

The following information was originally prepared and published by the Company in Japanese as it contains timely disclosure materials to be submitted to the Tokyo Stock Exchange. This English summary translation is for your convenience only. To the extent there is any discrepancy between this English translation and the original Japanese version, please refer to the Japanese version. The following financial information was prepared in accordance with International Financial Reporting Standards ("IFRS").

Consolidated Financial Reports (IFRS) For the six months ended June 30, 2013

Rakuten, Inc.
August 2, 2013

Company name	Rakuten, Inc.	Listed	Tokyo Stock Exchange
Code No	4755	URL	http://www.rakuten.co.jp/
Representative (Title)	Chairman and CEO	(Name)	Hiroshi Mikitani
Contact person (Title)	CFO	(Name)	Yoshihisa Yamada
Scheduled date of filing the securities report: August 2, 2013		Date of commencement of dividend payments: —	
Supplementary materials for quarterly financial results: Yes			
Quarterly financial results information meeting held: Yes (For institutional investors and analysts)			

1. Consolidated Results for the six months ended June 30 of Fiscal 2013 (January 1 – June 30, 2013)

(Yen amounts are rounded to the nearest million)

(1) Consolidated Operating Results

(%, YoY)

	Revenue		Operating income		Income before income tax		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2013	240,880	32.9	47,576	26.0	46,347	25.4	25,793	18.6
Six months ended June 30, 2012	181,249	—	37,754	—	36,958	—	21,743	—

	Net income attributable to owners of the parent company		Comprehensive income		Basic Earnings per Share attributable to owners of the parent company	Diluted Earnings per Share attributable to owners of the parent company
	Millions of yen	%	Millions of yen	%	Yen	Yen
Six months ended June 30, 2013	25,616	18.9	39,231	77.2	19.48	19.41
Six months ended June 30, 2012	21,547	—	22,144	—	16.40	16.36

(Note) 1. Rakuten, Inc. made a 100-for-1 stock split for shares of its common stock on July 1, 2012. Basic Earnings per Share and Diluted Earnings per Share were calculated under the assumption that the stock split took effect at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Total net assets	Total equity attributable to owners of the parent company	Ratio of total equity attributable to owners of the parent company to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2013	2,752,553	276,245	270,188	9.8
As of December 31, 2012	2,287,634	241,912	235,942	10.3

2. Dividend Distribution

	Annual dividend per share				
	1Q	2Q	3Q	Annual	Total
	Yen	Yen	Yen	Yen	Yen
FY2012	—	0.00	—	3.00	3.00
FY2013	—	0.00	—	—	—
FY2013 (Forecast)	—	—	—	—	—

3. Forecast of Consolidated Operating Results for Fiscal 2013 (January 1 to December 31, 2013)

Rakuten, Inc. and its subsidiaries do not disclose earnings forecasts as these business operations include an Internet service business characterized by high uncertainty and financial related businesses such as securities business whose results heavily depend on highly volatile markets. This precludes us from making earnings forecasts.

Notes

(1) Changes in significant subsidiaries during the current period

(Changes in specified subsidiaries resulting in change in scope of consolidation): No

New — (Company name —) Excluded — (Company name —)

(2) Changes in accounting policies and changes in accounting estimates

1. Changes in accounting policies as required under IFRS: Yes
2. Changes in accounting policies due to other reasons: No
3. Changes in accounting estimates: No

Note: For details, see page 6, 2. Matters regarding summary information (Others) (2) Outline of changes in accounting policies and accounting estimates.

(3) Number of shares issued (Common stock)

1. Total number of shares issued at the end of the period (including treasury stocks)
 - 1,322,101,200 shares (As of June 30, 2013)
 - 1,320,626,600 shares (As of December 31, 2012)
2. Number of treasury stocks at the end of the period
 - 6,087,089 shares (As of June 30, 2013)
 - 6,007,996 shares (As of December 31, 2012)
3. Average number of shares during the period (cumulative from the beginning of the period)
 - 1,315,045,254 shares (Six months ended June 30, 2013)
 - 1,313,700,076 shares (Six months ended June 30, 2012)

(Note) Rakuten, Inc. made a 100-for-1 stock split regarding shares of its common stock on July 1, 2012. Average number of shares during the period is calculated under the assumption that the stock split took effect at the beginning of the previous fiscal year.

Indication regarding execution of quarterly review procedures

- This quarterly financial report is not intended for the quarterly review based on the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly consolidated financial statements in accordance with the Financial Instruments and Exchange Act are not completed

Explanation about the appropriate use of earnings forecasts, and other special matters

- The Rakuten Group adopted IFRS for the first time in the year ending December 31, 2012, and from the previous year (December 2012 period) we disclosed consolidated financial statements in conformity with IFRS.
- Rakuten, Inc. and its subsidiaries do not disclose earnings forecasts as these business operations include an Internet service business characterized by high uncertainty and financial related businesses such as securities business whose results heavily depend on highly volatile markets. This precludes us from making earnings forecasts.

Qualitative Information, Financial Statements, etc.

1. Qualitative Information Concerning Consolidated Business Results

(1) Business Results for the Second Quarter of the Fiscal Year Ending December 31, 2013

In the world economy during the first half of the current fiscal year (January 1, 2013 to June 30, 2013), the European debt crisis and a slowdown in economic growth in newly developing regions continued to pose risks of an economic downturn. Meanwhile, in the Japanese economy, the recovery trend has been strong, as consumer sentiment recovered and business confidence of companies improved with the background of a rise in stock prices, in response to monetary easing measures and other factors.

Under such an environment, the Rakuten Group enhanced its services for smartphones, tablet devices and other smart devices, whose users have been increasing in number at exponential rates, engaged in marketing utilizing big data, and promoted Rakuten Ichiba's B2B2C marketplace model to the world, mainly through large-scale sales events such as the "Rakuten Super Sale". We also worked on enhancing logistics services through "Rakuten Super Logistics", our logistics agency services for corporate clients. In the Internet Finance business segment, we aggressively expanded the business centering on Rakuten Card, which has notable synergies with Internet Services. The revitalization of the financial market also contributed to the growth in profits of the finance business during the first half of the current fiscal year. Through these and other measures, the "Rakuten Eco-System" continues to show solid expansion and growth.

As a result of these efforts, the Rakuten Group achieved revenue of ¥240,880 million, a 32.9% year-on-year increase, in the first half of the current fiscal year. Operating income grew 26.0% year on year to ¥47,576 million, and net income attributable to owners of the company amounted to ¥25,616 million, up 18.9% compared to the same period in the previous year.

(Millions of yen)

	Six months ended June 30, 2012	Six months ended June 30, 2013	Amount Change YoY	% Change YoY
Revenue	181,249	240,880	59,631	32.9%
Operating income	37,754	47,576	9,822	26.0%
Net income (Attributable to owners of the parent company)	21,547	25,616	4,069	18.9%

(2) Segment Information

Business results for each segment are as follows:

Internet Services

In the Internet Services segment during the first half of the current fiscal year, Rakuten actively worked on strengthening its services for smart devices, promoting personalized marketing utilizing big data, and running large-scale sales events such as the "Rakuten Super Sale", among other initiatives in its core "Rakuten Ichiba" service. We also strove to enhance our logistics services in line with the B2B2C marketplace model through "Rakuten Super Logistics" and among other services. As a result of these efforts, we saw strong performance in the number of unique buyers and orders. Domestic e-commerce gross merchandise sales rose by 15.9% over the same period in the previous year, and we continued to maintain a high level of growth. In Travel services, leisure travel sales were strong, and we pursued a more diversified earnings base through efforts such as the single payment service for corporate hotel reservations, resulting in a 13.0% year-on-year increase in gross transaction value.

At its overseas ventures, Rakuten focused on marketplace-model services while also horizontally rolling out a range of strategic expertise including the points program and the "Rakuten Super Sale", which have proven successful in Japan. Consequently, gross merchandise sales for these services have grown and are contributing to the expansion of operations.

As a result, revenue in the Internet Services segment climbed 19.5% year-on-year to ¥141,915 million. While profit from existing businesses continue to grow, the segment profit declined 4.8% year-on-year to ¥27,547 million as a result of continued investments in future growth fields.

(Millions of yen)

	Six months ended June 30, 2012	Six months ended June 30, 2013	Amount Change YoY	% Change YoY
Segment Revenue	118,713	141,915	23,202	19.5%
Segment Profit	28,949	27,547	(1,402)	(4.8)%

Internet Finance

In the Internet Finance segment during the first half of the current fiscal year, the shopping transaction value for credit card and related services rose 37.8% over the same period in the previous year, accompanying an increase in Rakuten Card membership. Moreover, a solid rise in the revolving shopping balance resulted in a rise in commission income, continuing notable growth in profit. In securities services, revenue and profit grew substantially, including a 259.6% increase over the same period of the previous year in proceeds from domestic stock trading, supported by the revitalization of the financial market. In banking services, solid growth in loan balances led to increased interest income from loans.

As a result of the above, the Internet Finance segment recorded ¥97,866 million in revenue, a 66.5% year-on-year increase, while segment profit grew 161.4% year on year to ¥21,582 million.

(Millions of yen)

	Six months ended June 30, 2012	Six months ended June 30, 2013	Amount Change YoY	% Change YoY
Segment Revenue	58,793	97,866	39,073	66.5%
Segment Profit	8,258	21,582	13,324	161.4%

Others

In the Others segment during the first half of the current fiscal year, operating income remained strong in telecommunications services due to the growth of cloud services and call services for smartphones, in addition to improvements in management efficiency. The professional sports division marked record high annual season ticket sales thanks to the strong performance of the baseball team.

As a result, revenue in the segment was ¥16,082 million, a 1.5% year-on-year decrease, while segment profit was ¥1,630 million, a 56.8% year-on-year increase.

(Millions of yen)

	Six months ended June 30, 2012	Six months ended June 30, 2013	Amount Change YoY	% Change YoY
Segment Revenue	16,319	16,082	(237)	(1.5)%
Segment Profit (Loss)	1,039	1,630	591	56.8%

(2) Qualitative Information Concerning Consolidated Financial Position

i) Assets, Liabilities, and Net Assets

Assets

Total assets at the end of the first half of the current fiscal year amounted to ¥2,752,553 million, an increase of ¥464,919 million from ¥2,287,634 million at the end of the previous fiscal year. Primary factors were a ¥76,516 million decline in investment securities for banking business, an amount offset by an increase of ¥379,759 million in financial assets for securities business backed by lively trading in the financial markets, an increase of ¥43,647 million in loans for credit card business in conjunction with an increase of credit card receivables, an increase of ¥24,648 million in loans for banking business associated with an increase in personal loans, and an increase of ¥21,932 million in intangible assets associated with factors such as the acquisition of Alpha Direct Services as well as exchange rate fluctuations.

Liabilities

Total liabilities at the end of the first half of the current fiscal year were ¥2,476,308 million, an increase of ¥430,586 million from ¥2,045,722 million at the end of the previous fiscal year. Primary factors were a ¥323,704 million rise in financial liabilities for securities business due mainly to an expansion in consignment trades for securities, a ¥29,595 million increase in bonds and borrowings mainly due to the borrowing of call loans in the securities business, and an increase of ¥49,120 million in deposits for banking business.

Net assets

Net assets at the end of the first half of the current fiscal year stood at ¥276,245 million, an increase of ¥34,333 million compared with the ¥241,912 million at the end of the previous fiscal year. Primary factors were a ¥23,073 million increase in retained earnings resulting from factors including ¥25,616 million in net income attributable to owners of the parent company for the first half of the current fiscal year and cash dividends paid of ¥3,944 million, and a ¥10,494 million rise in foreign currency translation adjustments resulting from fluctuations in the foreign exchange market.

ii) Cash Flows

Cash and cash equivalents at the end of the first half of the current fiscal year was ¥296,569 million, an increase of ¥26,455 million from the end of the previous fiscal year. Cash flow conditions and their major factors for the first half of the current fiscal year are as follows:

Net cash flows used in operating activities

Net cash flows used in operating activities for the first half of the current fiscal year resulted in a cash outflow of ¥43,223 million (compared with a cash inflow of ¥46,986 million for the same period of the previous year). Primary factors included a cash inflow of ¥46,347 million for income before income tax, a cash inflow of ¥49,120 million for an increase in deposits for banking business, and the recording of non-cash flow items including ¥12,229 million for depreciation and amortization, a net cash outflow of ¥56,055 million following changes in financial assets and financial liabilities for securities business due to the revitalization of the financial market (a cash outflow of ¥379,759 million for an increase in financial assets and a cash inflow of ¥323,704 million for an increase in financial liabilities), a cash outflow of ¥43,647 million for an increase in loans for credit card business; a cash outflow of ¥32,000 million for an increase in call loans for banking business; and a cash outflow of ¥24,649 million for an increase in loans for banking business.

Net cash flows from investing activities

Net cash flows from investing activities for the first half of the current fiscal year resulted in a cash inflow of ¥44,804 million (compared with a cash inflow of ¥31,130 million for the same period of the previous year). Primary factors included: a cash outflow of ¥12,643 million for acquisition of subsidiaries; a cash outflow of ¥11,799 million for purchase of intangible assets including software; and a net cash inflow of ¥77,286 million for proceeds from sales and redemption of investment securities for banking

business (a cash outflow of ¥62,510 million for purchase of investment securities and a cash inflow of ¥139,796 million for proceeds from sales and redemption of investment securities).

Net cash flows from financing activities

Net cash flows from financing activities for the first half of the current fiscal year resulted in a cash inflow of ¥21,698 million (compared with a cash outflow of ¥37,150 million for the same period of the previous year). Primary factors included a cash outflow of ¥41,929 million for repayment of long-term debt, a cash inflow of ¥33,000 million for proceeds from long-term debt, and a cash inflow of ¥28,816 million for net increase in short-term borrowings.

(3) Qualitative Information about Consolidated Business Forecasts

In the fiscal year ending December 31, 2013, we anticipate further expansion in the use of our services in Japan including e-commerce and travel, resulting in continued high growth. In financial services, although there will be a certain degree of impact from financial conditions, we anticipate a continuous growth in revenue created from synergies within the Rakuten Group. Aiming for an early return in income, Rakuten will continue to make strategic allocations of corporate resources and active investments in high-growth areas such as e-books, in order to generate more mid-to-long-term revenue opportunities.

While making these forward-looking investments, Rakuten intends to surpass its previous fiscal year's financial results in the fiscal year ending December 31, 2013.

Rakuten, Inc. and its subsidiaries do not disclose earnings forecasts as these business operations include an Internet service business characterized by high uncertainty and financial related businesses such as securities business whose results heavily depend on highly volatile markets. This precludes us from making earnings forecasts.

2. Matters regarding summary information (Others)

(1) Changes in significant subsidiaries during the current period

No items to report.

(2) Outline of changes in accounting policies and accounting estimates

(Changes in accounting policies as required under IFRS)

Apart from the cases stated as follows, significant accounting policies adopted by the Group in this summary of consolidated financial statements for the six months ended June 30, 2013 basically remain the same as those adopted in the consolidated financial statements for the previous fiscal year. In addition, income tax expense for the six months ended June 30, 2013 is calculated based upon estimated annual effective tax rate.

Impact from the adoption of the new accounting standards

The Group started to adopt following accounting standards from the first quarter of the current fiscal year.

	IFRS	Newly established or revised contents
IFRS 13	Fair value measurement	Guidance of fair value measurements, which are required in other standards
IFRS 7	Financial instruments: disclosures (Amended Dec. 2011)	New disclosure for evaluation of the effect and potential effect of offsetting arrangements on an entity's financial position

These standards have been adopted in accordance with their respective transitional provisions, and the adoption of above standards has no significant impact on the six months ended June 30, 2013.

3. Quarterly Consolidated Financial Statements (Summary)
(1) Consolidated Statement of Financial Position (Summary)

(Millions of Yen)

	As of December 31, 2012	As of June 30, 2013
(Assets)		
Cash and cash equivalents	270,114	296,569
Accounts receivable - trade	65,493	58,948
Financial assets for securities business	615,703	995,462
Loans for credit card business	402,418	446,065
Investment securities for banking business	296,326	219,810
Loans for banking business	189,669	214,317
Investment securities for insurance business	13,623	14,928
Derivative assets	10,674	15,074
Investment securities	23,411	27,185
Other financial assets	123,132	153,591
Investments in associates and joint ventures	6,601	6,266
Property, plant and equipment	24,143	26,883
Intangible assets	188,014	209,946
Deferred tax assets	40,546	42,826
Other assets	17,767	24,683
Total assets	2,287,634	2,752,553

(Millions of Yen)

	As of December 31, 2012	As of June 30, 2013
Liabilities		
Accounts payable - trade	79,965	82,684
Deposits for banking business	809,531	858,651
Financial liabilities for securities business	558,055	881,759
Derivative liabilities	4,685	8,526
Bonds and borrowings	305,186	334,781
Other financial liabilities	210,048	207,400
Income taxes payable	2,873	20,175
Provisions	29,614	32,628
Policy reserves and others for insurance business	18,496	18,756
Deferred tax liabilities	6,416	7,171
Other liabilities	20,853	23,777
Total liabilities	2,045,722	2,476,308
Net assets		
Equity attributable to owners of the parent company		
Common stock	108,255	108,765
Capital surplus	116,599	115,666
Retained earnings	20,873	43,946
Treasury stock	(3,626)	(3,649)
Other components of equity	(6,159)	5,460
Total equity attributable to owners of the parent company	235,942	270,188
Non-controlling interests	5,970	6,057
Total net assets	241,912	276,245
Total liabilities and net assets	2,287,634	2,752,553

(2) Consolidated Statements of Income and Comprehensive Income (Summary)

Consolidated Statements of Income (Summary)

(For the six months ended June 30, 2012 and 2013)

(Millions of yen)

	Six months ended June 30, 2012 (January 1 to June 30, 2012)	Six months ended June 30, 2013 (January 1 to June 30, 2013)
Continuing Operations		
Revenue	181,249	240,880
Operating expenses	141,832	192,555
Other income	335	844
Other expenses	1,998	1,593
Operating income	37,754	47,576
Financial income	153	116
Financial expenses	1,403	1,088
Share of profit/(loss) of associates	454	(257)
Income before income tax	36,958	46,347
Income tax expense	15,215	20,554
Net income	21,743	25,793
Net income attributable to:		
Owners of the parent company	21,547	25,616
Non-controlling interests	196	177
Net income	21,743	25,793
(Yen)		
Earnings per share attributable to owners of the parent company		
Basic	16.40	19.48
Diluted	16.36	19.41

Consolidated Statements of Income (Summary)
(For the three months ended June 30, 2012 and 2013)

(Millions of yen)

	Three months ended June 30, 2012 (April 1 to June 30, 2012)	Three months ended June 30, 2013 (April 1 to June 30, 2013)
Continuing Operations		
Revenue	91,451	127,732
Operating expenses	71,641	102,476
Other income	105	302
Other expenses	773	893
Operating income	19,142	24,665
Financial income	37	59
Financial expenses	834	583
Share of profit/(loss) of associates	395	(206)
Income before income tax	18,740	23,935
Income tax expense	7,189	12,417
Net income	11,551	11,518
Net income attributable to:		
Owners of the parent company	11,380	11,371
Non-controlling interests	171	147
Net income	11,551	11,518
(Yen)		
Earnings per share attributable to owners of the parent company		
Basic	8.66	8.64
Diluted	8.64	8.60

Consolidated Statement of Comprehensive Income (Summary)
(For the six months ended June 30, 2012 and 2013)

(Millions of yen)

	Six months ended June 30, 2012 (January 1 to June 30, 2012)	Six months ended June 30, 2013 (January 1 to June 30, 2013)
Net income	21,743	25,793
Other comprehensive income		
Items that will not be reclassified to net income		
Gains and losses on financial assets measured at fair value through other comprehensive income	109	4,456
Income tax relating to gains and losses on financial assets measured at fair value through other comprehensive income	(120)	(1,598)
Share of other comprehensive income of associates	24	15
Total items that will not be reclassified to net income	13	2,873
Items that may be reclassified to net income		
Foreign currency translation adjustments	309	10,540
The portion of gains or losses on effective cash flow hedges recognized in other comprehensive income	(142)	(67)
Income tax relating to the portion of gains or losses on effective cash flow hedges recognized in other comprehensive income	65	24
The portion of gains or losses on effective cash flow hedges reclassified from other comprehensive income to net income	252	108
Income tax relating to the portion of gains or losses on effective cash flow hedges reclassified from other comprehensive income to net income	(96)	(40)
Total items that may be reclassified to net income	388	10,565
Other comprehensive income, net of tax	401	13,438
Comprehensive income	22,144	39,231
Total comprehensive income attributable to		
Owners of the parent company	21,967	39,010
Non-controlling interests	177	221
Comprehensive income	22,144	39,231

Consolidated Statement of Comprehensive Income (Summary)
(For the three months ended June 30, 2012 and 2013)

(Millions of yen)

	Three months ended June 30, 2012 (April 1 to June 30, 2012)	Three months ended June 30, 2013 (April 1 to June 30, 2013)
Net income	11,551	11,518
Other comprehensive income		
Items that will not be reclassified to net income		
Gains and losses on financial assets measured at fair value through other comprehensive income	(127)	1,006
Income tax relating to gains and losses on financial assets measured at fair value through other comprehensive income	(85)	(400)
Share of other comprehensive income of associates	8	5
Total items that will not be reclassified to net income	(204)	611
Items that may be reclassified to net income		
Foreign currency translation adjustments	(6,544)	4,758
The portion of gains or losses on effective cash flow hedges recognized in other comprehensive income	36	62
Income tax relating to the portion of gains or losses on effective cash flow hedges recognized in other comprehensive income	(13)	(22)
The portion of gains or losses on effective cash flow hedges reclassified from other comprehensive income to net income	55	60
Income tax relating to the portion of gains or losses on effective cash flow hedges reclassified from other comprehensive income to net income	(21)	(22)
Total items that may be reclassified to net income	(6,487)	4,836
Other comprehensive income, net of tax	(6,691)	5,447
Comprehensive income	4,860	16,965
Total comprehensive income attributable to		
Owners of the parent company	4,738	16,812
Non-controlling interests	122	153
Comprehensive income	4,860	16,965

(3) Consolidated Statement of Changes in Equity (Summary)

(Millions of yen)

	Other components of equity								Total equity attributable to owners of the parent company	Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Foreign currency translation adjustments	Financial instruments measured at fair value through other comprehensive income	Cash flow hedges	Total other components of equity			
As of January 1, 2012	107,959	116,864	3,641	(3,626)	(18,123)	2,026	(374)	(16,471)	208,367	3,979	212,346
Comprehensive income											
Net income	—	—	21,547	—	—	—	—	—	21,547	196	21,743
Other comprehensive income, net of tax	—	—	—	—	327	14	79	420	420	(19)	401
Total comprehensive income	—	—	21,547	—	327	14	79	420	21,967	177	22,144
Transactions with owners											
Contributions by and distributions to owners of the Company											
Issuance of common stock	154	155	—	—	—	—	—	—	309	—	309
Cash dividends paid	—	—	(3,284)	—	—	—	—	—	(3,284)	—	(3,284)
Others	—	133	119	—	—	(166)	—	(166)	86	—	86
Total contributions by and distributions to owners of the Company	154	288	(3,165)	—	—	(166)	—	(166)	(2,889)	—	(2,889)
Changes in ownership interests in subsidiaries											
Issuance of common stock	—	—	—	—	—	—	—	—	—	30	30
Acquisitions and disposals of non-controlling interests	—	—	—	—	—	—	—	—	—	1,380	1,380
Others	—	(402)	—	—	—	—	—	—	(402)	(87)	(489)
Total changes in ownership interests in subsidiaries	—	(402)	—	—	—	—	—	—	(402)	1,323	921
Total transactions with owners	154	(114)	(3,165)	—	—	(166)	—	(166)	(3,291)	1,323	(1,968)
As of June 30, 2012	108,113	116,750	22,023	(3,626)	(17,796)	1,874	(295)	(16,217)	227,043	5,479	232,522
As of January 1, 2013	108,255	116,599	20,873	(3,626)	(7,782)	1,826	(203)	(6,159)	235,942	5,970	241,912
Comprehensive income											
Net income	—	—	25,616	—	—	—	—	—	25,616	177	25,793
Other comprehensive income net of tax	—	—	—	—	10,494	2,875	25	13,394	13,394	44	13,438
Total comprehensive income	—	—	25,616	—	10,494	2,875	25	13,394	39,010	221	39,231
Transactions with owners											
Contributions by and distributions to owners of the Company											
Issuance of common stock	510	510	—	—	—	—	—	—	1,020	—	1,020
Cash dividends paid	—	—	(3,944)	—	—	—	—	—	(3,944)	—	(3,944)
Transfer of other components of equity to retained earnings	—	—	1,775	—	—	(1,775)	—	(1,775)	—	—	—
Others	—	312	(374)	(23)	—	—	—	—	(85)	—	(85)
Total contributions by and distributions to owners of the parent company	510	822	(2,543)	(23)	—	(1,775)	—	(1,775)	(3,009)	—	(3,009)

Changes in ownership interests in subsidiaries											
Issuance of common stock	—	—	—	—	—	—	—	—	—	45	45
Acquisitions and disposals of non-controlling interests	—	(1,806)	—	—	—	—	—	—	(1,806)	(34)	(1,840)
Others	—	51	—	—	—	—	—	—	51	(145)	(94)
Total changes in ownership interests in subsidiaries	—	(1,755)	—	—	—	—	—	—	(1,755)	(134)	(1,889)
Total transactions with owners	510	(933)	(2,543)	(23)	—	(1,775)	—	(1,775)	(4,764)	(134)	(4,898)
As of June 30, 2013	108,765	115,666	43,946	(3,649)	2,712	2,926	(178)	5,460	270,188	6,057	276,245

(4) Consolidated Statement of Cash Flows (Summary)

(Millions of Yen)

	Six months ended June 30, 2012 (January 1 to June 30, 2012)	Six months ended June 30, 2013 (January 1 to June 30, 2013)
Net cash flows from operating activities		
Income before income tax	36,958	46,347
Depreciation and amortization	10,303	12,229
Other loss (profit)	2,131	(73)
Decrease (Increase) in operating receivables	5,880	9,931
Decrease (Increase) in loans for credit card business	(25,421)	(43,647)
Increase (Decrease) in deposits for banking business	28,573	49,120
Decrease (Increase) in call loans for banking business	23,000	(32,000)
Decrease (Increase) in loans for banking business	(18,245)	(24,649)
Increase (Decrease) in operating payables	(7,757)	(368)
Increase (Decrease) in accounts payable — other and accrued expenses	775	(2,484)
Decrease (Increase) in financial assets for securities business	(66,805)	(379,759)
Increase (Decrease) in financial liabilities for securities business	50,436	323,704
Others	10,993	4,582
Income tax paid	(5,804)	(7,369)
Income tax refund	1,969	1,213
Net cash flows from (used in) operating activities	46,986	(43,223)
Net cash flows from investing activities		
Increase in time deposits	(5,712)	(5,111)
Decrease in time deposits	5,479	3,415
Purchase of property, plant and equipment	(2,774)	(4,415)
Purchase of intangible assets	(9,047)	(11,799)
Acquisition of subsidiaries	(23,580)	(12,643)
Purchase of investment securities for banking business	(146,073)	(62,510)
Proceeds from sales and redemption of investment securities for banking business	219,719	139,796
Purchase of investment securities for insurance business	—	(4,228)
Proceeds from sales and redemption of investment securities for insurance business	—	2,903
Purchase of investment securities	(8,046)	(2,300)
Proceeds from sales and redemption of investment securities	1,855	4,337
Other payments	(2,052)	(3,472)
Other proceeds	1,361	831
Net cash flows from investing activities	31,130	44,804
Net cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,560)	28,816
Increase (Decrease) in commercial papers	14,000	7,000
Proceeds from long-term debt	2,110	33,000
Repayment of long-term debt	(36,480)	(41,929)
Cash dividends paid	(3,281)	(3,966)

(Millions of Yen)

	Six months ended June 30, 2012 (January 1 to June 30, 2012)	Six months ended June 30, 2013 (January 1 to June 30, 2013)
Others	(7,939)	(1,223)
Net cash flows (used in) from financing activities	(37,150)	21,698
Effect of change in exchange rates on cash and cash equivalents	85	3,176
Net increase in cash and cash equivalents	41,051	26,455
Cash and cash equivalents at the beginning of the period	152,801	270,114
Cash and cash equivalents at the end of the period	193,852	296,569

(5) Assumptions for going concern

For the six months ended June 30, 2013 (January 1, 2013 – June 30, 2013)

No items to report

(6) Notes to the summary of consolidated financial statements for the six months ended June 30, 2013

Basis of preparation

The Group’s summary of consolidated financial statements for the six months ended June 30, 2013 meets the requirements set out under Article 1-2, Paragraph 1, Item 2 of the Rules on Terminology, Formats and Compilation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64 of 2007; hereinafter referred to as the “Rules on Quarterly Consolidated Financial Statements”) under which the Group is qualified as a “specified company” and duly prepares such summary in accordance with IAS 34 “Interim Financial Reporting”, under the provisions of Article 93 of the Rules on Quarterly Consolidated Financial Statements. As this summary does not contain all the information required in annual consolidated financial statements, it ought to be used in combination with the consolidated financial statements for the fiscal year ended December 31, 2012.

Significant accounting policies

Apart from the cases stated as follows, significant accounting policies adopted by the Group in this summary of consolidated financial statements for the six months ended June 30, 2013 basically remain the same as those adopted in the consolidated financial statements for the previous fiscal year. Moreover, such accounting policies have been stated in the Voluntary Disclosure under IFRS for the fiscal year ended December 31, 2012, on our Website.

Income tax expense for the six months ended June 30, 2013 is calculated based upon estimated annual effective tax rate.

Impact from the adoption of the new accounting standards

The Group started to adopt following accounting standards from the first quarter of the current fiscal year.

IFRS		Newly established or revised contents
IFRS 13	Fair value measurement	Guidance of fair value measurements, which are required in other standards
IFRS 7	Financial instruments: disclosures (Amended Dec. 2011)	New disclosure for evaluation of the effect and potential effect of offsetting arrangements on an entity’s financial position

These standards have been adopted in accordance with their respective transitional provisions, and the adoption of above standards has no significant impact on the six months ended June 30, 2013.

Significant accounting estimates and judgments

Preparation of the summary of consolidated financial statements under IFRS for the six months ended June 30, 2013 involves accounting estimates in respect of certain significant matters. Meanwhile, in the process of adopting accounting policies, management of the Group is required to make own judgments. Result of accounting estimation by its nature could be different from the actual outcome.

Accounting estimates and accounting assumptions are subject to continuous review. Changes in accounting estimates are recognized in the fiscal year in which such changes take place as well as fiscal years that follow.

Estimates and judgments that have significant impact on the amounts in this summary of consolidated financial statements for the six months ended June 30, 2013 remain the same as those that had significant impact on the amounts in the consolidated financial statements for the previous fiscal year.

Segment Information

1. Reportable segment overview

The Rakuten Group, a provider of wide-range of internet related services, has aligned its businesses along two main axes, Internet services and Internet financial services, and reports its financial results by three reportable segments: Internet Services, Internet Finance, and Others.

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

Activities in the Internet Services segment consist of the operation of e-commerce sites, including the Rakuten Ichiba Internet shopping mall, travel booking sites, e-book business, portal sites and other sites, as well as services based on these sites, such as advertising and contents.

Activities in the Internet Finance segment involve internet banking and securities services via the Internet, credit card services, insurance business, e-money services and other financial services.

Activities in the Others segment mainly consist of IP telephony services and the management of a professional baseball team.

2. Measurement of Segment Revenue and Segment Profit (Loss) by Operating Segments

In the first six months of the current fiscal year, the reported operating segments were accounted for in accordance with IFRS as stated in the significant accounting policies, and the operating segment revenue and profit or loss are those before intersegment eliminations and other consolidation adjustments, except for certain consolidated subsidiaries. Thus the operating segment profit or loss is the amount based on operating income or loss in accordance with IFRS.

In the first six months of the previous fiscal year, the reported operating segments were accounted for in accordance with accounting standards generally accepted in Japan, but the operating segment information has been restated in accordance with IFRS as adopted from the first six months of the current fiscal year.

In addition, the Group does not allocate assets and liabilities to operating segments used by the chief operating decision maker.

For the six months ended June 30, 2012 (January 1 to June 30, 2012)

(Millions of Yen)

	Internet Services	Internet Finance	Others	Total
Segment Revenue	118,713	58,793	16,319	193,825
Segment Profit (Loss)	28,949	8,258	1,039	38,246

For the six months ended June 30, 2013 (January 1 to June 30, 2013)

(Millions of Yen)

	Internet Services	Internet Finance	Others	Total
Segment Revenue	141,915	97,866	16,082	255,863
Segment Profit (Loss)	27,547	21,582	1,630	50,759

For the three months ended June 30, 2012 (April 1 to June 30, 2012)

(Millions of Yen)

	Internet Services	Internet Finance	Others	Total
Segment Revenue	59,145	29,443	9,209	97,797
Segment Profit (Loss)	14,223	4,057	1,317	19,597

For the three months ended June 30, 2013 (April 1 to June 30, 2013)

(Millions of Yen)

	Internet Services	Internet Finance	Others	Total
Segment Revenue	73,248	51,696	9,365	134,309
Segment Profit (Loss)	11,820	11,494	1,835	25,149

Reconciliation from Segment Revenue to Consolidated Revenue

(Millions of Yen)

	Six months ended June 30, 2012 (January 1 to June 30, 2012)	Six months ended June 30, 2013 (January 1 to June 30, 2013)
Segment Revenue	193,825	255,863
Intercompany transactions, etc.	(12,576)	(14,983)
Consolidated Revenue	181,249	240,880

(Millions of Yen)

	Three months ended June 30, 2012 (April 1 to June 30, 2012)	Three months ended June 30, 2013 (April 1 to June 30, 2013)
Segment Revenue	97,797	134,309
Intercompany transactions, etc.	(6,346)	(6,577)
Consolidated Revenue	91,451	127,732

Reconciliation from Segment Profit (Loss) to Income Before Income Tax

(Millions of Yen)

	Six months ended June 30, 2012 (January 1 to June 30, 2012)	Six months ended June 30, 2013 (January 1 to June 30, 2013)
Segment Profit	38,246	50,759
Intercompany transactions, etc.	(492)	(3,183)
Operating income	37,754	47,576
Financial income and expenses	(1,250)	(972)
Share of profit (loss) of associates	454	(257)
Income before income tax	36,958	46,347

(Millions of Yen)

	Three months ended June 30, 2012 (April 1 to June 30, 2012)	Three months ended June 30, 2013 (April 1 to June 30, 2013)
Segment Profit	19,597	25,149
Intercompany transactions, etc.	(455)	(484)
Operating income	19,142	24,665
Financial income and expenses	(797)	(524)
Share of profit (loss) of associates	395	(206)
Income before income tax	18,740	23,935

Breakdown of Operating Expenses

(Millions of Yen)

	Six months ended June 30, 2012 (January 1 to June 30, 2012)	Six months ended June 30, 2013 (January 1 to June 30, 2013)
Advertising and promotion expenditures	20,638	33,761
Employee benefits expenses	33,477	43,824
Depreciation and amortization	10,303	12,229
Communication and maintenance expenses	7,494	8,767
Consignment and subcontract expenses	10,779	12,749
Allowance for doubtful accounts charged to expenses	5,147	6,511
Cost of sales of merchandise	16,837	20,578
Interest expense for finance business	3,086	2,408
Commission expense for finance business	2,403	2,548
Insurance claims and other payments, and provision of policy reserves and others for insurance business	—	5,943
Others	31,668	43,237
Total	141,832	192,555

(Millions of Yen)

	Three months ended June 30, 2012 (April 1 to June 30, 2012)	Three months ended June 30, 2013 (April 1 to June 30, 2013)
Advertising and promotion expenditures	11,038	18,665
Employee benefits expenses	16,840	23,094
Depreciation and amortization	5,147	6,341
Communication and maintenance expenses	3,772	4,535
Consignment and subcontract expenses	5,538	6,652
Allowance for doubtful accounts charged to expenses	2,659	3,306
Cost of sales of merchandise	7,908	10,295
Interest expense for finance business	1,413	1,207
Commission expense for finance business	1,092	1,321
Insurance claims and other payments, and provision of policy reserves and others for insurance business	—	3,137
Others	16,234	23,923
Total	71,641	102,476

Notes on significant subsequent events: No items to report