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, 2015

Rakuten, Inc.
August 6, 2015

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 6, 2015
Supplementary materials for financial results: Yes
Financial results information meeting held: Yes (For institutional investors and analysts)

1. Consolidated Results for the six months ended June 30, 2015 (January 1 – June 30, 2015)

(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, 2015	332,006	20.0	55,289	23.5	54,084	23.6	27,714	18.7
Six months ended June 30, 2014	276,602	14.8	44,776	(5.9)	43,742	(5.6)	23,346	(9.5)

	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, 2015	27,772	20.3	46,948	155.2	20.97	20.79
Six months ended June 30, 2014	23,086	(9.9)	18,398	(53.1)	17.49	17.39

(2) Consolidated Financial Position

	Total assets	Total equity	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, 2015	4,397,568	658,385	656,158	14.9
As of December 31, 2014	3,680,695	428,086	421,562	11.5

2. Dividend Distribution

	Annual dividend per share				
	Q1	Q2	Q3	Annual	Total
	Yen	Yen	Yen	Yen	Yen
FY2014	—	0.00	—	4.50	4.50
FY2015	—	0.00			
FY2015 (Forecast)			—	—	—

Note: Dividend per share for FY2015 is not yet decided, and there are no changes to this previously disclosed dividend forecast.

3. Forecast of Consolidated Operating Results for Fiscal 2015 (January 1 to December 31, 2015)

In Fiscal 2015, consolidated revenue and Non-GAAP operating income (a level of profit based on IFRS operating income adjusted for stock-based compensation, amortization of acquisition-related intangible assets, and one-off items), excluding the securities business whose results are heavily impacted by the stock market, are expected to surpass the levels of Fiscal 2014.

(Millions of yen)

	Revenue	Non-GAAP Operating Income
Fiscal Year ended December 31, 2014	598,565	118,092

(For details, see page P.8: 1. Qualitative Information, Financial Statements, etc. (3) Qualitative Information about Consolidated Business Forecasts.) There are no changes to this previously disclosed forecast.)

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: No
2. Changes in accounting policies due to other reasons: Yes
3. Changes in accounting estimates: No

For details, see page P. 9, 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)
   1,429,987,000 shares (As of June 30, 2015)
   1,328,603,400 shares (As of December 31, 2014)
2. Number of treasury stocks at the end of the period
   6,033,733 shares (As of June 30, 2015)
   6,033,034 shares (As of December 31, 2014)
3. Average number of shares during the period (cumulative from the beginning of the period)
   1,324,142,762 shares (Six months ended June 30, 2015)
   1,319,600,834 shares (Six months ended June 30, 2014)

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

Consolidated forecasts for the year ending December 31, 2015 are based on information that is available at the time of writing, but a number of known and unknown factors could cause actual results to differ from the projections.

1. Qualitative Information, Financial Statements, etc.

(1) Qualitative Information Concerning Consolidated Business Results

Starting from the first quarter of the current fiscal year (January 1, 2015 to March 31, 2015), the Rakuten Group is disclosing consolidated business results in terms of both its internal measures the management relies upon in making decisions (hereinafter the "Non-GAAP financial measures") and those under IFRS.

Non-GAAP operating income is operating income under IFRS (hereinafter "IFRS operating income") after deducting unusual items and other adjustments prescribed by the Rakuten Group.

The management believes that the disclosure of Non-GAAP financial measures facilitates comparison between the Rakuten Group and peer companies in the same industry or comparison of its business results with those of the prior fiscal years by stakeholders, and can provide useful information in understanding the underlying business results of the Rakuten Group and its future outlook.

Unusual items refer to one-off items that Rakuten believes shall be excluded for the purpose of preparing future outlook based on certain rules. Other adjustment items are those that tend to differ depending on the standards applied, therefore less comparable between companies, such as stock-based compensation expense and amortization of acquisition-related intangible assets.

Note: For disclosure of Non-GAAP financial measures, the Rakuten Group refers to the rule specified by the U.S. Securities and Exchange Commission but does not fully comply with such rule.

i) Business Results for the six months ended June 30, 2015 (Non-GAAP basis)

The world economy during the first half of the current fiscal year (January 1, 2015 to June 30, 2015) stayed on a recovery track despite the impact of a trend toward normalization of U.S. monetary policy and the uncertainty over the future outlook of European and other emerging economies and crude oil prices. The Japanese economy, amid an improving trend in wage and employment conditions, continued its gradual recovery with a sign of pickup in consumer spending and other factors in the wake of the effects of falling crude oil prices and various economic policies.

Under such an environment, the Rakuten Group has further promoted its growth strategy. In Internet Services, despite the absence of the last-minute demand prior to the consumption tax hike as seen in the same period of the previous fiscal year in domestic services including Rakuten Ichiba and Rakuten Travel, the Group strengthened services for smart devices (smartphones and tablet devices) and held large-scale sales events such as the Rakuten Super Sale, maintaining stable results. For contents services, the Group addressed strict cost controls while continuing strategic investments for future profit growth, which put the results on track for improvement. The Group also decided to acquire OverDrive Holdings, Inc. (U.S.) (hereinafter "OverDrive Holdings"), a full-service digital distributor of eBooks, audio books and other content to libraries and educational institutions, and made it a wholly owned subsidiary in April 2015. In Internet Finance, the further expansion of the membership base for Rakuten Card brought in more commission income, and the smoothly growing services of Rakuten Securities and Rakuten Bank contributed to a substantial increase in profit as well.

As a result of these efforts, the Rakuten Group achieved revenue of ¥332,006 million for the six months ended June 30, 2015, up 20.0% year-on-year, and Non-GAAP operating income of ¥63,002 million, up 22.4% year-on-year.

(Non-GAAP basis) (Millions of yen)

	Six months ended June 30, 2014	Six months ended June 30, 2015	Amount Change YoY	% Change YoY
Revenue	276,602	332,006	55,404	20.0%
Non-GAAP operating income	51,454	63,002	11,548	22.4%

ii) Business Results for the six months ended June 30, 2015 (IFRS basis)

The Rakuten Group recorded revenue of ¥332,006 million, up 20.0% year-on-year, and IFRS operating income of ¥55,289 million, up 23.5% year-on-year, and net income attributable to owners of the parent company of ¥27,772 million, up 20.3% year-on-year, for the first half of the current fiscal year.

(IFRS basis) (Millions of yen)

	Six months ended June 30, 2014	Six months ended June 30, 2015	Amount Change YoY	% Change YoY
Revenue	276,602	332,006	55,404	20.0%
IFRS operating income	44,776	55,289	10,513	23.5%
Net income (Attributable to owners of the parent company)	23,086	27,772	4,686	20.3%

iii) Reconciliation of IFRS Operating Income to Non-GAAP Operating Income

For the six months period ended June 30, 2015 amortization of intangible assets of ¥3,773 million, up 34.5% year-on-year, and stock-based compensation expense of ¥2,787 million, up 239.9% year-on-year, were deducted for Non-GAAP operating income. Head office relocation-related expense of ¥1,153 million was recognized as a one-off item. One-off items of ¥3,053 million recognized for the same period of the previous fiscal year include provision related to overseas subsidiaries, impairment of goodwill and intangible assets, and reversal of provision accompanying revisions to tax acts and others.

(Millions of yen)

	Six months ended June 30, 2014	Six months ended June 30, 2015	Amount Change YoY	% Change YoY
IFRS operating income	44,776	55,289	10,513	23.5%
Amortization of intangible assets	2,805	3,773	968	34.5%
Stock-based compensation	820	2,787	1,967	239.9%
One-off items	3,053	1,153	(1,900)	(62.2)%
Non-GAAP operating income	51,454	63,002	11,548	22.4%

iv) Segment Information

Business results for each segment are as follows. In terms of the IFRS basis management approach, segment profit or loss are changed to the six months ended June 30, 2015 of Non-GAAP operating income, and the past segment profit or loss are reclassified accordingly.

Internet Services

In the Internet Services segment for the six months period ended June 30, 2015, the Rakuten Group actively worked on strengthening its services for smart devices, promoting marketing which utilizes big data, executing large-scale sales events such as Rakuten Super Sale, and enhancing services for overseas consumers among other initiatives in its core Rakuten Ichiba service. As a result of these initiatives, despite the absence of the last-minute demand prior to the consumption tax hike as seen in the same period of the previous fiscal year, domestic e-commerce gross merchandise sales increased by 7.4% year-on-year, continuing to show solid results. In Rakuten Travel, strong demand was seen in the reservations related to the long holiday season, as well as in domestic travels, car rental, and inbound services (services for reservations directed from foreign language websites). In overseas e-commerce services, Ebates Inc., which became a subsidiary in October 2014, contributed significantly to the expansion of operations. For contents services, we addressed strict cost controls while continuing

strategic investments for future profit growth, leading to improvement in performance.

As a result, revenue for the segment rose to ¥198,907 million, a 19.9% year-on-year increase, resulting in segment profit of ¥35,890 million, a 25.7% year-on-year increase.

(Millions of yen)

	Six months ended June 30, 2014	Six months ended June 30, 2015	Amount Change YoY	% Change YoY
Segment Revenue	165,949	198,907	32,958	19.9%
Segment Profit	28,558	35,890	7,332	25.7%

Internet Finance

In the Internet Finance segment for the six months period ended June 30, 2015, shopping transaction value grew by 20.1% year-on-year in credit card and related services due to a growth in Rakuten Card membership. Moreover, solid growth in revolving balances resulted in a rise in income including commission income. A significant profit increase was achieved as a result of the application of IFRS 15 (Note) in addition to steady revenue growth. In banking services, profits continued to grow due to an increase in interest income from loans with expanding loan balances and the effect of improvement in cost efficiency. In securities services, domestic stock trading value was solid as the Japanese stock market maintained strong performance, and profits continued to grow steadily with an increase in foreign exchange margin transaction volume resulting from volatile foreign exchange market.

As a result of the above, the Internet Finance segment recorded ¥135,036 million in revenue, a 21.5% year-on-year increase, while segment profit was ¥32,799 million, a 54.7% year-on-year increase.

(Millions of yen)

	Six months ended June 30, 2014	Six months ended June 30, 2015	Amount Change YoY	% Change YoY
Segment Revenue	111,143	135,036	23,893	21.5%
Segment Profit	21,202	32,799	11,597	54.7%

Note: For details on IFRS 15, see page 9: 2. Matters regarding summary information (Others), (2) Outline of changes in accounting policies and accounting estimates.

Others

In the Others segment for the six months period ended June 30, 2015, strategic investments were continued for the future growth of VIBER MEDIA LTD., a messaging and VoIP services provider which became a consolidated subsidiary in March 2014. In the MVNO (Mobile Virtual Network Operator) services, Rakuten Mobile, Rakuten Group conducted aggressive sales activities with the aim of increasing the number of new subscribers. In professional sports division, as for the Tohoku Rakuten Golden Eagles baseball team, the sales of seats reserved for the full season reached a record high. However, segment profit decreased year-on-year due to the absence of profits from transfer associated with the transfer of a key player recorded in the same period of the previous fiscal year.

As a result, revenue for the segment was ¥23,441 million, a 9.3% year-on-year increase, while segment loss was ¥3,527 million (compared with segment profit of ¥2,323 million for the same period of the previous fiscal year).

(Millions of yen)

	Six months ended June 30, 2014	Six months ended June 30, 2015	Amount Change YoY	% Change YoY
Segment Revenue	21,451	23,441	1,990	9.3%
Segment Profit (Loss)	2,323	(3,527)	(5,850)	－%

(2) Analysis Concerning Financial Position

i) Assets, Liabilities, and Net Assets

In order to grow further in the future and strengthen its financial base, the Rakuten Group implemented capital increase through a public offering during the second quarter ended June 30, 2015 (total paid-in amount of ¥181,973 million due on June 30, 2015). The raised funds will be appropriated mainly for the repayment of borrowings and others that is scheduled to commence during and after the third quarter ended September 30, 2015.

Assets

Total assets at the end of June 30, 2015 amounted to ¥4,397,568 million, an increase of ¥716,873 million from ¥3,680,695 million at the end of the previous fiscal year. Primary factors were a ¥276,050 million increase in cash and cash equivalents resulting from the public offering and an increase in deposits for banking business and other factors, a ¥189,911 million increase in financial assets for securities business, a ¥67,960 million increase in investment securities associated with investments in Lyft, Inc., a ¥66,009 million increase in intangible assets due to the acquisition of OverDrive Holdings and other companies, and a ¥61,501 million increase in loans for banking business.

Liabilities

Total liabilities at the end of June 30, 2015 were ¥3,739,183 million, an increase of ¥486,574 million from ¥3,252,609 million at the end of the previous fiscal year. Primary factors were increases of ¥183,738 million in financial liabilities for securities business, ¥142,463 million in bonds and borrowings, and ¥140,028 million in deposits for banking business.

Equity

Equity at the end of June 30, 2015 was ¥658,385 million, an increase of ¥230,299 million from ¥428,086 million at the end of the previous fiscal year. Primary factors were a ¥180,511 million increase in common stock and capital surplus as a result of the public offering and other factors, and a ¥34,813 million increase in retained earnings resulting from factors including ¥27,772 million of net income attributable to owners of the parent company recorded for the six months ended June 30, 2015

ii) Cash Flows

Cash and cash equivalents at the end of June 30, 2015 was ¥704,685 million, an increase of ¥276,050 million from the end of the previous fiscal year. Among these, deposits with the Bank of Japan for banking business was ¥513,052 million, an increase of ¥266,641 million from the end of the previous fiscal year. Cash flow conditions and their major factors for the six months ended June 30, 2015 are as follows.

Net cash flows from operating activities

Net cash flows from operating activities for the six months ended June 30, 2015 in a cash inflow of ¥80,589 million (compared with a cash inflow of ¥45,100 million for the same period of previous fiscal year). Primary factors included cash inflows of ¥140,059 million for an increase in deposits for banking business and ¥54,084 million for income before income tax, which were offset by cash outflows of ¥61,501 million for an increase in loans for banking business, ¥29,900 million for income tax paid, and ¥25,455 million for an increase in loans for credit card business.

Net cash flows used in investing activities

Net cash flows from investing activities for the six months ended June 30, 2015 resulted in a cash outflow of ¥117,672 million (compared with a cash outflow of ¥101,395 million for the same period of previous fiscal year). Primary factors included cash outflows of ¥54,782 million for acquisition of subsidiaries such as OverDrive Holdings, ¥49,360 million for purchase of investment securities of Lyft, Inc. and other companies, and ¥16,549 million for purchase of intangible assets including software, which

were offset by net cash inflows of ¥14,737 million for purchase and sales of investment securities for banking business (a cash inflow of ¥172,819 million for proceeds from sales and redemption of investment securities and a cash outflow of ¥158,082 million for purchase of investment securities).

Net cash flows from financing activities

Net cash flows from financing activities for the six months ended June 30, 2015 resulted in a cash inflow of ¥314,048 million (compared with a cash inflow of ¥86,382 million for the same period of previous fiscal year). Primary factors were cash inflows of ¥182,268 million resulting from issuance of shares associated with the public offering and others, ¥77,952 million for proceeds from long-term debt, ¥56,028 million for net increase in short-term borrowings, and ¥47,500 million for an increase in commercial papers, which were offset by a cash outflow of ¥33,611 million for repayment of long-term debt.

(3) Qualitative Information about Consolidated Business Forecasts

For the forecast of consolidated operating results for Fiscal 2015, Non-GAAP operating income, excluding the securities business whose results are impacted by the stock market, is expected to surpass the levels of Fiscal 2014.

(Millions of yen)

	Revenue	Non-GAAP Operating Income
Fiscal Year ended December 31, 2014	598,565	118,092

The outlook for each segment for the current fiscal year is as follows.

Internet Services

The upward trend in gross transaction value is expected to be maintained amid expansion of the global e-commerce industry, enhancements of Rakuten Group services and other factors. In the Group's domestic e-commerce services, revenue is expected to grow steadily and net income is projected to grow at the same level. For overseas e-commerce and contents services, by including Ebates Inc. and OverDrive Holdings as consolidated subsidiaries, we expect revenue to increase and profit to improve.

Internet Finance

In credit card and related services, high revenue growth is expected to continue. Solid growth in revolving balances is expected to result in a rise in income including commission income, and further growth is expected to continue in profit. In banking services, robust profit is expected following an increase in assets. Meanwhile, it is difficult to make a forecast for securities services due to the substantial impact of stock market conditions.

Others

Rakuten will make strategic investments for future growth in mobile messaging services Viber, MVNO services Rakuten Mobile and other services. Crimson Football Club, Inc., an operator of Vissel Kobe, had an impact as it became a consolidated subsidiary during the first quarter ended March 31, 2015. Furthermore, there was the absence of profit associated with the transfer of a key player in the Tohoku Rakuten Golden Eagles as seen in the previous fiscal year. As a result of these factors, the segment profit for the current fiscal year is expected to fall below the level of the previous fiscal year.

In addition, the Rakuten Group plans to relocate its head office during or after the second quarter of the current fiscal year, and a certain degree of relocation-related one-off expense is projected to arise.

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)

The group companies early adopted the following accounting standard from the first quarter of the current fiscal year.

IFRS		Newly established contents
IFRS 15	Revenue from contracts with customers (Newly established in May 2014)	New standard on accounting and disclosure for revenue recognition

The Group Companies adopted IFRS 15 in accordance with the transition elections available, and therefore retrospectively recognized the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings.

In accordance with IFRS 15, from the first quarter of the current fiscal year, excluding interest, dividend and other such income from financial instruments recognized in accordance with IFRS 9 and insurance revenues recognized in accordance with IFRS 4, revenues are recognized upon transfer of promised goods or services to customers in amounts that reflect the consideration to which Group Companies expect to be entitled in exchange for those goods or services based on the following five step approach:

Step 1: Identify the contracts with customers
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

We recognize the incremental costs of obtaining contracts with customers and the costs incurred in fulfilling a contract with a customer as an asset (hereinafter “assets arising from contract costs”) if those costs are expected to be recoverable. The incremental costs of obtaining contracts are those costs that the Group Companies incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

As a result, at the beginning of the period, other assets (assets arising from contract costs), deferred tax liabilities, retained earnings and non-controlling interests increased by ¥20,679 million, ¥7,305 million, ¥13,244 million and ¥103 million, respectively, as compared to the amounts that would have been recorded had the previous accounting standard been applied. In addition, other assets (long-term prepaid expenses) decreased by ¥27 million.

Moreover, operating expenses decreased by ¥2,777 million, due to capitalization and amortization of assets arising from contract costs, for the six months ended June 30, 2015 as compared to the amounts that would have been recorded had the previous accounting standard been applied.

The impact from the adoption on other accounts on the profit and loss items including revenue is immaterial.

3. Quarterly Consolidated Financial Statements (Summary)

(1) Consolidated Statement of Financial Position (Summary)

(Millions of Yen)

	As of December 31, 2014	As of June 30, 2015
(Assets)		
Cash and cash equivalents	428,635	704,685
Accounts receivable - trade	88,871	82,171
Financial assets for securities business	1,110,888	1,300,799
Loans for credit card business	692,886	718,342
Investment securities for banking business	222,297	221,555
Loans for banking business	321,877	383,378
Investment securities for insurance business	12,205	14,125
Derivative assets	13,927	19,325
Investment securities	50,506	118,466
Other financial assets	144,283	141,445
Investments in associates and joint ventures	8,932	9,240
Property, plant and equipment	34,811	43,204
Intangible assets	490,679	556,688
Deferred tax assets	35,006	27,618
Other assets	24,892	56,527
Total assets	3,680,695	4,397,568

(Millions of Yen)

	As of December 31, 2014	As of June 30, 2015
Liabilities		
Accounts payable - trade	137,042	119,561
Deposits for banking business	1,137,195	1,277,223
Financial liabilities for securities business	995,141	1,178,879
Derivative liabilities	11,769	14,409
Bonds and borrowings	589,927	732,390
Other financial liabilities	242,616	265,879
Income taxes payable	27,129	23,797
Provisions	43,969	48,211
Policy reserves and others for insurance business	19,847	20,516
Deferred tax liabilities	12,437	23,035
Other liabilities	35,537	35,283
Total liabilities	3,252,609	3,739,183
Equity		
Equity attributable to owners of the parent company		
Common stock	111,602	203,405
Capital surplus	118,528	207,236
Retained earnings	124,796	159,609
Treasury stock	(3,649)	(3,650)
Other components of equity	70,285	89,558
Total equity attributable to owners of the parent company	421,562	656,158
Non-controlling interests	6,524	2,227
Total equity	428,086	658,385
Total liabilities and equity	3,680,695	4,397,568

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

Consolidated Statement of Income (Summary)
(For the six months ended June 30, 2014 and 2015)

(Millions of yen)

	Six months ended June 30, 2014 (January 1 to June 30, 2014)	Six months ended June 30, 2015 (January 1 to June 30, 2015)
Continuing Operations		
Revenue	276,602	332,006
Operating expenses	226,175	277,377
Other income	905	2,382
Other expenses	6,556	1,722
Operating income	44,776	55,289
Financial income	145	81
Financial expenses	1,325	1,956
Share of income of associates and joint ventures	146	670
Income before income tax	43,742	54,084
Income tax expense	20,396	26,370
Net income	23,346	27,714
Net income attributable to:		
Owners of the parent company	23,086	27,772
Non-controlling interests	260	(58)
Net income	23,346	27,714
		(Yen)
Earnings per share attributable to owners of the parent company		
Basic	17.49	20.97
Diluted	17.39	20.79

(For the three months ended June 30, 2014 and 2015)

(Millions of yen)

	Three months ended June 30, 2014 (April 1 to June 30, 2014)	Three months ended June 30, 2015 (April 1 to June 30, 2015)
Continuing Operations		
Revenue	138,339	173,187
Operating expenses	114,800	145,936
Other income	629	219
Other expenses	1,955	1,221
Operating income	22,213	26,249
Financial income	74	58
Financial expenses	803	1,103
Share of income of associates and joint ventures	48	72
Income before income tax	21,532	25,276
Income tax expense	14,379	11,852
Net income	7,153	13,424
Net income attributable to:		
Owners of the parent company	6,973	13,577
Non-controlling interests	180	(153)
Net income	7,153	13,424
		(Yen)
Earnings per share attributable to owners of the parent company		
Basic	5.28	10.24
Diluted	5.25	10.16

Rakuten

Consolidated Statement of Comprehensive Income (Summary)
(For the six months ended June 30, 2014 and 2015)

(Millions of yen)

	Six months ended June 30, 2014 (January 1 to June 30, 2014)	Six months ended June 30, 2015 (January 1 to June 30, 2015)
Net income	23,346	27,714
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	2,487	22,791
Income tax relating to gains and losses on financial assets measured at fair value through other comprehensive income	(739)	(4,734)
Share of other comprehensive income of associates	(5)	13
Total items that will not be reclassified to net income	1,743	18,070
Items that may be reclassified to net income		
Foreign currency translation adjustments	(6,595)	1,267
Portion of gains or losses on effective cash flow hedges recognized in other comprehensive income	(295)	(216)
Income tax relating to the portion of gains or losses on effective cash flow hedges recognized in other comprehensive income	105	49
Portion of gains or losses on effective cash flow hedges reclassified from other comprehensive income to net income	147	197
Income tax relating to the portion of gains or losses on effective cash flow hedges reclassified from other comprehensive income to net income	(53)	(70)
Share of other comprehensive income of associates	–	(63)
Total items that may be reclassified to net income	(6,691)	1,164
Other comprehensive income, net of tax	(4,948)	19,234
Comprehensive income	18,398	46,948
Total comprehensive income attributable to		
Owners of the parent company	18,138	47,005
Non-controlling interests	260	(57)
Comprehensive income	18,398	46,948

Rakuten

Consolidated Statement of Comprehensive Income (Summary)
(For the three months ended June 30, 2014 and 2015)

(Millions of yen)

	Three months ended June 30, 2014 (April 1 to June 30, 2014)	Three months ended June 30, 2015 (April 1 to June 30, 2015)
Net income	7,153	13,424
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	1,884	22,830
Income tax relating to gains and losses on financial assets measured at fair value through other comprehensive income	(478)	(4,893)
Share of other comprehensive income of associates	1	2
Total items that will not be reclassified to net income	1,407	17,939
Items that may be reclassified to net income		
Foreign currency translation adjustments	(2,422)	11,551
Portion of gains or losses on effective cash flow hedges recognized in other comprehensive income	(60)	(126)
Income tax relating to the portion of gains or losses on effective cash flow hedges recognized in other comprehensive income	21	45
Portion of gains or losses on effective cash flow hedges reclassified from other comprehensive income to net income	80	106
Income tax relating to the portion of gains or losses on effective cash flow hedges reclassified from other comprehensive income to net income	(29)	(38)
Share of other comprehensive income of associates	—	(63)
Total items that may be reclassified to net income	(2,410)	11,475
Other comprehensive income, net of tax	(1,003)	29,414
Comprehensive income	6,150	42,838
Total comprehensive income attributable to		
Owners of the parent company	5,970	42,990
Non-controlling interests	180	(152)
Comprehensive income	6,150	42,838

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

(Millions of yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity				Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
					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, 2014	109,530	116,555	61,226	(3,649)	10,491	6,231	(321)	16,401	300,063	6,391	306,454
Comprehensive income											
Net income	—	—	23,086	—	—	—	—	—	23,086	260	23,346
Other comprehensive income, net of tax	—	—	—	—	(6,595)	1,743	(96)	(4,948)	(4,948)	0	(4,948)
Total comprehensive income	—	—	23,086	—	(6,595)	1,743	(96)	(4,948)	18,138	260	18,398
Transactions with owners											
Contributions by and distributions to owners											
Issuance of common stock	1,452	1,451	—	—	—	—	—	—	2,903	—	2,903
Cash dividends paid	—	—	(5,271)	—	—	—	—	—	(5,271)	—	(5,271)
Reclassification from other components of equity to retained earnings	—	—	—	—	—	—		—	—	—	—
Others		51	(35)	—					16		16
Total contributions by and distributions to owners	1,452	1,502	(5,306)	—	—	—	—	—	(2,352)	—	(2,352)
Changes in ownership interests in subsidiaries											
Issuance of common stock	—	—	—	—	—	—	—	—		117	117
Acquisitions and disposals of non-controlling interests	—	(1,009)	—	—	—	—	—	—	(1,009)	(435)	(1,444)
Others	—	(26)	—	—	—	—	—	—	(26)	38	12
Total changes in ownership interests in subsidiaries	—	(1,035)	—	—	—	—	—	—	(1,035)	(280)	(1,315)
Total transactions with owners	1,452	467	(5,306)	—	—	—	—	—	(3,387)	(280)	(3,667)
As of June 30, 2014	110,982	117,022	79,006	(3,649)	3,896	7,974	(417)	11,453	314,814	6,371	321,185
As of January 1, 2015	111,602	118,528	124,796	(3,649)	51,354	19,453	(522)	70,285	421,562	6,524	428,086
Cumulative effects of changes in accounting policies			13,244						13,244	103	13,347
Adjusted balance	111,602	118,528	138,040	(3,649)	51,354	19,453	(522)	70,285	434,806	6,627	441,433
Comprehensive income											
Net income	—	—	27,772	—	—	—	—	—	27,772	(58)	27,714
Other comprehensive income net of tax	—	—	—	—	1,204	18,069	(40)	19,233	19,233	1	19,234
Total comprehensive income	—	—	27,772	—	1,204	18,069	(40)	19,233	47,005	(57)	46,948
Transactions with owners											
Contributions by and distributions to owners											
Issuance of common stock	91,803	91,803	—	—	—	—	—	—	183,606	—	183,606
Direct expenses related to issuance of common stock	—	(751)	—	—	—	—	—	—	(751)	—	(751)
Cash dividends paid	—	—	(5,952)	—	—	—	—	—	(5,952)	—	(5,952)
Reclassification from other components of equity to retained earnings	—	—	(40)	—	—	40		40	—	—	—
Others	—	1,542	(211)	(1)					1,330		1,330
Total contributions by and distributions to owners	91,803	92,594	(6,203)	(1)	—	40	—	40	178,233	—	178,233
Changes in ownership interests in subsidiaries											
Issuance of common stock	—	—	—	—	—	—	—	—		17	17
Acquisitions and disposals of non-controlling interests	—	(3,861)	—	—	—	—	—	—	(3,861)	(1,560)	(5,421)
Others	—	(25)	—	—	—	—	—	—	(25)	(2,800)	(2,825)
Total changes in ownership interests in subsidiaries	—	(3,886)	—	—	—	—	—	—	(3,886)	(4,343)	(8,229)
Total transactions with owners	91,803	88,708	(6,203)	(1)	—	40	—	40	174,347	(4,343)	170,004
As of June 30, 2015	203,405	207,236	159,609	(3,650)	52,558	37,562	(562)	89,558	656,158	2,227	658,385

(4) Consolidated Statement of Cash Flows (Summary)

(Millions of Yen)

	Six months ended June 30, 2014 (January 1 to June 30, 2014)	Six months ended June 31, 2015 (January 1 to June 30, 2015)
Net cash flows from operating activities		
Income before income tax	43,742	54,084
Depreciation and amortization	14,280	19,108
Other loss	5,140	2,426
Decrease in operating receivables	8,945	8,811
Increase in loans for credit card business	(39,104)	(25,455)
Increase in deposits for banking business	53,880	140,059
Decrease in call loans for banking business	15,000	15,000
Increase in loans for banking business	(36,273)	(61,501)
(Decrease) in operating payables	(17,947)	(18,605)
Decrease (Increase) in financial assets for securities business	177,791	(161,087)
Increase (Decrease) in financial liabilities for securities business	(141,911)	154,844
Others	(5,838)	(17,195)
Income tax paid	(32,605)	(29,900)
Net cash flows from operating activities	45,100	80,589
Net cash flows used in investing activities		
Increase in restricted deposits	(7,890)	(5,967)
Increase in time deposits	(8,059)	(10,396)
Decrease in time deposits	6,257	8,445
Purchase of property, plant and equipment	(5,079)	(7,287)
Purchase of intangible assets	(12,187)	(16,549)
Acquisition of subsidiaries	(76,635)	(54,782)
Purchase of investment securities for banking business	(129,595)	(158,082)
Proceeds from sales and redemption of investment securities for banking business	140,647	172,819
Purchase of investment securities for insurance business	(5,315)	(4,072)
Proceeds from sales and redemption of investment securities for insurance business	2,497	2,261
Purchase of investment securities	(3,655)	(49,360)
Proceeds from sales and redemption of investment securities	3,105	5,252
Other payments	(8,560)	(2,752)
Other proceeds	3,074	2,798
Net cash flows used in investing activities	(101,395)	(117,672)
Net cash flows from financing activities		
Proceeds from issuance of common stock	1,978	182,268
Net increase (decrease) in short-term borrowings	(10,283)	56,028
Increase (Decrease) in commercial papers	(35,000)	47,500
Proceeds from long-term debt	145,767	77,952
Repayment of long-term debt	(37,470)	(33,611)
Cash dividends paid	(5,246)	(5,948)
Others	26,636	(10,141)
Net cash flows from financing activities	86,382	314,048

(Millions of Yen)

	Six months ended June 30, 2014 (January 1 to June 30, 2014)	Six months ended June 31, 2015 (January 1 to June 30, 2015)
Effect of change in exchange rates on cash and cash equivalents	(1,713)	(915)
Net increase in cash and cash equivalents	28,374	276,050
Cash and cash equivalents at the beginning of the period	384,008	428,635
Cash and cash equivalents at the end of the period	412,382	704,685

(5) Assumptions for going concern

For the six months ended June 30, 2015 (January 1, 2015 to June 30, 2015)

No items to report

(6) Notes to the summary of consolidated financial statements for the six months ended June 30, 2015

Basis of preparation

The Rakuten Group's summary of consolidated financial statements for the six months ended June 30, 2015 meets the requirements set out under Article 1-2 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 Rakuten Group is qualified as a "specified company" and duly prepares such summary in accordance with IAS 34 "Interim Financial Reporting," under the provision 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, 2014.

This summary of consolidated financial statements (for the six months ended June 30, 2015) was approved by the Board of Directors on August 6, 2015.

Significant accounting policies

Apart from the cases stated as follows, significant accounting policies adopted by the Rakuten Group in this summary of consolidated financial statements for the six months ended June 30, 2015 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, 2015 is calculated based upon estimated annual effective tax rate.

Effect of applying accounting standard newly established

The Group Companies early adopted the following accounting standard from the first quarter of the current fiscal year.

IFRS		Newly established contents
IFRS 15	Revenue from contracts with customers (Newly established in May 2014)	New standard on accounting and disclosure for revenue recognition

The Group Companies adopted IFRS 15 in accordance with the transition elections available, and therefore retrospectively recognized the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings.

In accordance with IFRS 15, from the first quarter of the current fiscal year, excluding interest, dividend and other such income from financial instruments recognized in accordance with IFRS 9 and insurance revenues recognized in accordance with IFRS 4, revenues are recognized upon transfer of promised goods or services to customers in amounts that reflect the consideration to which Group Companies expect to be entitled in exchange for those goods or services based on the following five step approach:

Step 1: Identify the contracts with customers
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

We recognize the incremental costs of obtaining contracts with customers and the costs incurred in fulfilling a contract with a customer as an asset (hereinafter "assets arising from contract costs") if those costs are expected to be recoverable. The incremental costs of obtaining contracts are those costs that the Group Companies incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

As a result, at the beginning of the period, other assets (assets arising from contract costs), deferred tax liabilities, retained earnings and non-controlling interests increased by ¥20,679 million, ¥7,305 million, ¥13,244 million and ¥103 million, respectively, as compared to the amounts that would have been recorded had the previous accounting standard been applied. In addition, other assets (long-term prepaid expenses) decreased by ¥27 million.

Moreover, operating expenses decreased by ¥2,777 million, due to capitalization and amortization of assets arising from contract costs, for the six months ended June 30, 2015 as compared to the amounts that would have been recorded had the previous accounting standard been applied.

The impact from the adoption on other accounts on the profit and loss items including revenue is immaterial.

Significant accounting estimates and judgments

Preparation of the summary of consolidated financial statements under IFRS for the six months ended June 30, 2015 involves accounting estimates in respect of certain significant matters. Meanwhile, in the process of adopting accounting policies, management of the Rakuten Group is required to make own judgments. The result of accounting estimation by its nature could be different from the actual outcome.

Accounting estimates and accounting assumptions are subject to continuous review. Effects of 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, except for "assets arising from contract costs" stated above that have significant impact on the amounts in this summary of consolidated financial statements for the six months ended June 30, 2015, 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. General Information

As a comprehensive internet service provider engaged in the two main activities of Internet Services and Internet Finance Services, the Group Companies are organized into three reportable segments: "Internet Services," "Internet Finance" and "Others."

Discrete financial information for operating results of all operating segments is available, and is regularly reviewed by the Board of Directors of the Group Companies in order to determine the allocation of resources and assess performance.

The "Internet Services" segment comprises businesses running various EC (e-commerce) sites including an internet shopping mall Rakuten Ichiba, online cash-back sites, travel booking sites, portal sites and digital content sites, along with business for advertising and similar on these sites.

The "Internet Finance" segment engages in businesses providing services over the internet related to banking and securities, credit cards, life insurance and electronic money.

The "Others" segment comprises businesses involving provision of messaging and communication services and others, and management of a professional baseball team.

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

The operating segment information is reported in accordance with IFRS as stated in the significant accounting policies in the previous fiscal year, and operating segment revenue and profit or loss are those before intersegment eliminations without consideration of consolidation adjustments, except for certain consolidated subsidiaries. Since the first quarter of the current fiscal year, the internal measures the management relies upon in making decisions have been changed from operating income in accordance with IFRS to Non-GAAP operating income—operating income in accordance with IFRS adjusted for unusual items and other adjustment items prescribed by the Rakuten Group.

The management believes that the disclosure of Non-GAAP financial measures facilitates comparison between the Rakuten Group and peer companies in the same industry or comparison of its business results with those of the prior fiscal years by stakeholders, and can provide useful information in understanding the underlying business results of the Rakuten Group and its future outlook. Unusual items refer to one-off items that Rakuten believes shall be excluded for the purpose of preparing future outlook based on certain rules. Other adjustment items are those that tend to differ depending on the standards applied, therefore less comparable between companies, such as stock-based compensation expense and amortization of acquisition-related intangible assets. In association with these changes in measurement of segment profit and loss, operating segment profit or loss for the six months ended June 30, 2014 and the three months ended June 30, 2014 has been reclassified and restated in line with the presentation for the six months ended June 30, 2015 and the three months ended June 30, 2015

The Group Companies do not allocate assets and liabilities to operating segment information used by the chief operating decision maker.

For the Six months ended June 30, 2014 (January 1 to June 30, 2014)

(Millions of Yen)

	Internet Services	Internet Finance	Others	Total
Segment Revenue	165,949	111,143	21,451	298,543
Segment Profit	28,558	21,202	2,323	52,083

For the six months ended June 30, 2015 (January 1 to June 30, 2015)

(Millions of Yen)

	Internet Services	Internet Finance	Others	Total
Segment Revenue	198,907	135,036	23,441	357,384
Segment Profit (Loss)	35,890	32,799	(3,527)	65,162

For the three months ended June 30, 2014 (April 1 to June 30, 2014)

(Millions of Yen)

	Internet Services	Internet Finance	Others	Total
Segment Revenue	81,043	56,753	11,722	149,518
Segment Profit	13,973	9,735	669	24,377

For the three months ended June 30, 2015 (April 1 to June 30, 2015)

(Millions of Yen)

	Internet Services	Internet Finance	Others	Total
Segment Revenue	102,785	69,576	13,798	186,159
Segment Profit (Loss)	16,862	16,886	(1,065)	32,683

Reconciliation from Segment Revenue to Consolidated Revenue

(Millions of Yen)

	Six months ended June 30, 2014 (January 1 to June 30, 2014)	Six months ended June 30, 2015 (January 1 to June 30, 2015)
Segment Revenue	298,543	357,384
Intercompany transactions, etc.	(21,941)	(25,378)
Consolidated Revenue	276,602	332,006

Reconciliation from Segment Revenue to Consolidated Revenue

(Millions of Yen)

	Three months ended June 30, 2014 (April 1 to June 30, 2014)	Three months ended June 30, 2015 (April 1 to June 30, 2015)
Segment Revenue	149,518	186,159
Intercompany transactions, etc.	(11,179)	(12,972)
Consolidated Revenue	138,339	173,187

Reconciliation from Segment Profit to Income Before Income Tax

(Millions of Yen)

	Six months ended June 30, 2014 (January 1 to June 30, 2014)	Six months ended June 30, 2015 (January 1 to June 30, 2015)
Segment Profit	52,083	65,162
Intercompany transactions, etc.	(629)	(2,160)
Non-GAAP operating income	51,454	63,002
Amortization of intangible assets	(2,805)	(3,773)
Stock-based compensation	(820)	(2,787)
One-off items	(3,053)	(1,153)
IFRS operating income	44,776	55,289
Financial income and expenses	(1,180)	(1,875)
Share of income of associates and joint ventures	146	670
Income before income tax	43,742	54,084

Reconciliation from Segment Profit to Income Before Income Tax

(Millions of Yen)

	Three months ended June 30, 2014 (April 1 to June 30, 2014)	Three months ended June 30, 2015 (April 1 to June 30, 2015)
Segment Profit	24,377	32,683
Intercompany transactions, etc.	(289)	(1,776)
Non-GAAP operating income	24,088	30,907
Amortization of intangible assets	(1,510)	(2,077)
Stock-based compensation	(365)	(1,428)
One-off items	—	(1,153)
IFRS operating income	22,213	26,249
Financial income and expenses	(729)	(1,045)
Share of income of associates and joint ventures	48	72
Income before income tax	21,532	25,276

One-off items recorded for the six months period ended June 30, 2014 comprised provision related to overseas subsidiaries, impairment of goodwill and intangible assets, and reversal of provision accompanying revisions to tax acts and others. A one-off item recognized for the six months ended June 30, 2015 and the three months period ended June 30, 2015 was the head office relocation-related expense.

Breakdown of Operating Expenses

(Millions of Yen)

	Six months ended June 30, 2014 (January 1 to June 30, 2014)	Six months ended June 30, 2015 (January 1 to June 30, 2015)
Advertising and promotion expenditures	38,841	43,075
Employee benefits expenses	52,314	63,148
Depreciation and amortization	14,280	19,108
Communication and maintenance expenses	9,539	9,450
Consignment and subcontract expenses	14,741	16,994
Allowance for doubtful accounts charged to expenses	7,957	10,930
Cost of sales of merchandise	42,638	58,451
Interest expense for finance business	2,609	3,026
Commission expense for finance business	3,032	3,671
Insurance claims and other payments, and provision of policy reserves and others for insurance business	6,943	8,205
Others	33,281	41,319
Total	226,175	277,377

(Millions of Yen)

	Three months ended June 30, 2014 (April 1 to June 30, 2014)	Three months ended June 30, 2015 (April 1 to June 30, 2015)
Advertising and promotion expenditures	20,178	23,306
Employee benefits expenses	26,134	32,617
Depreciation and amortization	7,332	9,963
Communication and maintenance expenses	4,707	4,796
Consignment and subcontract expenses	7,273	8,880
Allowance for doubtful accounts charged to expenses	4,177	5,609
Cost of sales of merchandise	20,693	31,214
Interest expense for finance business	1,300	1,592
Commission expense for finance business	1,580	1,924
Insurance claims and other payments, and provision of policy reserves and others for insurance business	4,198	4,179
Others	17,228	21,856
Total	114,800	145,936

Notes on significant subsequent events

No items to report