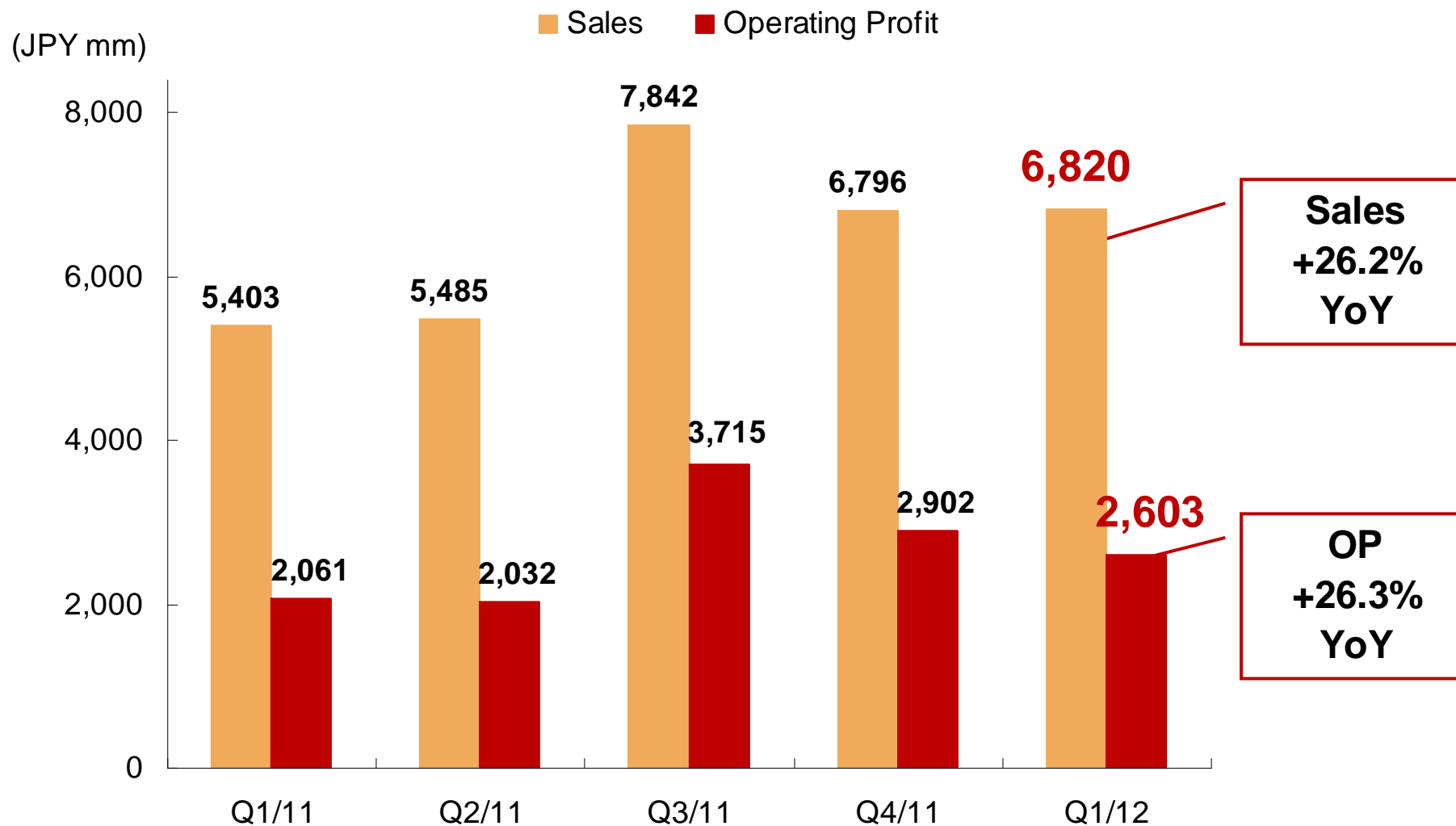


*Unique Buyers: Number of buyers sorted by e-mail address with purchasing records during the listed 3 month period.

Rakuten Travel, Inc Quarterly Results*



■ Both sales and OP grew 26% YoY from Q1/11 which was affected by the quake

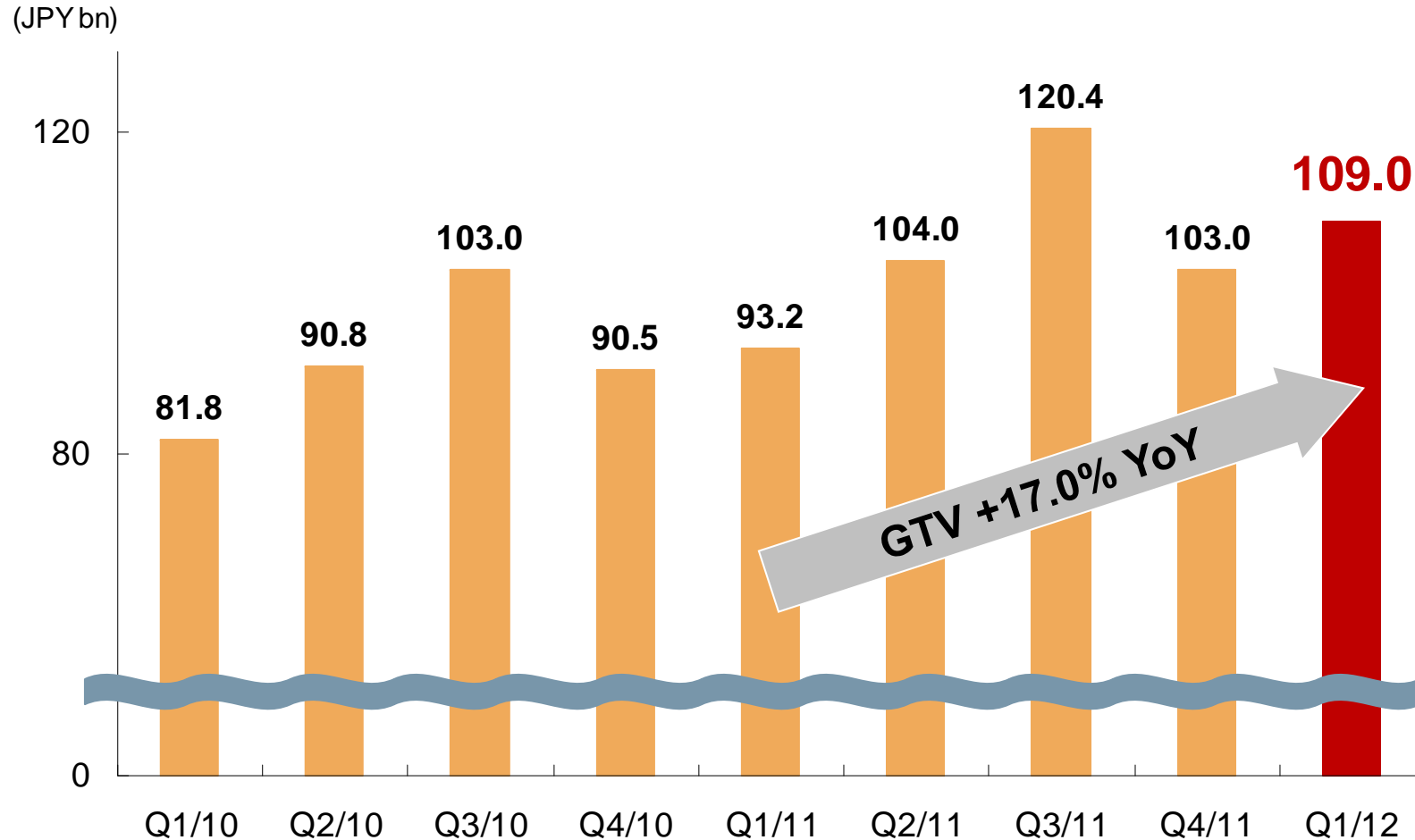


*: Financial results of Rakuten Travel, Inc, excluding bus services and overseas branches

Travel Business Gross Booking Transaction Value



■ Gross bookings (before cancellation)*: +17.0% YoY



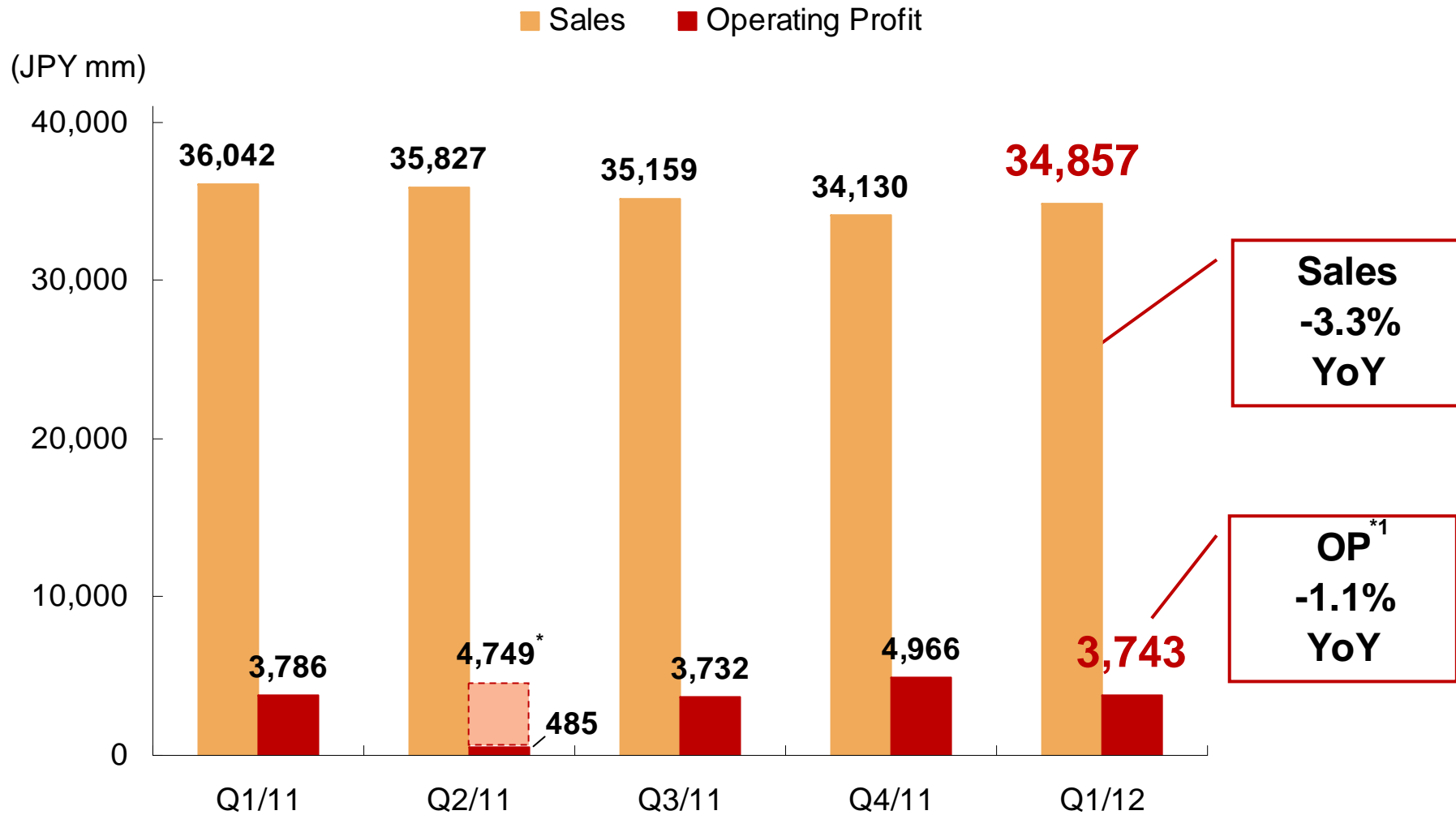
*: Travel GTV = Booking base (before cancellation, excl. tax) transactions of Domestic / International accommodation booking, International air tickets, Domestic / International DP, Bus, Rent-a-car and pet hotel (retroactively added) services

4 Internet Finance

Internet Finance Quarterly Results



■ OP stable after completion of credit card business reorganization



*1: Operating profit is after retrospective application of the change in accounting policy regarding loyalty points

*2: Q2/11 adjusted operating profit excludes one-off operating expense at Rakuten KC of JPY 4,264 mm

Rakuten Card



- Revenues of Rakuten Card: +34.7% YoY
- Shopping Revolving Balance: +37.8% YoY
- Special promotion "Rakuten Card Jack Week"
 - Achieved over 80,000 new credit card applications

Rakuten Bank



- Ordinary Profit: +65.9% YoY
- Number of accounts surpassed 4 million in April

Rakuten Securities



- First Internet brokerage to start ASEAN equities brokerage service
- Enhanced Financial Instruments Intermediary Service
~ support for midsize brokerages to convert into IFA

bitWallet (E-Money)



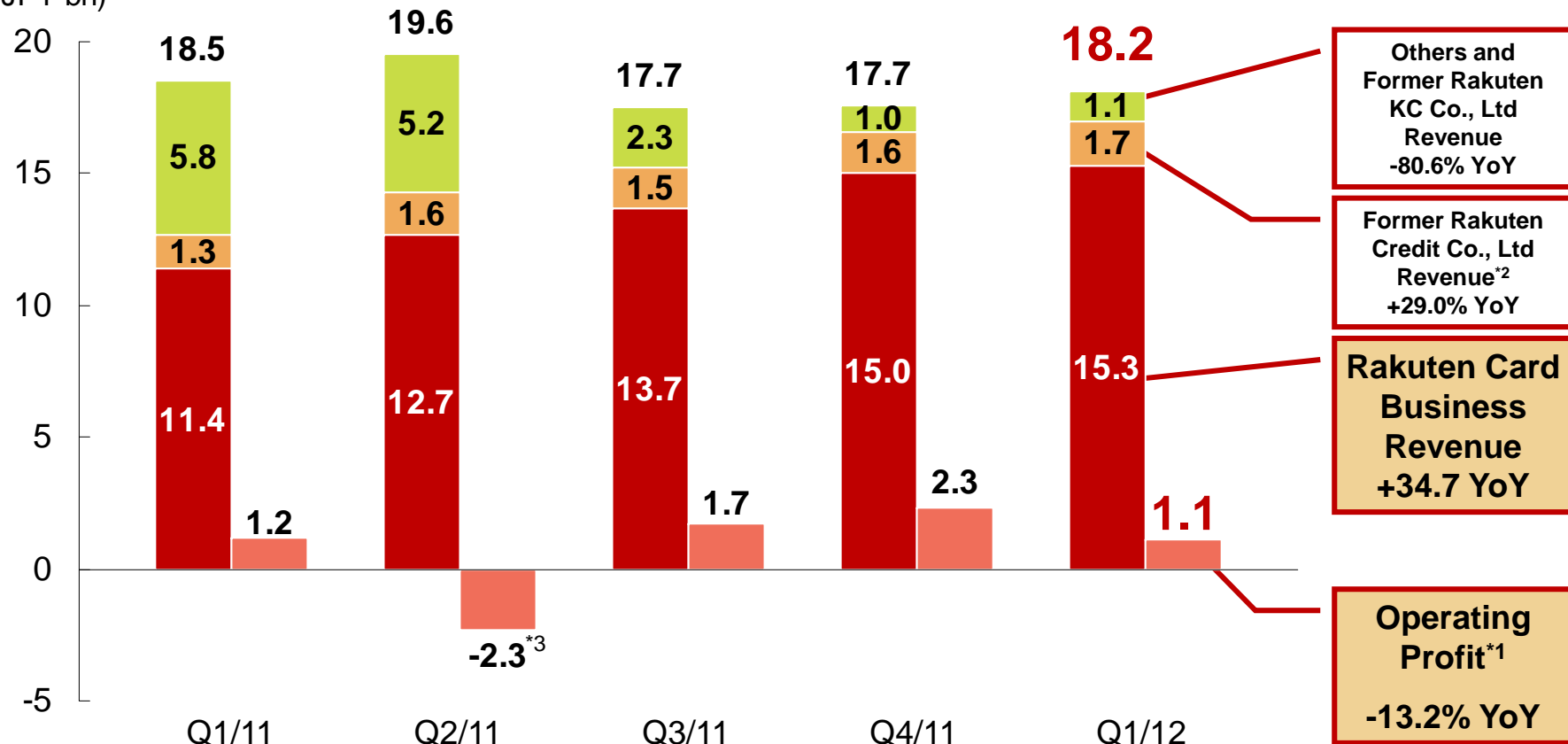
- Achieved first-ever quarterly profit

Credit Card Business Revenue and OP*1



- Accelerating acquisition of new cardholders for mid-to-long term growth
- Ongoing reduction of fixed costs transferred from the former Rakuten KC

(JPY bn)



*1: Profits are after retrospective application of the change in accounting policy regarding loyalty points. Up to Q3/11: Former Rakuten KC Co., Ltd plus former Rakuten Credit Co., Ltd. Since Q4/11: Rakuten Card Co., Ltd

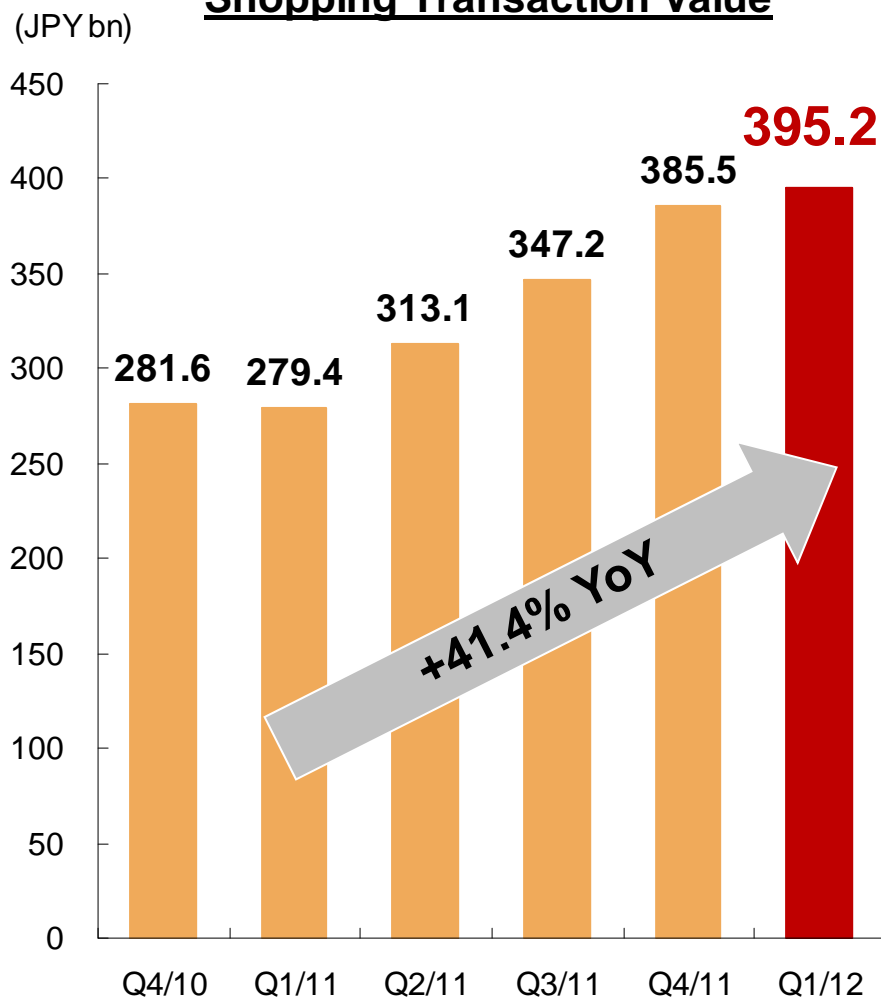
*2: Since Q3/11, only guarantee charge for Rakuten Bank Super Loans

*3 Operating income is JPY1.8bn in Q2/11 after adjusting for a JPY 4,264mm temporary expense due to a JPY 1,800mm provision for loss on interest repayments

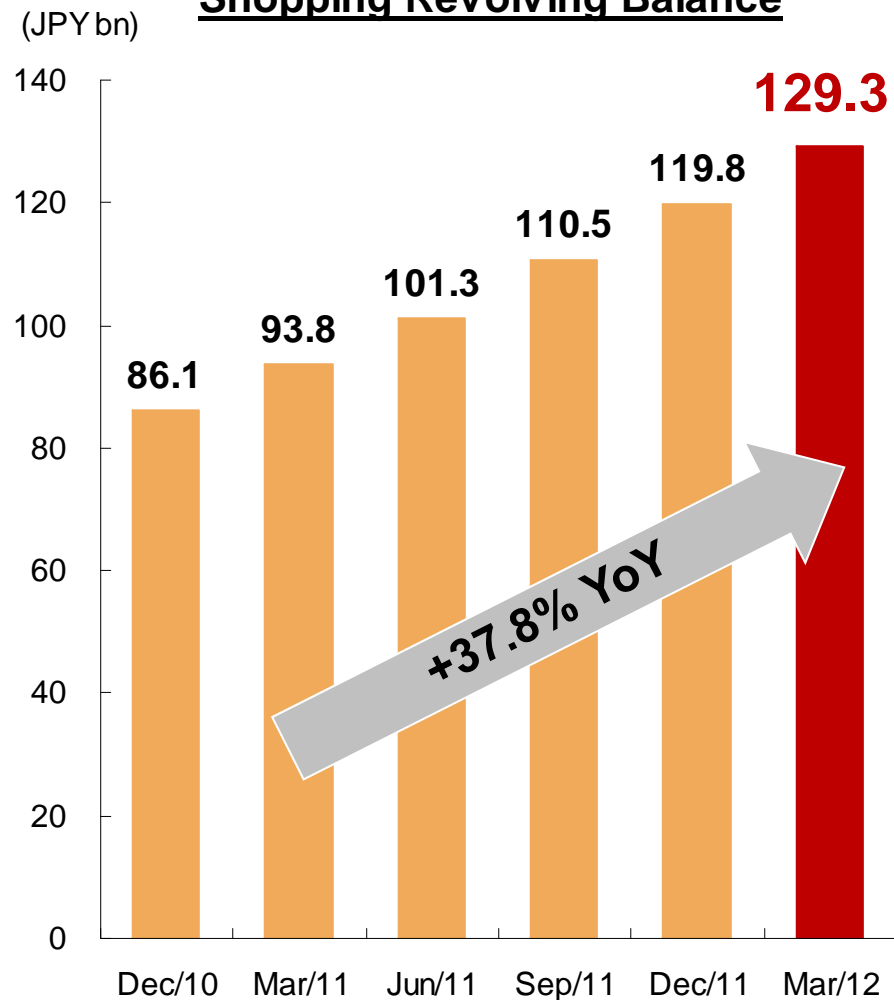
Rakuten Card Shopping Transaction Value and Shopping Revolving Balance*



**Rakuten Card
Shopping Transaction Value**



**Rakuten Card
Shopping Revolving Balance**

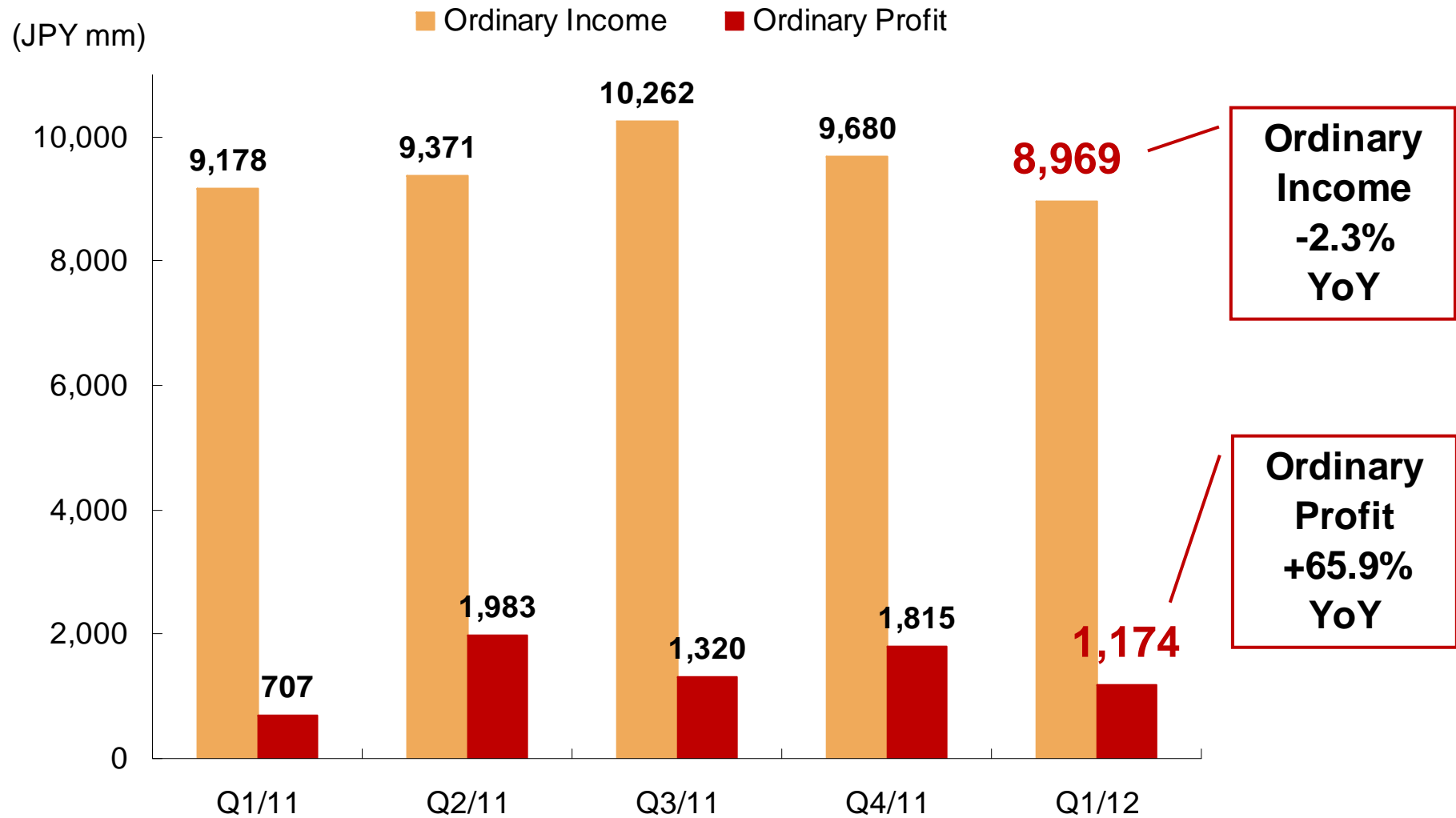


* For figures of other credit cards, please refer to the appendix

Rakuten Bank Quarterly Results



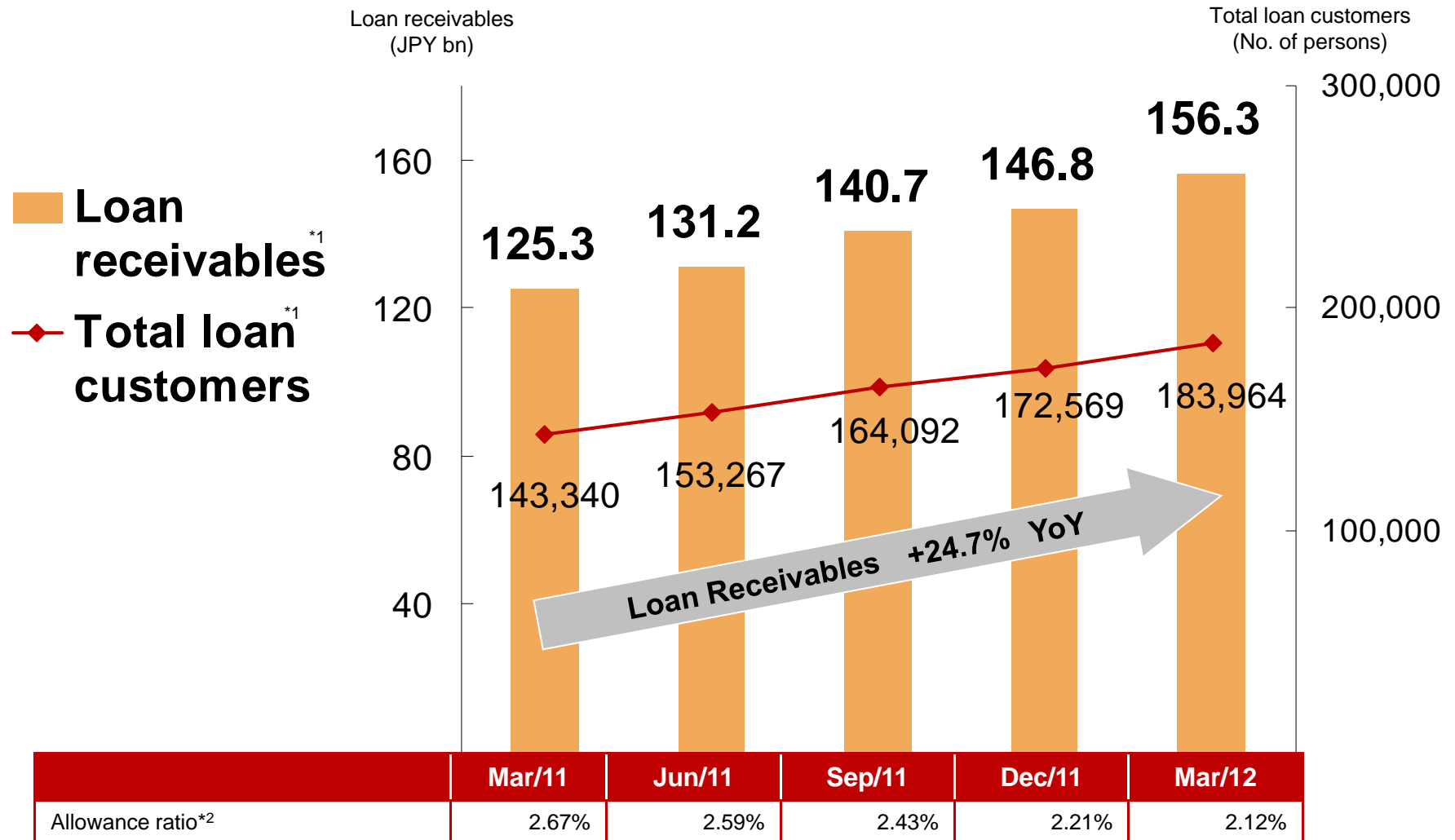
■ Growth in loans for individuals contributed to profit growth



“Rakuten Bank Super Loan” Trends of Loan Receivables



- Loan customers: +28.3% YoY, Loan Receivables: +24.7% YoY. Both kept high growth



*1: Loan Receivables, Total loan customers and Allowance ratio are total of Rakuten Bank and credit guarantee of Rakuten Card Co., Ltd.

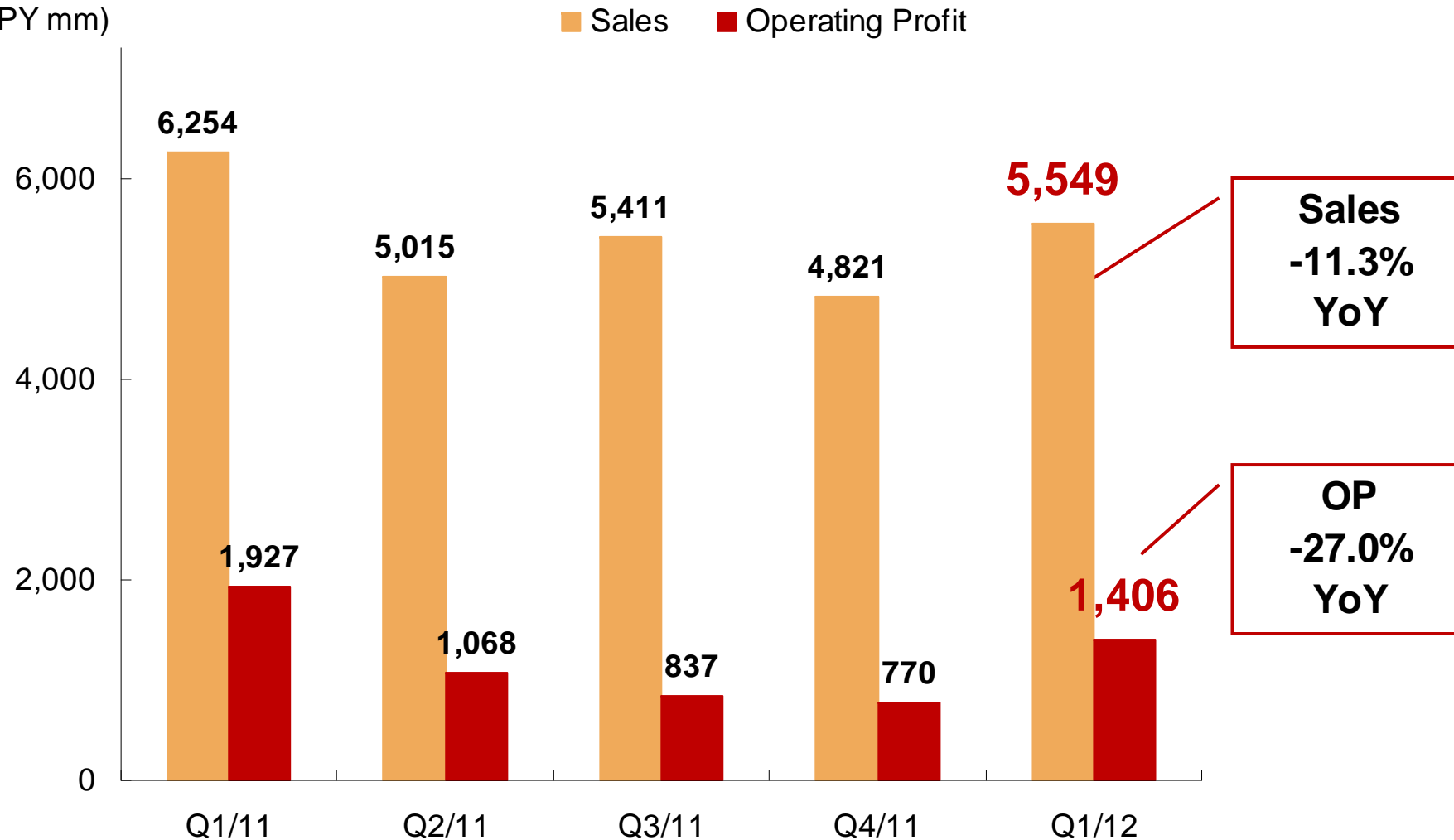
*2: Allowance ratio = Balance of allowances for doubtful accounts ÷ Balance of loan receivables

Rakuten Securities Quarterly Results*



- Trading volume recovered from Q4/11, but did not reach the extraordinary level of Q1/11 which was boosted right after the 3-11 quake.

(JPY mm)



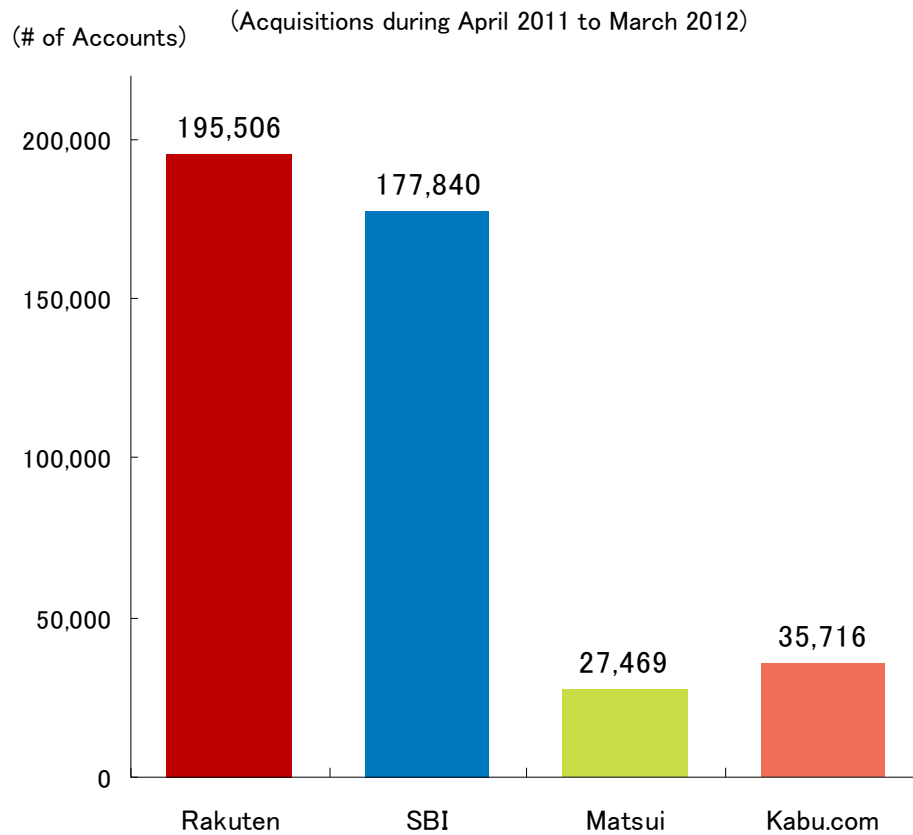
*: Since Q3/11, consolidated financial results are shown. Up to Q2/11, on a non-consolidated basis.

Rakuten Securities New Accounts / Ratio of Applications via Rakuten Group

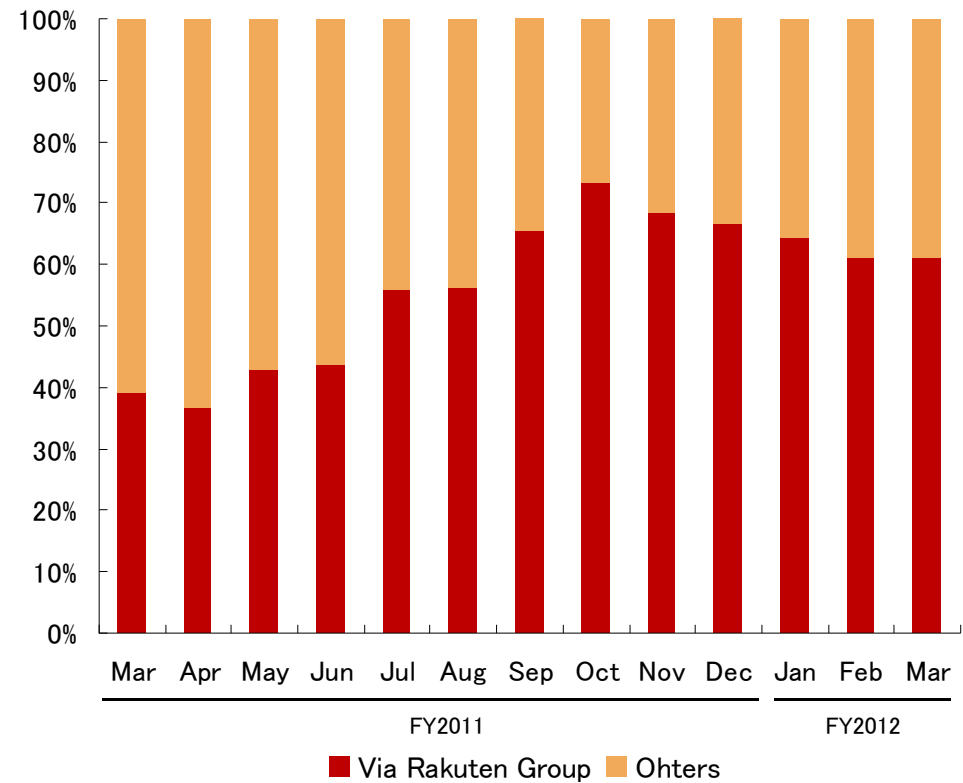


- No.1 position in new accounts in last 12 months
- Stable acquisition from Rakuten Group, around 10,000 accounts per month

New accounts at major securities companies



% of new accounts from Rakuten group

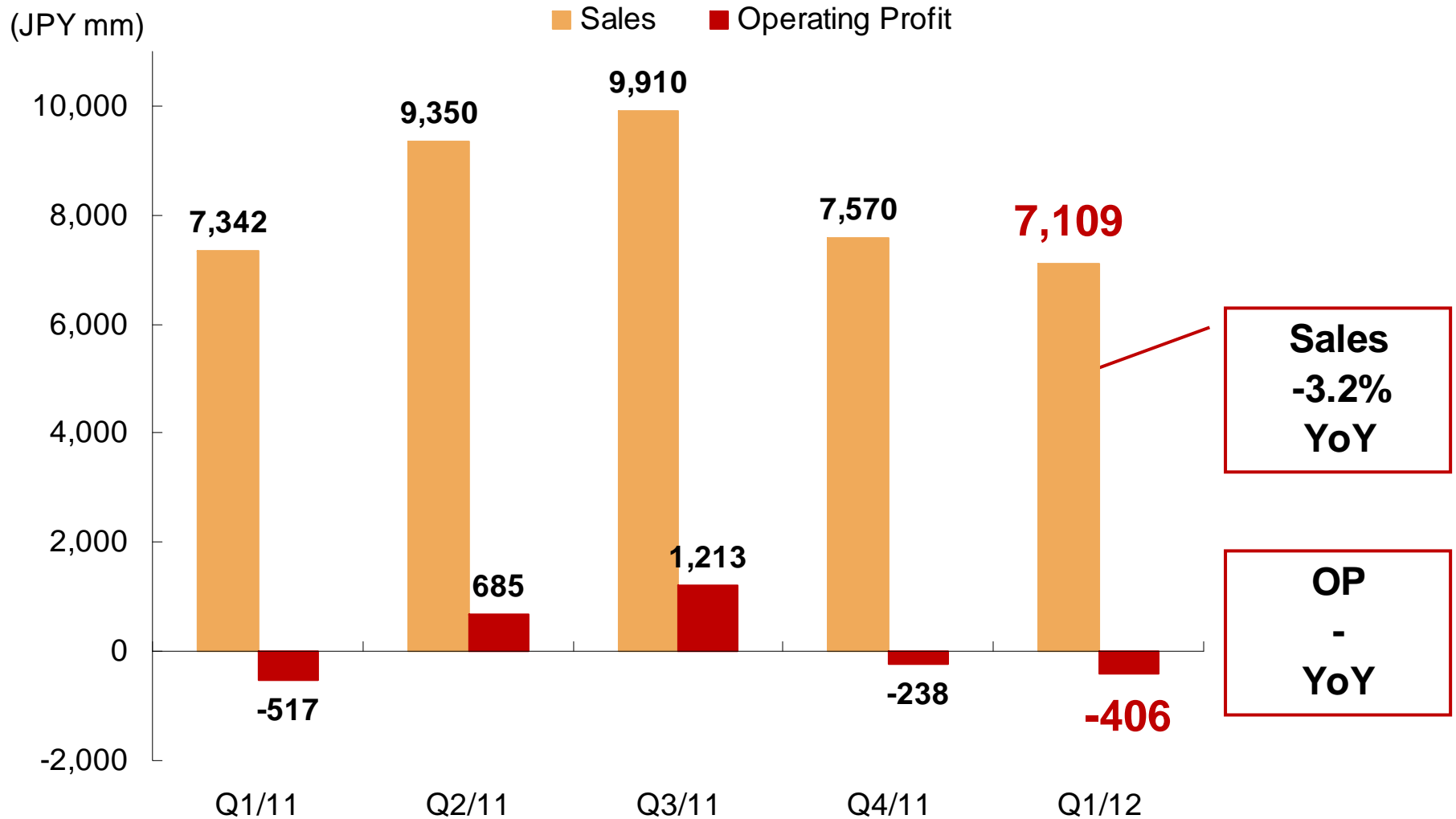


Source: Data disclosed by each company

5 **Others**

Others Quarterly Results

- Steady profits at IP telephony business
- Seasonal loss at Professional sports business



Fusion Communications (Telecom)



- Operating profit: JPY 537M, keeping good condition
- Launched the mobile broadband service “Rakuten Broadband WiMAX” for individuals

Rakuten Baseball



- Season tickets sales reached a record high
- All tickets for season opening game at Kleenex Stadium Miyagi were sold out on the first day of sales

Appendix

- Financial Condition
- Other Information

Impact on Operating Profit by New Accounting Policy Regarding Loyalty Points Rakuten

- Impact on Profits by New Accounting Policy Regarding Loyalty Points is shown below.

(JPY mm)

| Consolidated Profits | Q1/11 | Q2/11 | Q3/11 | Q4/11 |
|---|-------|-------|-------|-------|
| Impact on Operating Profit, Ordinary Profit, EBITDA | 1,009 | -812 | -66 | -685 |
| Impact on Net Income | -27 | -549 | -55 | -515 |

| Internet Services Segment | Q1/11 | Q2/11 | Q3/11 | Q4/11 |
|---------------------------|-------|-------|-------|-------|
| Impact on Segment Profit | 884 | -641 | -26 | -415 |
| Rakuten Ichiba Business | 856 | -593 | -72 | -402 |
| Others ^{*1} | 28 | -47 | 45 | -12 |

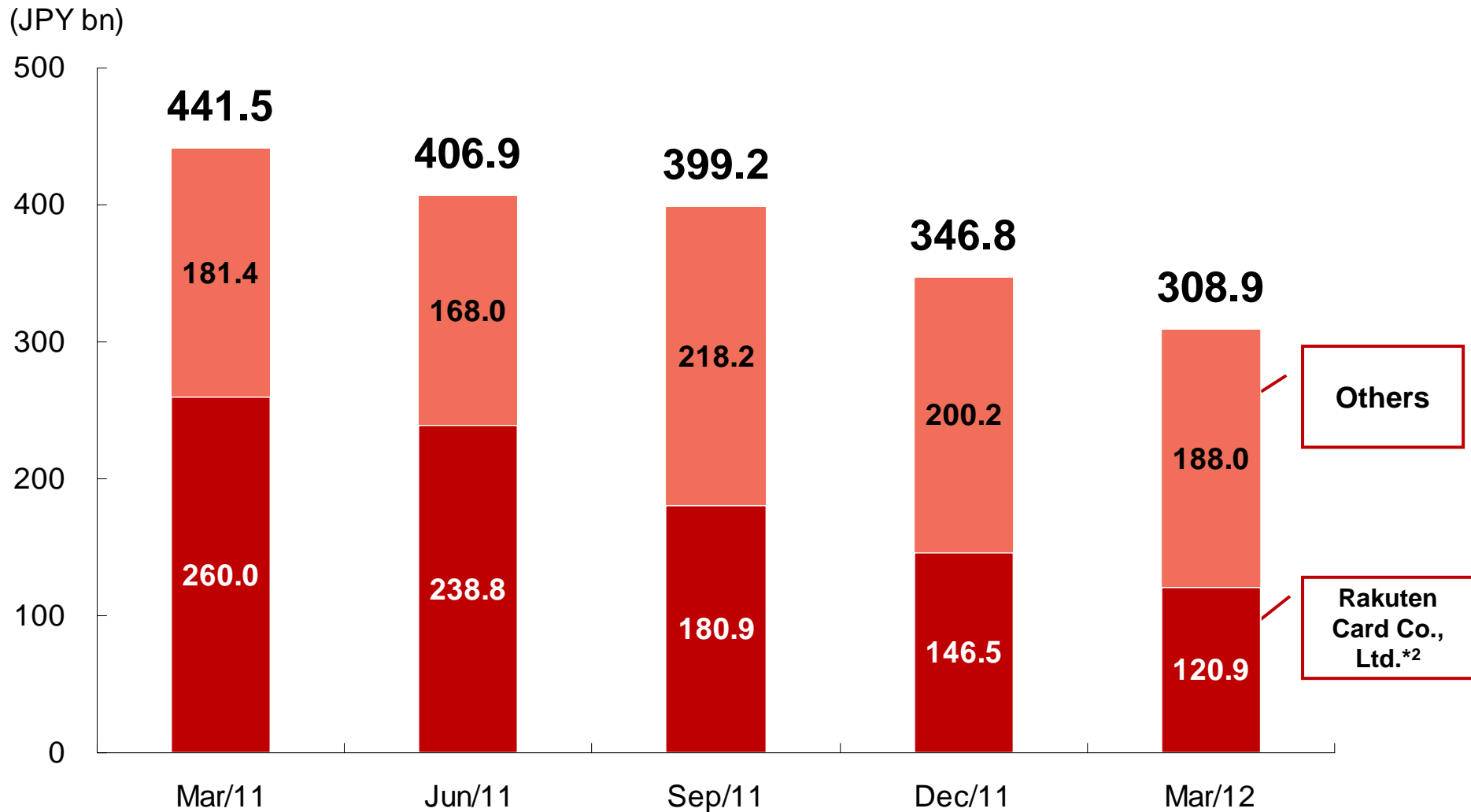
*1: Others include Rakuten Travel, Inc.

| Internet Finance Segment | Q1/11 | Q2/11 | Q3/11 | Q4/11 |
|--------------------------|-------|-------|-------|-------|
| Impact on Segment Profit | 124 | -171 | -39 | -270 |
| Credit Card Business | 122 | -171 | -33 | -279 |
| Others ^{*2} | 1 | 0 | -5 | 9 |

*2: Others include Rakuten Bank Ltd, and Rakuten Securities, Inc.

Financial Condition

Financial Institutions Debt*1 Trend



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

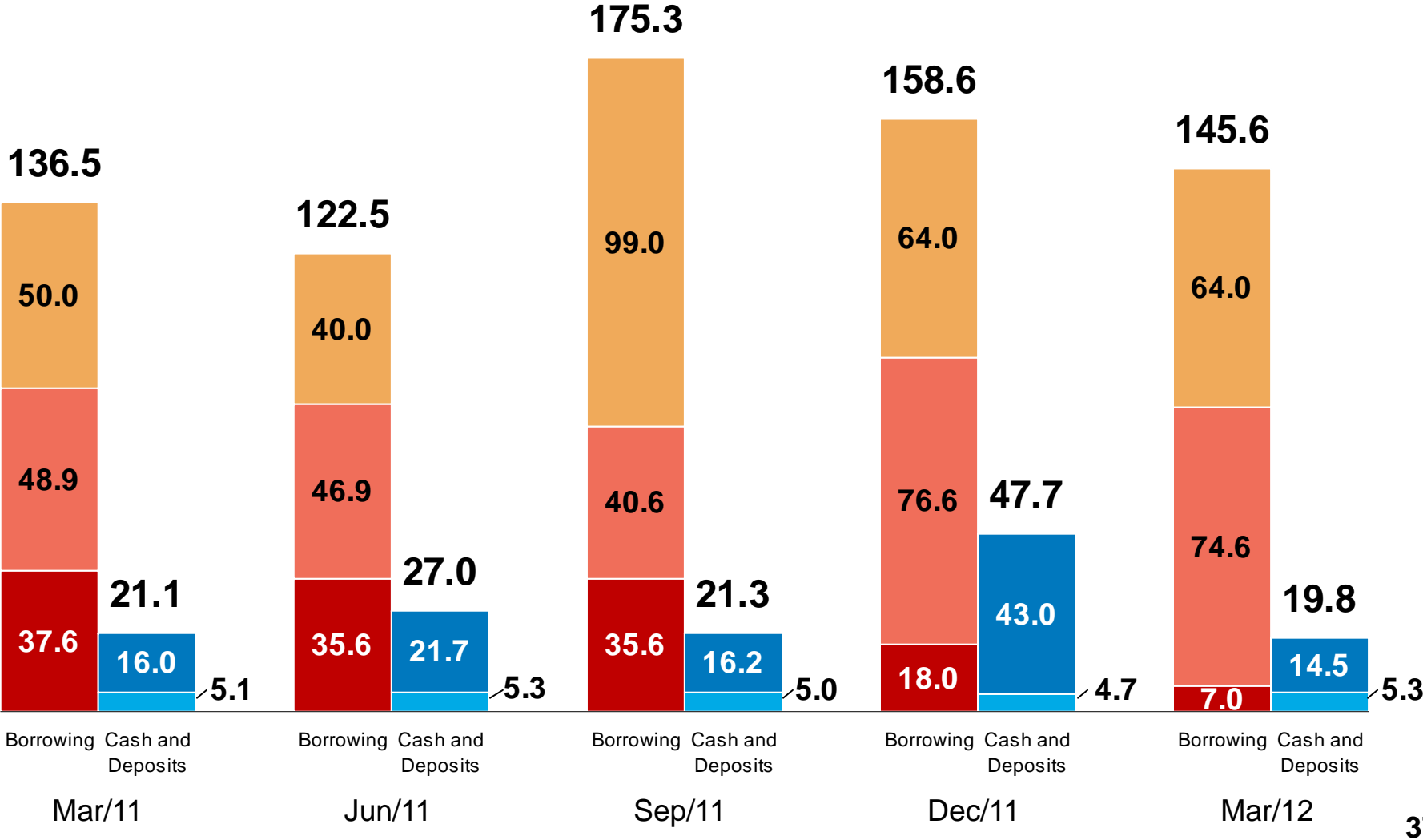
*2: Results for Mar/11 and Jun/11 are former Rakuten KC

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



(JPY bn)

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

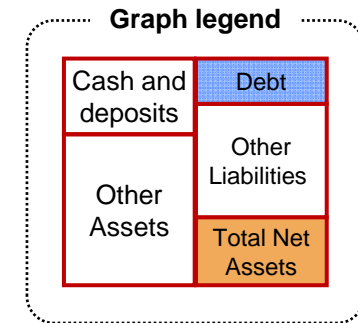
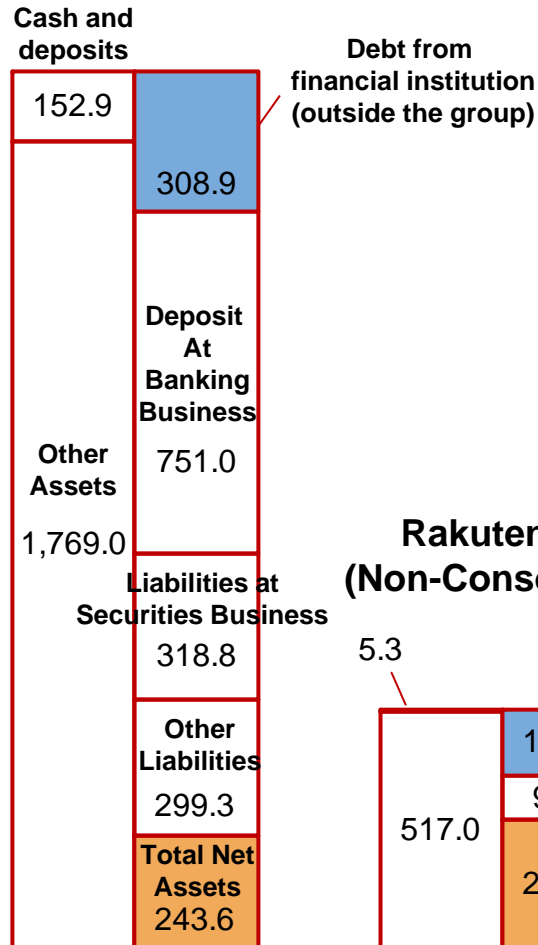


Rakuten Group : Balance Sheets (As of March 31, 2012)



Rakuten Group (Consolidated)

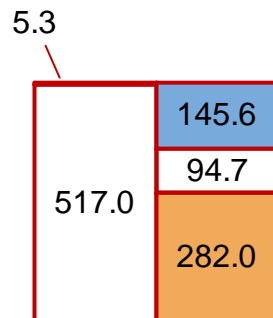
(JPY bn)



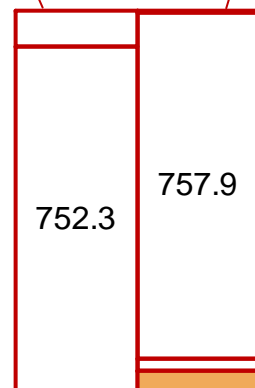
Rakuten Bank (Consolidated)

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

Rakuten, Inc. (Non-Consolidated)

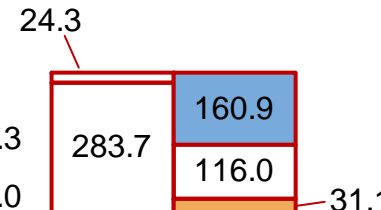


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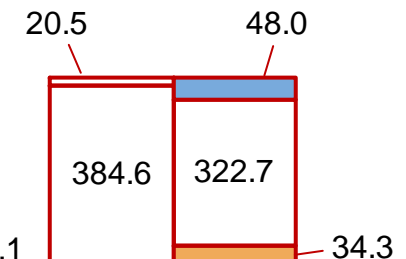
Rakuten Card Co., Ltd.

*JPY40.0bn of borrowing at Rakuten Card is from Rakuten Group



Rakuten Securities (Non-Consolidated)

*JPY9.0bn of borrowing at Rakuten Securities is from Rakuten Group



Total Assets
1,921.9

Total Assets
522.4

Total Assets
832.3

Total Assets
308.1

Total Assets
405.1

*: 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

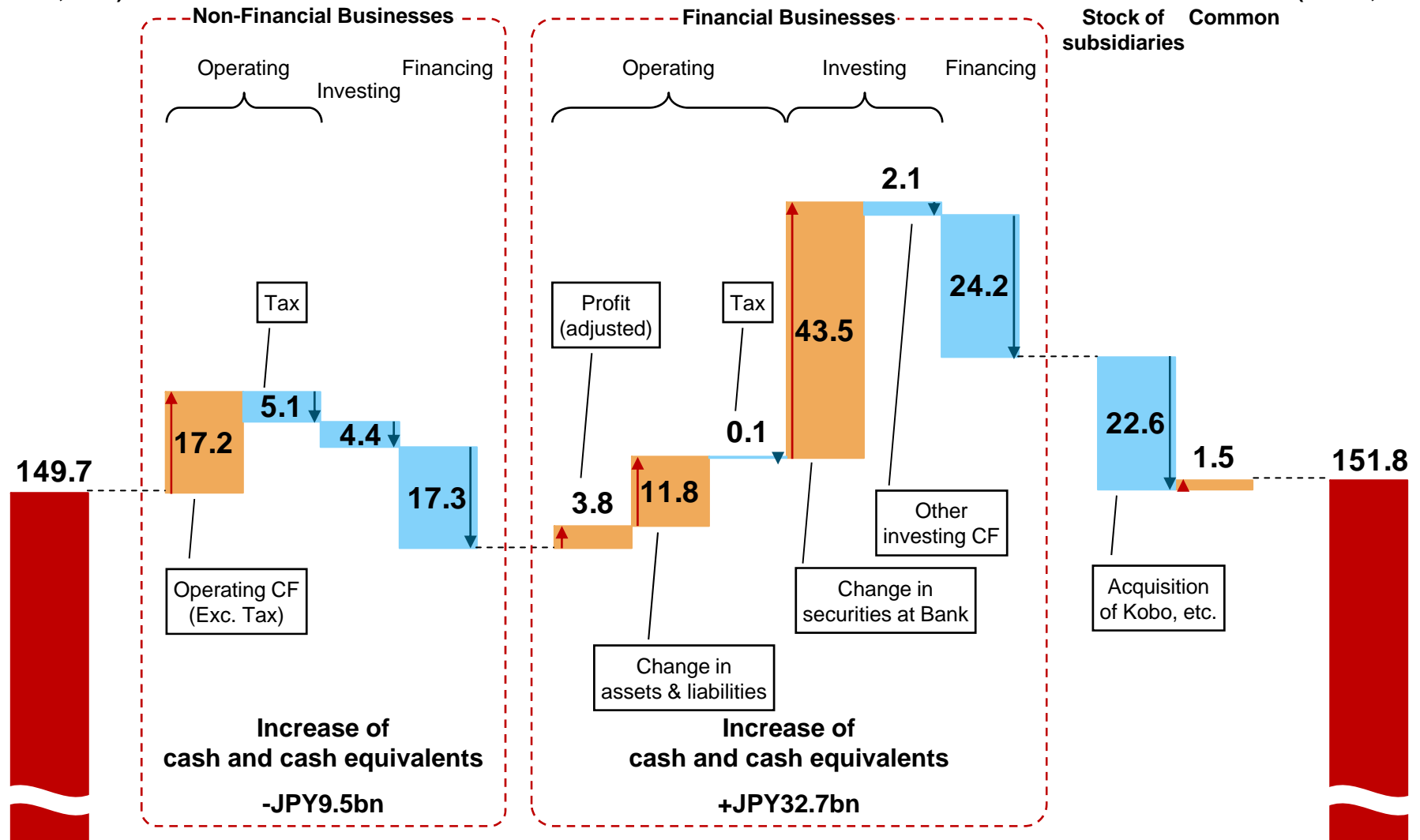
Cash Flow Breakdown : Jan - Mar 2012



(JPY bn)

Beginning
(Dec 31, 2011)

End
(Mar 31, 2012)



Breakdown of Cash Flow by Financial Businesses and Non-financial Businesses : Jan-Mar, 2012 (1)



(JPY bn)

| Overview of cash flow statements for Q1, FY2012 | Consolidated | Financial | Non-Financial | Common |
|--|--------------|-------------|---------------|--------------|
| I Net cash provided by (used in) operating activities | | | | |
| Income (loss) before income taxes and minority interests | 15.4 | 2.1 | 13.3 | - |
| Depreciation and amortization | 4.7 | 1.7 | 3.0 | - |
| Amortization of goodwill | 2.0 | 0.6 | 1.4 | - |
| Increase (decrease) in allowance for doubtful accounts | (0.5) | (0.6) | 0.0 | - |
| Loss (gain) on valuation of securities for banking business | (0.0) | (0.0) | - | - |
| Other loss (gain) | (0.0) | - | - | (0.0) |
| Decrease (increase) in notes and accounts receivable-trade | 4.4 | 0.0 | 4.4 | - |
| Decrease (increase) in accounts receivable-installment | (9.0) | (9.0) | - | - |
| Decrease (increase) in beneficial interests in securitized assets | (11.4) | (11.4) | - | - |
| Decrease (increase) in operating loans receivable | (0.7) | (0.7) | - | - |
| Increase (decrease) in notes and accounts payable-trade | (8.3) | (2.8) | (5.4) | - |
| Increase (decrease) in accounts payable-other and accrued expenses | (7.9) | (5.7) | (2.1) | - |
| Increase (decrease) in deposits for banking business | 9.5 | 9.5 | - | - |
| Decrease (increase) in call loans for banking business | 38.0 | 38.0 | - | - |
| Decrease (increase) in cash loans and bills discounted for banking business | (8.4) | (8.4) | - | - |
| Decrease (increase) in operating receivables for securities business | (29.6) | (29.6) | - | - |
| Increase (decrease) in operating payable for securities business | 20.3 | 20.3 | - | - |
| Increase (decrease) in loans payable secured by securities for securities business | 12.0 | 12.0 | - | - |
| Other, net | 1.7 | (0.7) | 2.5 | - |
| Subtotal | 32.5 | 15.2 | 17.2 | (0.0) |
| Payments for guarantee deposits for business operation | (0.0) | (0.0) | - | - |
| Proceeds from guarantee deposits for business operation | 0.4 | 0.4 | - | - |
| Income taxes paid | (5.2) | (0.1) | (5.1) | - |
| Net cash provided by (used in) operating activities | 27.7 | 15.5 | 12.1 | (0.0) |

*: Breakdown between financial and non-financial businesses are based on internal estimation and not reviewed by independent auditors.

Breakdown of Cash Flow by Financial Businesses and Non-financial Businesses : Jan-Mar, 2012 (2)



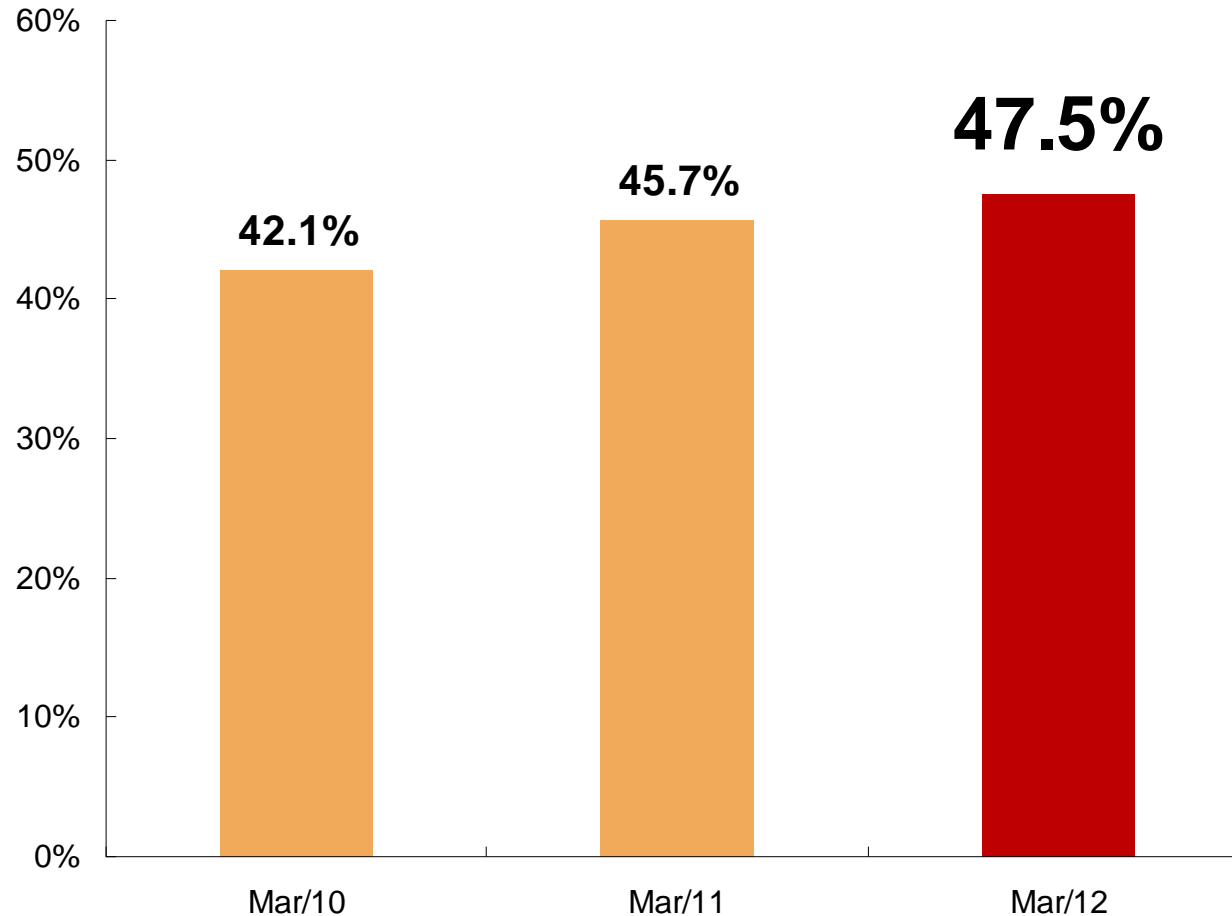
(JPY bn)

| Overview of cash flow statements for Q1, FY2012 | Consolidated | Financial | Non-Financial | Common |
|--|---------------|---------------|---------------|------------|
| II Net cash provided by (used in) investing activities | | | | |
| Payments into time deposits | (2.8) | (2.8) | (0.0) | - |
| Proceeds from withdrawal of time deposits | 2.5 | 2.5 | 0.0 | - |
| Acquisition of securities for banking business | (83.7) | (83.7) | - | - |
| Proceeds from sales and redemption of securities for banking business | 127.3 | 127.3 | - | - |
| Purchase of investments in subsidiaries | (0.6) | - | (0.6) | - |
| Purchase of subsidiaries stocks with change in consolidation | (22.0) | - | (22.0) | - |
| Purchase of property, plant and equipment | (1.1) | (0.3) | (0.8) | - |
| Purchase of intangible assets | (4.1) | (1.5) | (2.5) | - |
| Other payments | (2.1) | (0.6) | (1.5) | - |
| Other proceeds | 0.9 | 0.7 | 0.2 | - |
| Interest and dividends income received | 0.1 | - | 0.1 | - |
| Net cash provided by (used in) investing activities | 14.4 | 41.4 | (27.0) | - |
| III Net cash provided by (used in) financing activities | | | | |
| Net increase (decrease) in short-term loans payable | (16.9) | (2.8) | (14.1) | - |
| Increase (decrease) in commercial papers | (5.0) | (8.0) | 3.0 | - |
| Proceeds from long-term loans payable | 0.1 | 0.1 | - | - |
| Repayment of long-term loans payable | (15.6) | (13.5) | (2.0) | - |
| Redemption of bonds | (0.4) | - | (0.4) | - |
| Interest expenses paid | (0.3) | - | (0.3) | - |
| Cash dividends paid | (3.1) | - | (3.1) | - |
| Other, net | (0.1) | (0.0) | (0.1) | - |
| Net cash provided by (used in) financing activities | (41.6) | (24.2) | (17.3) | - |
| IV Effect of exchange rate change on cash and cash equivalents | 1.3 | - | - | 1.3 |
| V Net increase (Decrease) in cash and cash equivalents | 1.8 | 32.7 | (32.2) | 1.3 |
| VI Cash and cash equivalents (as of December 31, 2011) | 149.7 | - | - | - |
| VII Increase in cash and cash equivalents from newly consolidated subsidiary | 0.2 | - | - | - |
| VIII Cash and cash equivalents (as of March 31, 2012) | 151.8 | - | - | - |

*: Breakdown between financial and non-financial businesses are based on internal estimation and not reviewed by independent auditors.

Other Information

Cross-Use Ratio



*: 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)

| | Q1/11 | Q2/11 | Q3/11 | Q4/11 | Q1/12 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| Internet Finance | 829 | 825 | 677 | 841 | 597 |
| Internet Services | 1,007 | 1,023 | 1,138 | 1,280 | 1,413 |
| Others | 39 | 41 | 41 | 41 | 41 |
| Total | 1,876 | 1,890 | 1,858 | 2,164 | 2,053 |

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

Rakuten Group's CAPEX*



(JPY bn)

| | | 2011 | | | | 2012 |
|------------------|----------|------|------|------|------|------|
| | | Q1 | Q2 | Q3 | Q4 | Q1 |
| Non Consolidated | Hardware | 0.53 | 0.39 | 0.19 | 0.19 | 0.69 |
| | Software | 1.84 | 1.51 | 1.48 | 1.79 | 1.83 |
| | Total | 2.37 | 1.90 | 1.67 | 1.99 | 2.53 |
| Consolidated | Hardware | 1.63 | 1.09 | 0.74 | 1.13 | 1.61 |
| | Software | 4.44 | 3.23 | 3.88 | 3.86 | 4.25 |
| | Total | 6.07 | 4.32 | 4.62 | 5.00 | 5.86 |

* Acquisition Base (Including Professional Sports Business) and using straight-line method of depreciation.

■ Balance Sheets

As of Mar 31, 2012

(JPY bn)

| | | | |
|-----------------------------------|--------------|--|--------------|
| CURRENT ASSETS | 103.6 | CURRENT LIABILITIES | 115.3 |
| Cash and deposits | 5.3 | Account payable-trade | 3.0 |
| Accounts receivable-trade | 34.6 | Short-term debts | 15.0 |
| Other current assets | 64.0 | Accounts payable | 19.3 |
| Allowance for doubtful accounts | -0.4 | Income taxes payable | 0.3 |
| | | Advance receipt | 5.1 |
| | | Reserve for point program | 20.6 |
| | | Other current liabilities | 51.7 |
| | | LONG-TERM LIABILITIES | 124.9 |
| | | TOTAL LIABILITIES | 240.3 |
| NONCURRENT ASSETS | 418.7 | SHAREHOLDERS' EQUITY | 279.9 |
| Property, plant and equipment | 6.5 | Capital stock | 108.0 |
| Intangible assets | 14.8 | Capital surplus | 116.8 |
| Investment and other assets | 397.3 | Retained earnings | 58.7 |
| (Allowance for doubtful accounts) | -0.8 | Treasury stock | -3.6 |
| (Allowance for investment loss) | -1.4 | VALUATION AND TRANSLATION ADJUSTMENTS | 0.9 |
| | | Unrealized gain on available-for-sale securities | 0.9 |
| | | Subscription rights to shares | 1.2 |
| | | TOTAL NET ASSETS | 282.0 |
| TOTAL ASSETS | 522.4 | TOTAL LIABILITIES AND NET ASSETS | 522.4 |

■ Income Statements

Three months ended Mar 31, 2012

(JPY bn)

| | |
|---------------------------------|-------------|
| Sales | 37.8 |
| Cost of Sales | 6.3 |
| Gross Profit | 31.4 |
| Operating Expense | 15.8 |
| Personnel costs | 6.6 |
| Advertising and sales promotion | 3.3 |
| Depreciation | 1.4 |
| Communication and maintenance | 1.1 |
| Outsourcing | 3.4 |
| Others | -0.1 |
| Operating Profit | 15.6 |
| Non-Operating Profit | 5.6 |
| Non-Operating Expense | 0.4 |
| Ordinary Profit | 20.8 |
| Extraordinary income | 0.0 |
| Extraordinary loss | 1.5 |
| Net income before tax | 19.3 |
| Income taxes-current | 0.0 |
| Income taxes-deferred | 6.4 |
| Net Income | 12.9 |

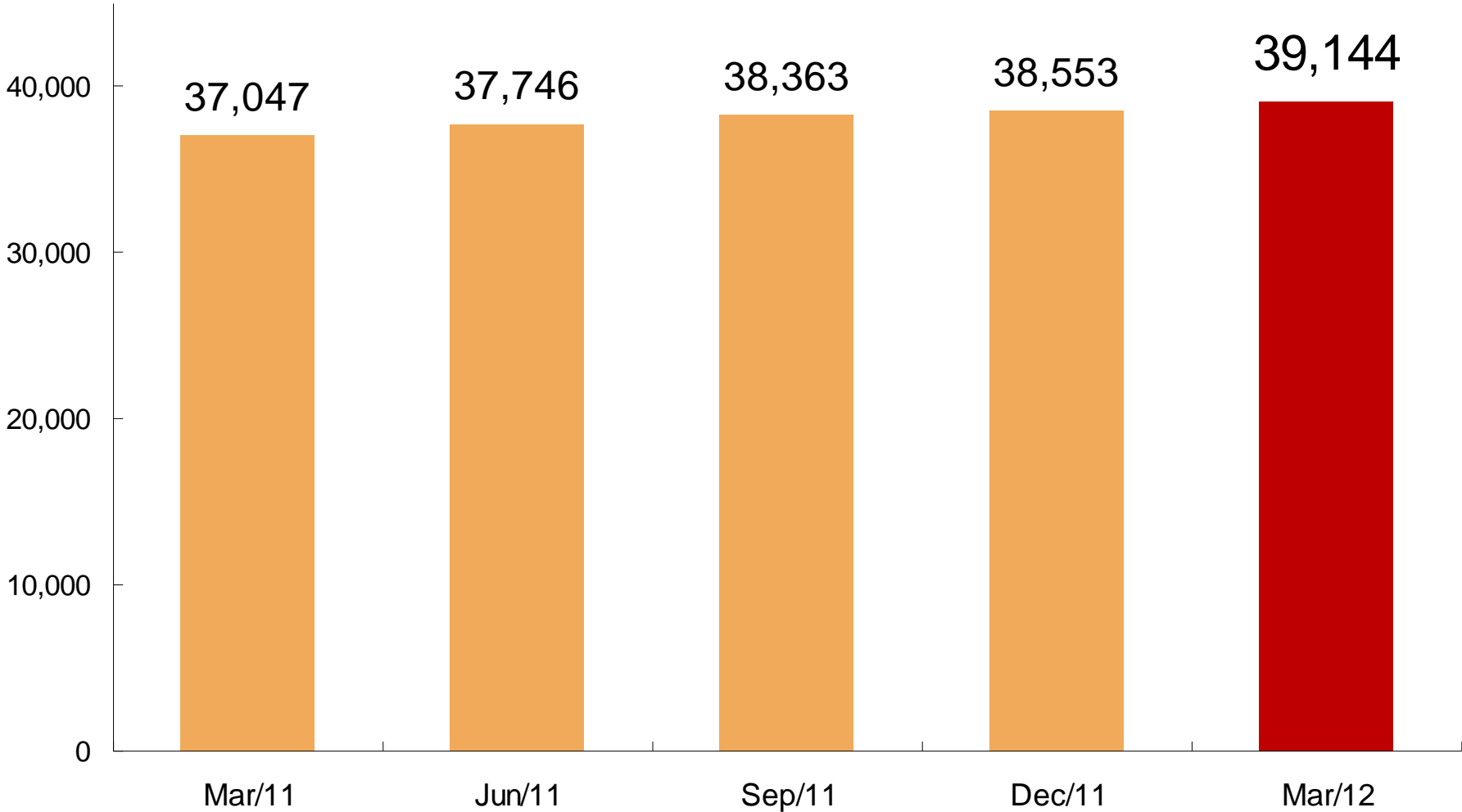
* Figures are rounded down

Number of Merchants



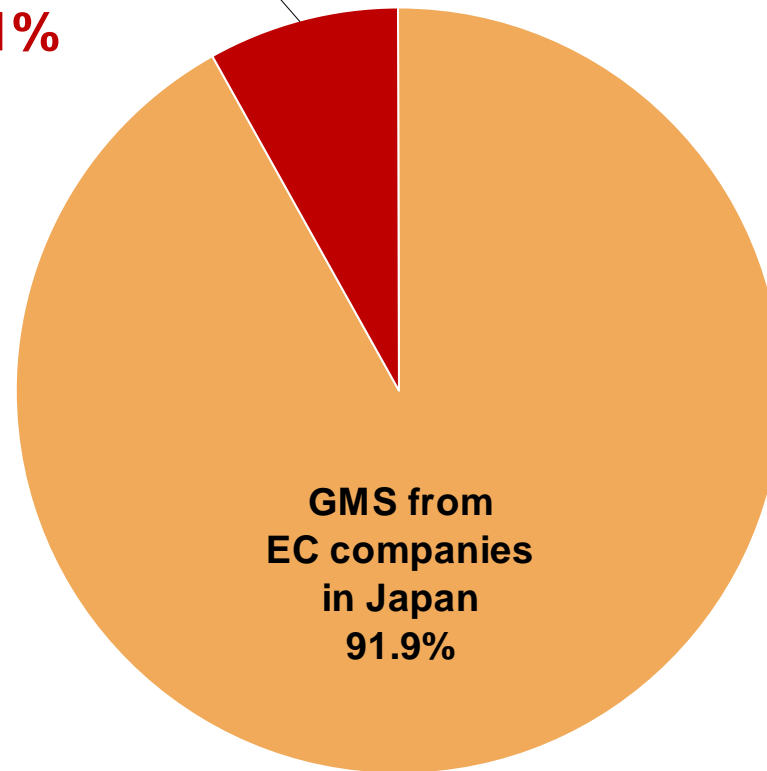
■ Number of merchants: +5.7% YoY

(No. of Merchants)



Q1/12

**GMS from
overseas
EC companies
8.1%**



**GMS from
EC companies
in Japan
91.9%**

Credit Card Business: Revenues and Expenses



(JPY mm)

| | Q2/11 ^{*1} | Q3/11 ^{*1} | Q4/11 | Q1/12 |
|---|---------------------|---------------------|---------------|---------------|
| General services | 9,834 | 9,970 | 10,455 | 10,903 |
| Card shopping | 9,816 | 9,952 | 10,438 | 10,886 |
| Others | 18 | 18 | 16 | 17 |
| Financing | 4,179 | 1,884 | 915 | 900 |
| Card cash advances | 2,738 | 1,390 | 848 | 836 |
| Loan card | 1,411 | 465 | 38 | 38 |
| Others | 29 | 28 | 29 | 25 |
| Credit guarantee for Rakuten Bank and other | 1,421 | 1,511 | 1,636 | 1,705 |
| Others | 4,182 | 4,332 | 4,708 | 4,722 |
| Total revenues | 19,617 | 17,700 | 17,716 | 18,231 |
| (incl. effect of securitization) | 19,286 | 18,876 | 17,415 | 18,918 |
| Personnel costs | 1,579 | 1,356 | 1,264 | 1,287 |
| General expenses ^{*1} | 10,349 | 10,425 | 11,351 | 12,292 |
| Interest expenses | 1,801 | 1,535 | 1,160 | 1,282 |
| Costs related to doubtful accounts | 4,015 | 2,615 | 1,637 | 2,245 |
| Interest repayment expenses | 4,264 | 0 | 0 | 0 |
| Total operating expenses | 22,008 | 15,932 | 15,413 | 17,107 |
| (incl. goodwill amortization) | 22,008 | 15,932 | 15,963 | 17,437 |
| Operating profit | -2,390 | 1,767 | 2,302 | 1,124 |
| (incl. effect of securitization, goodwill amortization) | -2,722 | 2,944 | 1,452 | 1,480 |
| [Pro forma] Revenues of Rakuten Card biz. | 12,771 | 13,799 | 15,034 | 15,398 |

*1: Combined results of Rakuten KC Co., Ltd + Rakuten Card Co., Ltd + former Rakuten Credit, Inc

*2: After retrospective application of the change in accounting policy regarding loyalty points

*3: Goodwill amortization which is eliminated in internal transactions in consolidated accounts

Credit Card Business: Transaction Volume*

■ Composition of Transaction Volume

(JPY mm)

| | Q1/11 | Q2/11 | Q3/11 | Q4/11 | Q1/12 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| General services | 299,778 | 332,863 | 354,446 | 386,800 | 396,897 |
| Card shopping | 299,120 | 332,290 | 353,767 | 386,132 | 396,195 |
| Others | 657 | 573 | 678 | 668 | 702 |
| Financing | 9,442 | 10,190 | 9,999 | 10,228 | 11,219 |
| Card cash advances | 8,536 | 9,354 | 9,460 | 9,877 | 10,741 |
| Loan card | 905 | 835 | 539 | 350 | 477 |
| Others | 4,097 | 4,093 | 4,279 | 4,475 | 4,401 |
| Total transaction volume | 313,318 | 347,148 | 368,725 | 401,505 | 412,518 |

*: 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 Co., Ltd are shown.

Credit Card Business: Balance of Loan Receivables*



(JPY mm)

| | Q1/11 | Q2/11 | Q3/11 | Q4/11 | Q1/12 |
|--|----------------|----------------|----------------|----------------|----------------|
| General services | 197,753 | 223,167 | 219,393 | 257,982 | 265,440 |
| Card shopping | 197,190 | 222,691 | 219,140 | 257,727 | 265,184 |
| Card shopping (Securitized) | 141,364 | 150,781 | 172,585 | 188,833 | 187,129 |
| (Securitized, off-balance) | 105,049 | 114,683 | 172,585 | 188,833 | 187,129 |
| (Securitized, on-balance) | 36,314 | 36,098 | 0 | 0 | 0 |
| incl. Revolving balance (principal) | 105,533 | 112,792 | 110,836 | 120,064 | 129,650 |
| Others | 563 | 475 | 253 | 255 | 256 |
| Financing | 150,733 | 141,460 | 65,836 | 64,233 | 63,927 |
| Card cash advances | 60,961 | 56,632 | 17,978 | 18,455 | 20,069 |
| Loan card | 39,035 | 34,880 | 1,364 | 1,446 | 1,656 |
| (Securitized, off-balance) | 100 | 100 | 0 | 0 | 0 |
| (Securitized, on-balance) | 16,024 | 14,406 | 0 | 0 | 0 |
| Others | 50,736 | 49,946 | 46,494 | 44,331 | 42,201 |
| Installment | 708 | 659 | 601 | 476 | 292 |
| Others | 30,013 | 28,510 | 27,426 | 26,089 | 25,156 |
| Credit guarantee | 29,245 | 27,946 | 27,007 | 25,783 | 24,953 |
| (Off-balance guarantees) | 26,855 | 25,636 | 24,775 | 23,630 | 22,872 |
| Others (Off-balance) | 767 | 564 | 418 | 306 | 202 |
| Total balance (incl. off-balance) | 379,209 | 393,798 | 313,258 | 348,782 | 354,816 |
| (Total on-balance) | 246,436 | 252,815 | 115,479 | 136,012 | 144,612 |
| Credit guarantee for Rakuten Bank and other | 123,630 | 129,684 | 139,240 | 145,350 | 154,878 |
| (Off-balance guarantees) | 116,132 | 122,201 | 131,837 | 137,993 | 147,280 |
| (On-balance loan receivables) | 7,497 | 7,482 | 7,402 | 7,356 | 7,598 |

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

Credit Card Business: Allowance for Doubtful Accounts



■ Balance of Uncollected Loan Receivables and Allowances

| | Q3/11 | Q4/11 | Q1/12 |
|---|----------------|----------------|----------------|
| Rakuten Card | 236,456 | 277,638 | 286,885 |
| Normal | 231,048 | 271,883 | 281,046 |
| Doubtful (4months-and-over-delinquent) | 5,407 | 5,754 | 5,838 |
| Others (incl. re-contract) | 47,223 | 42,814 | 40,425 |
| Normal | 33,416 | 30,108 | 28,964 |
| Doubtful (4months-and-over-delinquent) | 13,806 | 12,706 | 11,461 |
| Sub-total balance of loan receivables | 283,679 | 320,453 | 327,311 |
| Normal | 264,465 | 301,991 | 310,010 |
| Doubtful (4months-and-over-delinquent) | 19,214 | 18,461 | 17,300 |
| % of doubtful accounts | 6.77% | 5.76% | 5.29% |
| Secured | 4,799 | 4,762 | 4,648 |
| Total balance of loan receivables | 288,478 | 325,215 | 331,959 |
| Allowance for doubtful accounts^{*1} | 22,377 | 21,408 | 20,661 |
| Allowance ratio | 7.8% | 6.6% | 6.2% |
| Write-off for bad debt | 2,479 | 2,142 | 2,335 |

(JPY mm)

- Other loan receivables (including re-contract) was reduced
- 4 months and over delinquent loan ratio declined
- Allowance ratio declined

*1 Includes an earthquake disaster reserve in the loan loss reserve balance. Balance as of end March 2012: JPY 287 mm

■ Loan receivables and Allowance of Former Rakuten Credit, Inc^{*2}

| | Q3/11 | Q4/11 | Q1/12 |
|-------------------------|---------|---------|---------|
| Loan receivables | 7,402 | 7,356 | 7,598 |
| Credit guarantee | 131,837 | 137,993 | 147,280 |
| Allowance ^{*3} | 3,422 | 3,243 | 3,320 |
| Write-off for bad debt | 652 | 648 | 605 |

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

*3: Includes an earthquake disaster reserve in the loan fund balance. Balance as of end March 2012: JPY 343 mm

Rakuten Bank, Ltd. and Its Subsidiaries PL

- Rakuten Bank PL is based on the Bank Law Enforcement Rule (effective Q1/2012)

(JPY mm)

| | Q1/11 | Q2/11 | Q3/11 | Q4/11 | Q1/12 | YoY |
|--------------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Interest income | 4,685 | 4,668 | 4,694 | 4,978 | 5,043 | 7.6% |
| Interest on loans and discounts | 2,823 | 3,024 | 3,195 | 3,446 | 3,569 | 26.4% |
| Interest and dividends on securities | 1,076 | 934 | 913 | 756 | 742 | -31.0% |
| Fees and commissions | 3,138 | 3,545 | 3,612 | 3,591 | 3,268 | 4.1% |
| Other ordinary income | 1,374 | 761 | 1,766 | 1,057 | 648 | -52.8% |
| Other income | -20 | 396 | 188 | 52 | 9 | -143.8% |
| Ordinary income | 9,178 | 9,371 | 10,262 | 9,680 | 8,969 | -2.3% |
| Interest expenses | 692 | 645 | 591 | 583 | 571 | -17.5% |
| Interest on deposits | 660 | 623 | 569 | 562 | 549 | -16.9% |
| Fees and commissions payments | 2,462 | 2,664 | 2,766 | 2,940 | 2,947 | 19.7% |
| Other ordinary expenses | 541 | 214 | 1,663 | 122 | 36 | -93.3% |
| General and administrative expenses | 3,616 | 3,837 | 3,912 | 4,203 | 4,238 | 17.2% |
| Other expenses | 1,156 | 25 | 8 | 14 | 1 | -99.9% |
| Ordinary expenses | 8,470 | 7,387 | 8,942 | 7,865 | 7,794 | -8.0% |
| Ordinary profit | 707 | 1,983 | 1,320 | 1,815 | 1,174 | 65.9% |

| Items | Contents |
|-------------------------------------|--|
| Interest income | Interest income come from fund management -Interest on loans and discounts, Interest on securities |
| Fees and commissions | Fees and commissions from provision of services -Remittances, Sales of Financial products, toto lottery sales, Commissions on housing loans, Advertising fees |
| Other ordinary income | Gain on foreign exchange transactions, Gain on sales of bonds |
| Other income | Gain on sales of securities, Gain on money held in trust |
| Ordinary income | Comparable to Total Sales for general corporates |
| Interest expenses | Funding cost on deposits etc. -Interest on deposits, Interest on bonds |
| Fees and commissions payments | Fees and commissions payments -Third party ATM usage fees, Remittance fees, Loan guarantees etc. |
| Other ordinary expenses | Losses on foreign exchange transactions, Losses on sales of bonds |
| General and administrative expenses | Personnel expenses, Advertising and promotion, Other SG&A expenses |
| Other expenses | Losses on sales of securities, Loss on money held in trust, Provision allowance for loan losses |
| Ordinary expenses | Total expenses |
| Ordinary profit | Comparable to Operating Profit for general corporates (Comparable to Rakuten Consolidated OP before accounting adjustments) |

Rakuten Bank, Ltd. and Its Subsidiaries PL
(Former presentation style)



■ Basic profit will not be disclosed from Q2/2012

(JPY mm)

| | | Q1/11 | Q2/11 | Q3/11 | Q4/11 | Q1/12 |
|--|--|--------------|--------------|--------------|--------------|--------------|
| | Settlement | 1,111 | 1,461 | 1,586 | 1,503 | 1,341 |
| | Card | 296 | 322 | 318 | 330 | 371 |
| | Financial products | 535 | 537 | 542 | 472 | 476 |
| | Others | 444 | 372 | 338 | 331 | 252 |
| | 1. Income (loss) from commission | 2,387 | 2,694 | 2,785 | 2,637 | 2,443 |
| | 2. Income (loss) from investment | 1,613 | 1,521 | 1,358 | 1,491 | 1,373 |
| | 3. Operating expenses | 2,902 | 3,091 | 3,233 | 3,269 | 3,549 |
| | Basic profit (exc. loan) | 1,098 | 1,124 | 910 | 859 | 267 |
| | Basic profit (loan) | 486 | 546 | 695 | 902 | 886 |
| | Total basic profit (A)*¹ | 1,585 | 1,670 | 1,606 | 1,762 | 1,153 |
| | Non-basic profit (B)*² | -877 | 312 | -286 | 52 | 20 |
| | Ordinary profit (A+B)*³ | 707 | 1,983 | 1,320 | 1,815 | 1,174 |

*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 2011 Market Value | Mar 31 2012 Market Value | Changes in Market Value from Dec 31 2011 to Mar 31 2012 | Allowances (as of Mar 31 2012) | Unrealized gains and losses (Rakuten consolidated) |
|---|-----------------------------|-----------------------------|--|--------------------------------------|---|
| JGB, Local Government Bonds, Corporate Bonds | 288.4 | 273.9 | -14.5 | 0.0 | 0.7 |
| JGB (Japanese Government Bonds) | 141.0 | 120.9 | -20.0 | - | 1.4 |
| Others *1 | 147.4 | 152.9 | 5.4 | 0.0 | -0.7 |
| Loan Receivables | 155.6 | 164.1 | 8.4 | 1.0 | - |
| ABS (securitized loan receivables) | 236.9 | 233.5 | -3.4 | 0.0 | 1.0 |
| Rakuten Card securitized assets | 113.1 | 114.2 | 1.1 | - | 0.8 |
| ABS (Real estate products) | 5.0 | 4.2 | -0.8 | - | 0.3 |
| Funds | 4.8 | 4.8 | -0.0 | - | 0.1 |
| Stocks | 0.9 | 0.9 | 0.0 | - | 0.0 |
| CDO | 2.9 | 2.9 | 0.0 | - | -0.0 |
| Total | 695.0 | 684.6 | -10.3 | 1.0 | 2.2 |

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

(JPY bn)

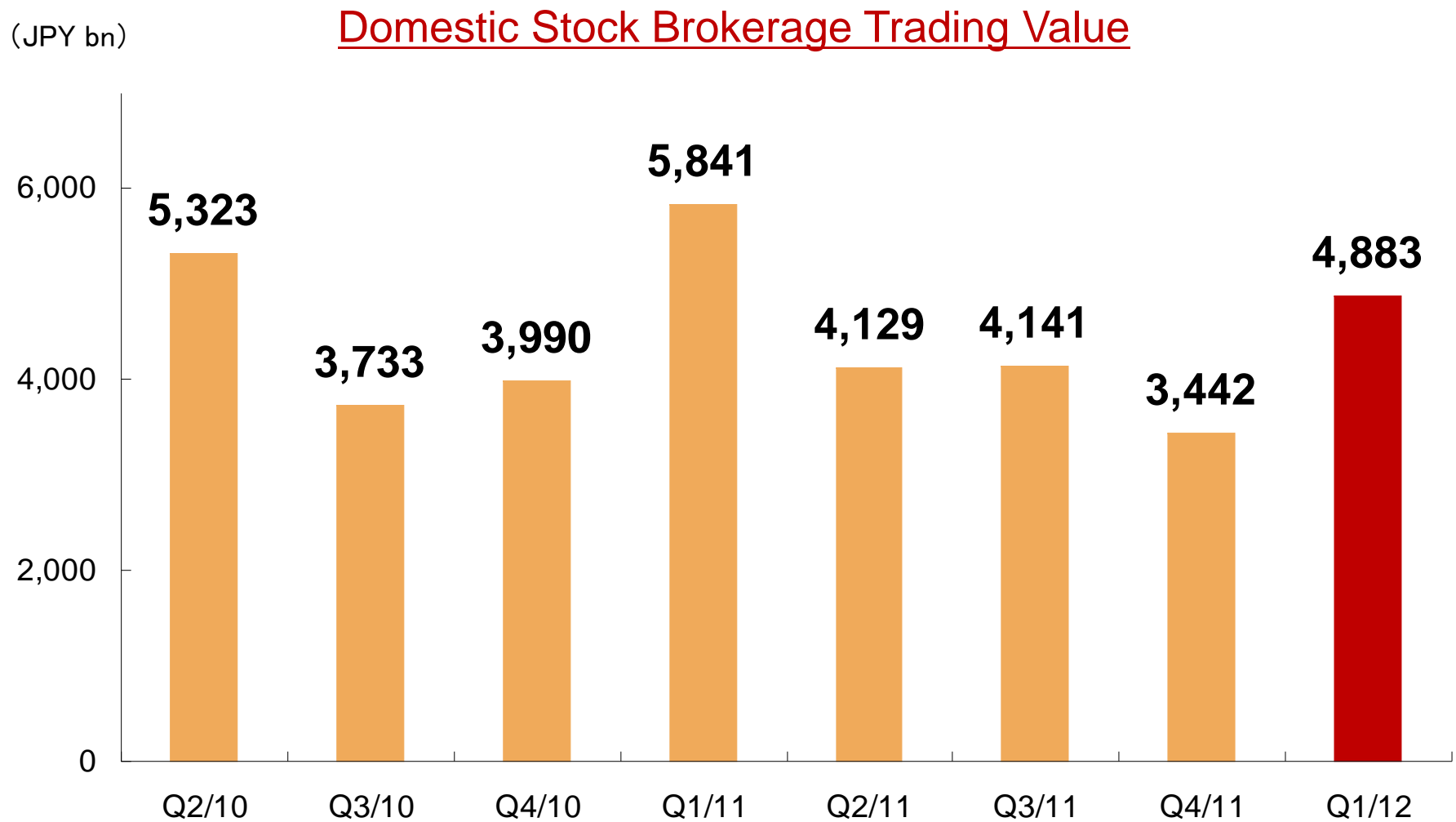
| | Dec 31 2011 | Mar 31 2012 | Changes |
|------------------------|--------------|--------------|------------|
| Deposit Balance | 749.0 | 758.3 | 9.3 |
| Ordinary Deposits | 393.5 | 396.8 | 3.2 |
| Time Deposits | 283.8 | 288.1 | 4.2 |
| Other Deposits* | 71.5 | 73.3 | 1.7 |

*: Other deposits include deposits in foreign currencies and others

Rakuten Securities Quarterly Change in Stock Brokerage Trading Value



■ Along with recovering stock prices, domestic stock trading value improved



(Million persons)

| | 11/Mar | 11/Dec | 12/Mar | YoY |
|---|--------------|--------------|--------------|---------------|
| Rakuten Members | 70.54 | 75.18 | 76.80 | +8.9% |
| Rakuten Bank | 3.72 | 3.91 | 3.98 | +6.9% |
| Rakuten Securities (General Account) | 1.08 | 1.23 | 1.27 | +18.0% |

*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: Mar 2011: 43.99m, Dec 2011: 48.57m, Mar 2012: 50.20m

 **Rakuten**