

Overview of Q4 2005

February 16, 2006
Rakuten, Inc

This presentation includes forward-looking statements relating to our future plans, targets, objectives, expectations and intentions. The forward-looking statements reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The management targets included in this presentation are not projections, and do not represent management's current estimates of future performance. Rather, they represent targets that management strive to achieve through the successful implementation of the Company's business strategies. The Company may be unsuccessful in implementing its business strategies, and management may fail to achieve its targets. The Company is under no obligation – and expressly disclaims any such obligation – to update or alter its forward-looking statements.

2005 Consolidated Results 1



(Billion Yen)

	Revenues	YoY Change	Ordinary* Profit	YoY Change	Ordinary Profit* Margin
2002	9.89	+45.9%	2.24	+59.2%	22.7%
2003	18.08	+82.8%	4.43	+98.0%	24.5%
2004	45.56	+152.0%	15.47	+248.6%	34.0%
2005	129.77	+184.8%	36.72	+137.3%	28.3%

*Excluding amortization of goodwill recorded as SG&A

2005 Consolidated Results 2



(Billion Yen)

	Revenues	YoY Change	EBITDA	YoY Change	EBITDA Margin
2002	9.89	+45.9%	2.78	+56.9%	28.2%
2003	18.08	+82.8%	6.26	+124.6%	34.6%
2004	45.56	+152.0%	17.52	+179.7%	38.4%
2005	129.77	+184.8%	39.51	+125.5%	30.4%

*EBITDA= Operating Profit + Depreciation and amortization (recorded as SG&A)

2005 Consolidated Results 3



(Billion Yen)

	Revenues	YoY Change	Ordinary * Profit	YoY Change	Ordinary * Profit Margin
E-Commerce Business	35.06	+63.5%	12.40	+72.0%	35.4%
Credit and Payment Business	47.13	+5,970.7%	6.62	-	14.0%
Portal and Media Business	9.43	+64.8%	2.08	+78.2%	22.1%
Travel Business	7.36	+35.8%	3.66	+56.9%	49.8%
Securities Business	26.50	+101.6%	13.02	+162.5%	49.1%
Professional Sports Business	7.38	-	0.24	-	3.3%
Internal Elimination	(3.11)	-	(1.32)	-	-
Consolidated	129.77	+184.8%	36.72	+137.3%	28.3%
Excluding Credit & Payment and Professional Sports	75.24	+68.0%	29.85	+90.6%	39.7%

*Excluding amortization of goodwill recorded as SG&A

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2005/Q4 Summary of Consolidated Results

(Billion Yen)

	Revenues	YoY	QoQ	Ordinary * Profit	YoY	QoQ	Ordinary * Profit Margin
E-Commerce Business	12.16	+78.4%	+48.7%	4.75	+79.1%	+71.8%	39.1%
Credit and Payment Business	21.84	+2,713.0%	(6.9%)	2.19	-	(53.6%)	10.0%
Portal and Media Business	2.88	+82.4%	+7.5%	0.51	+32.4%	(5.0%)	18.0%
Travel Business	2.26	+58.3%	+12.2%	1.18	+91.0%	+12.4%	52.4%
Securities Business	9.82	+182.7%	+42.5%	5.51	+347.8%	+69.5%	56.1%
Professional Sports Business	0.99	-	(64.3%)	(0.67)	-	-	(68.2%)
Internal Elimination	(1.25)	-	-	(1.46)	-	-	-
Consolidated	48.72	+251.3%	+7.7%	12.02	+155.1%	(9.1%)	24.7%
Excluding Credit & Payment and Professional Sports	25.88	+97.7%	+36.4%	10.51	+114.5%	+35.8%	40.6%

*Excluding amortization of goodwill recorded as SG&A

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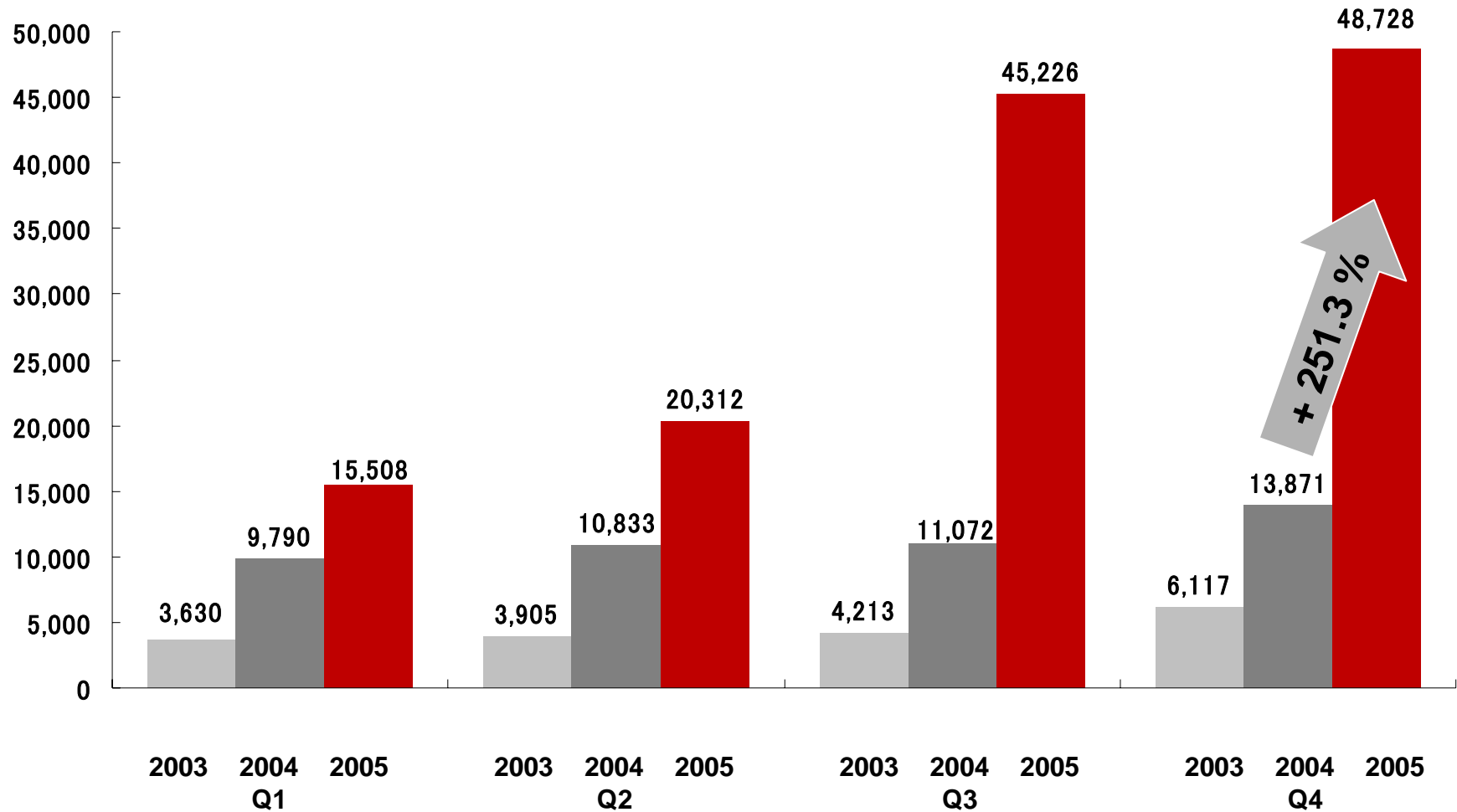
Quarterly Consolidated Revenues

(Excluding One-Time Factor in Q2/03)



05/Q4: YoY+251.3%, QoQ+7.7%

(Million Yen)



※ *One-time factor in Q2/03: Effects of change in revenue recognition policy +214 million yen

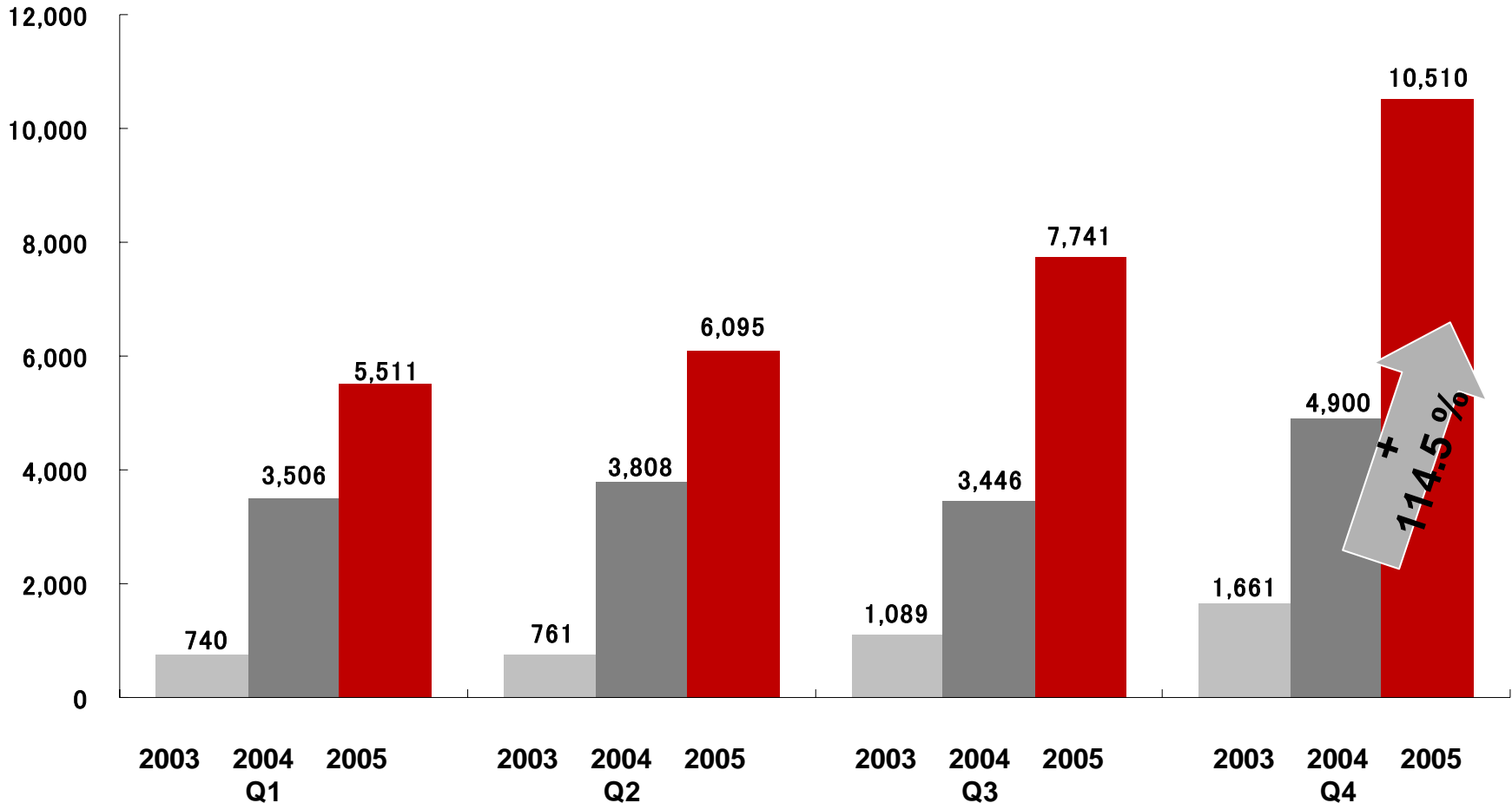
Quarterly Consolidated Ordinary Profit

(Excluding Credit & Payment and Professional Sports)



05/Q4: YoY+114.5%, QoQ +35.8%

(Million yen)



*One-time factor in Q2/03: Effects of change in revenue recognition policy +214 million yen and effects of point-related costs -28 million yen

*For Q1/05, Point Program cost estimates equal -116 million yen

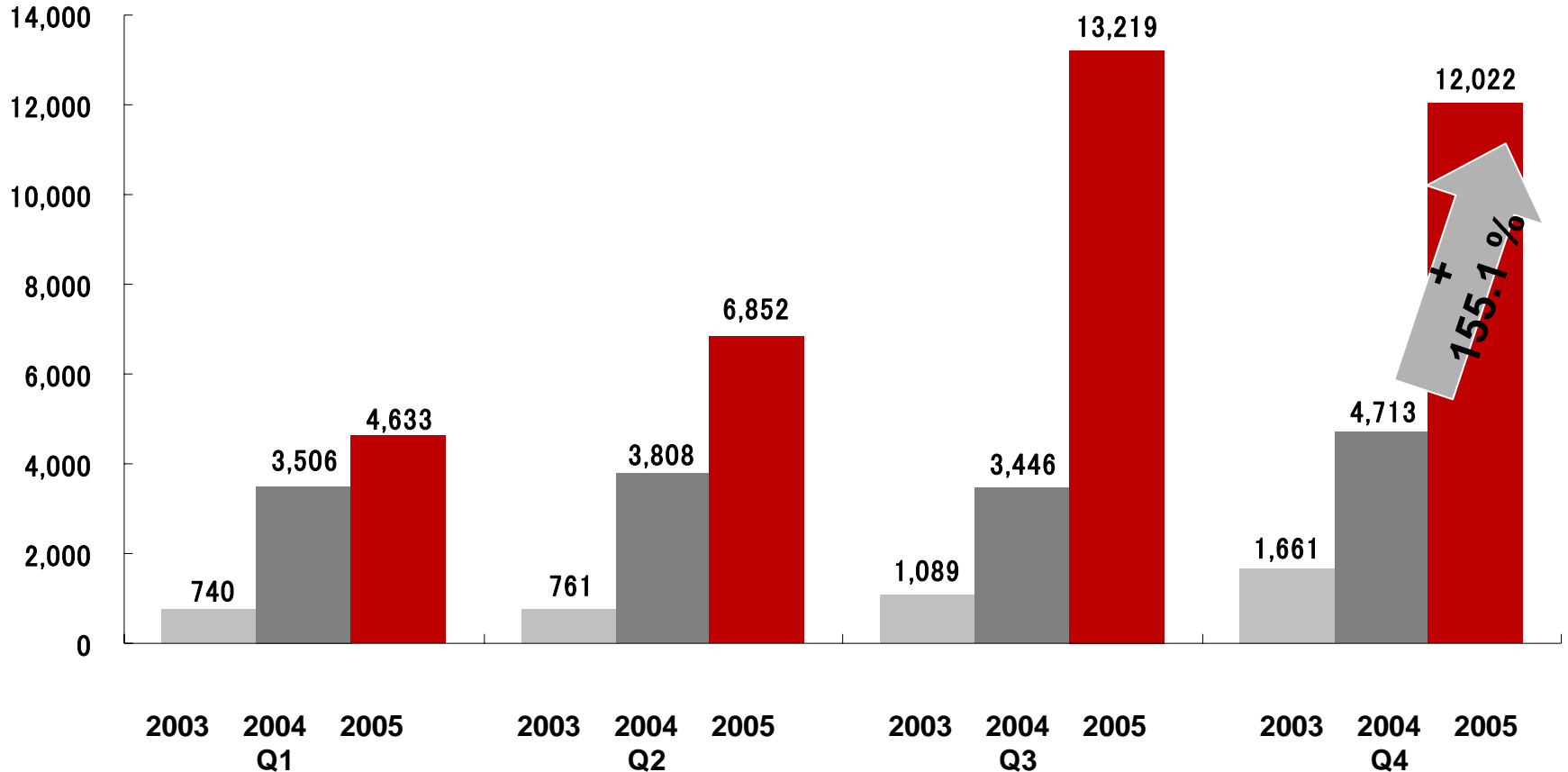
*Excluding amortization of goodwill recorded as SG&A

Quarterly Consolidated Ordinary Profit (No adjustment in 2003/Q2)



05/Q4: YoY+155.1%, QoQ -9.1%

(Million yen)



*One-time factor in Q2/03: Effects of change in revenue recognition policy +214 million yen and effects of point-related costs -28 million yen

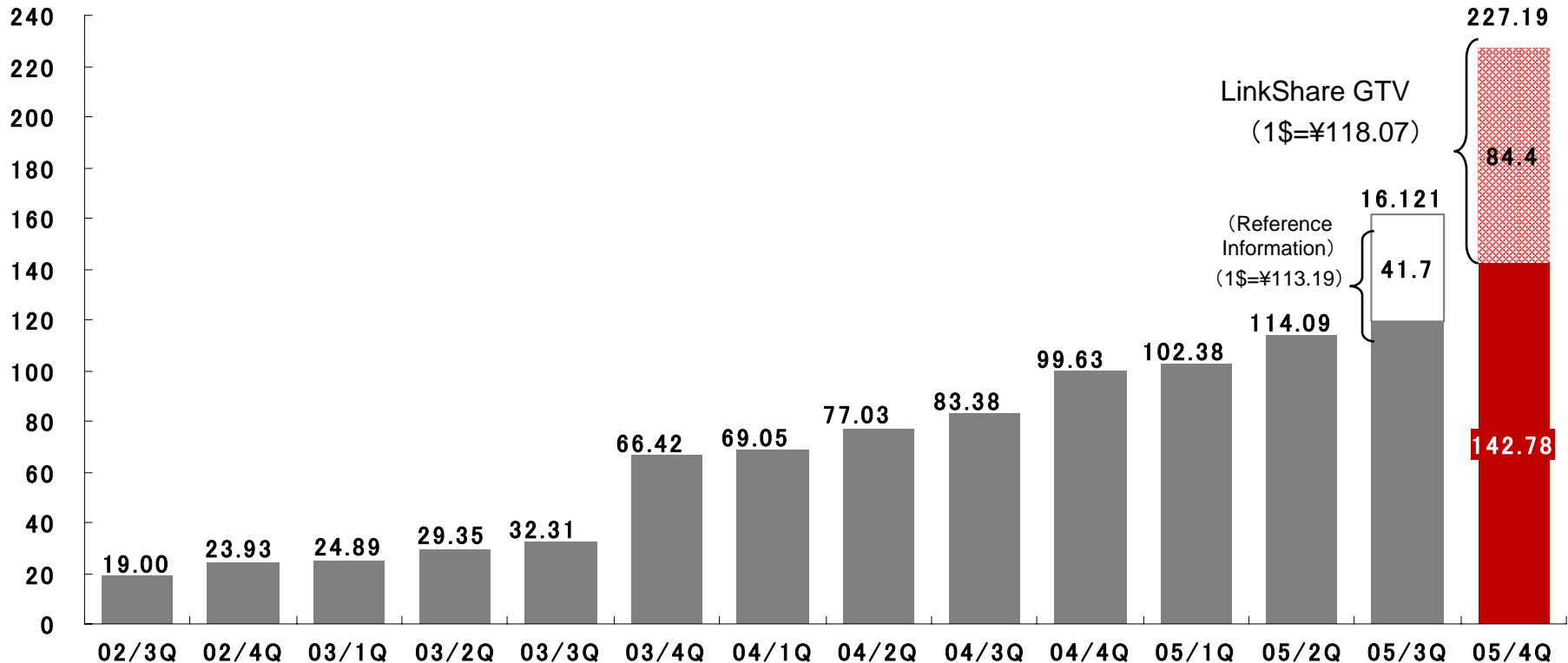
*For Q1/05, Point Program cost estimates equal -116 million yen

*Excluding amortization of goodwill recorded as SG&A

Continuous growth on E-Commerce and Travel business

Approaching 1 Trillion Yen on an Annualized Basis by Combining LinkShare

(Billion yen)



* GORA (from Sept 2003), MyTrip.net (from Oct 2003), Rakuten Download (from Jan 2004), Digipa Networks (from Apr 2004) are included

* Overseas hotel bookings and international air ticketing included from Q1/05

1 Group Strategy

Group of Leading Services Create Value-Adds No Single Service Can Provide

Group of Service

- Acquiring/building leading services in respective verticals



Creating Synergies

- Integrating brands
- Offering one-stop service
- Acquiring and sharing traffic
- Utilizing customer database

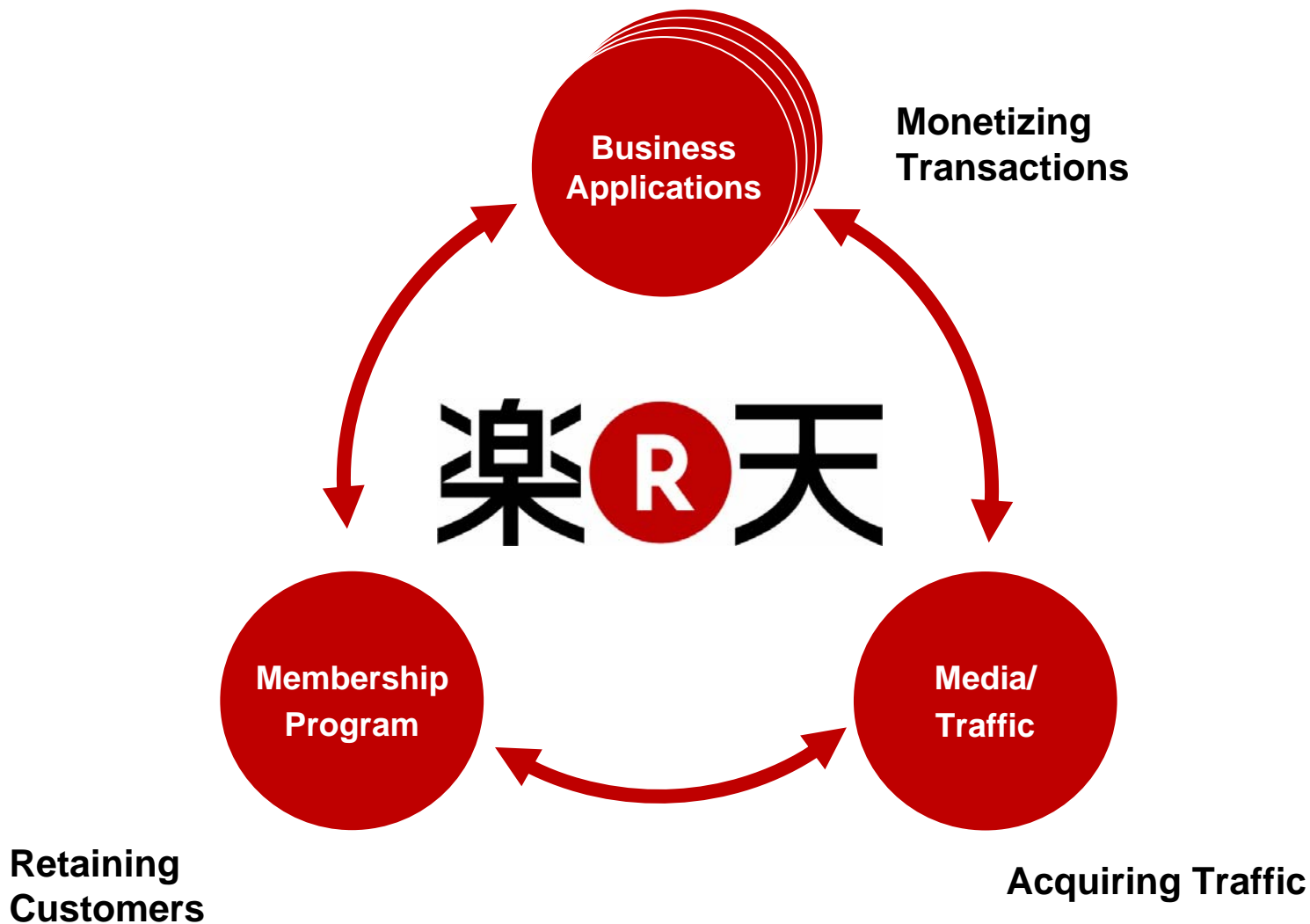


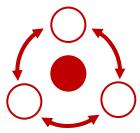
Creating Value-Adds

- Reinforcing brand
- Accelerating growth
- Improving Profitability
- Stabilizing business risks



Building Strong Bonds Between Key Growth Drivers



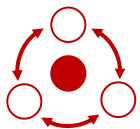


Rakuten Securities Gains Highest Improvement in Brand Awareness Among All Consumer Brands

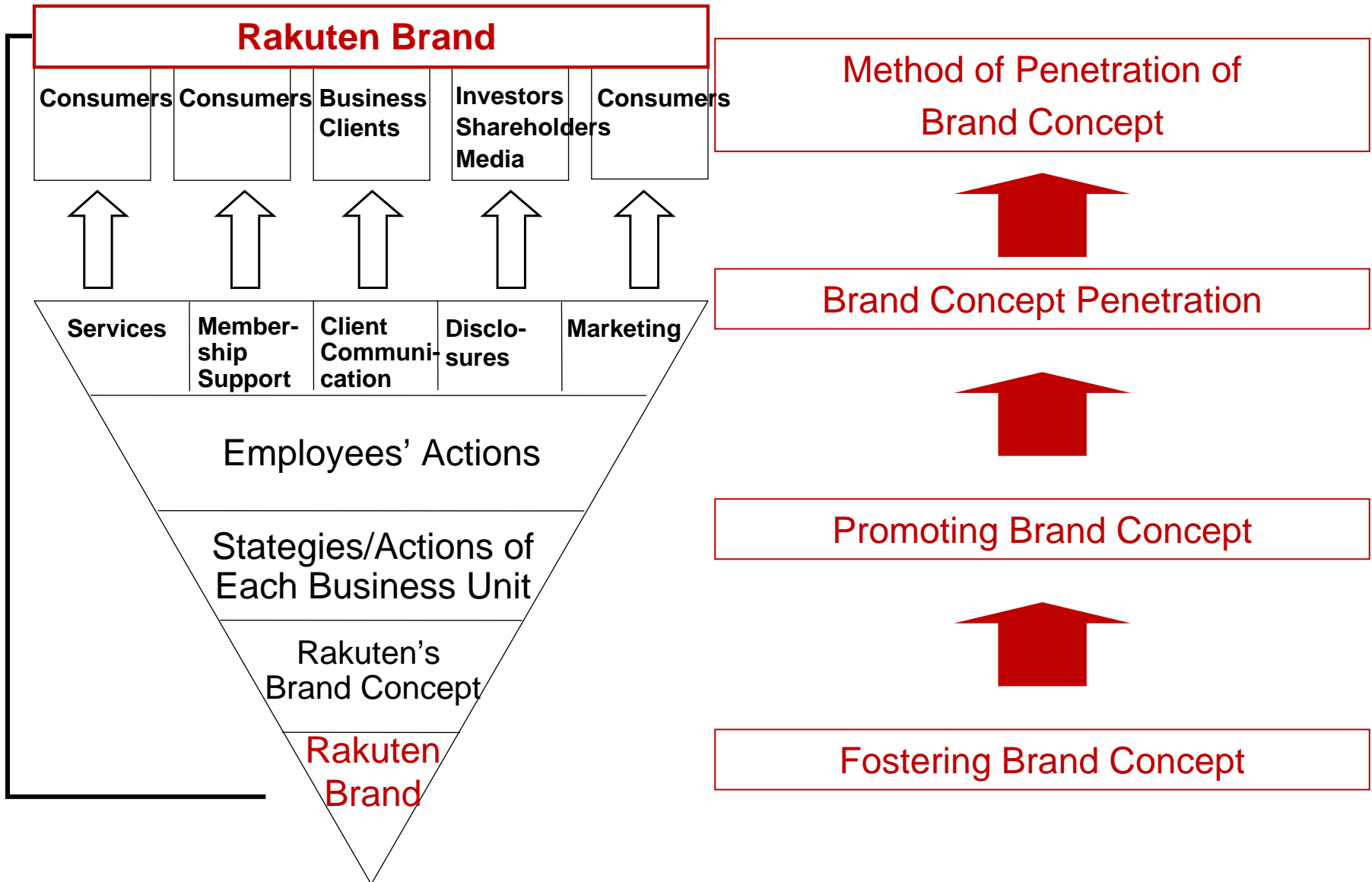
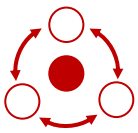


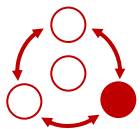
Rank	Service Brands	Site Brand Indices	Changes
1	Rakuten Securities	55.9	10.4
2	Apple	71.2	10.4
3	Rakuten Travel	76.2	10.0
4	MSN Mainichi Interactive	64.2	6.7
5	Yukijirushi	53.2	6.4
6	Ashitanomoto AJINOMOTO	69.6	6.3
7	Family Mart	61.0	6.1
8	Takashimaya	54.5	5.8
9	KOKUYO	62.5	5.8
10	NTT East	68.3	5.8

Source: Web Brand Awareness Ranking by Nikkei BP Consulting (Investigation in July-August 2005)

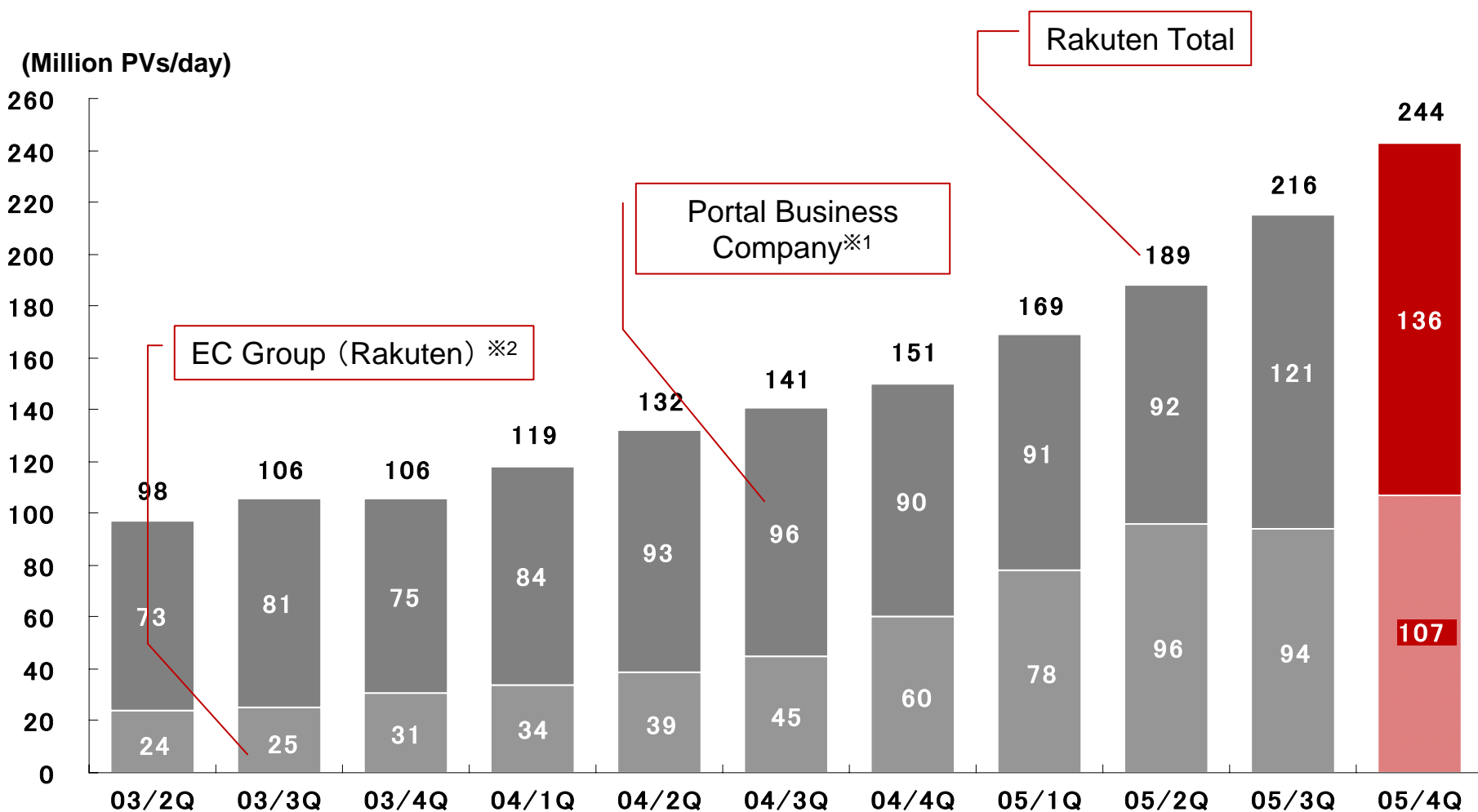


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義 性 意 念 致
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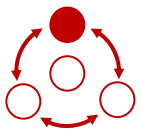


Daily Group PVs



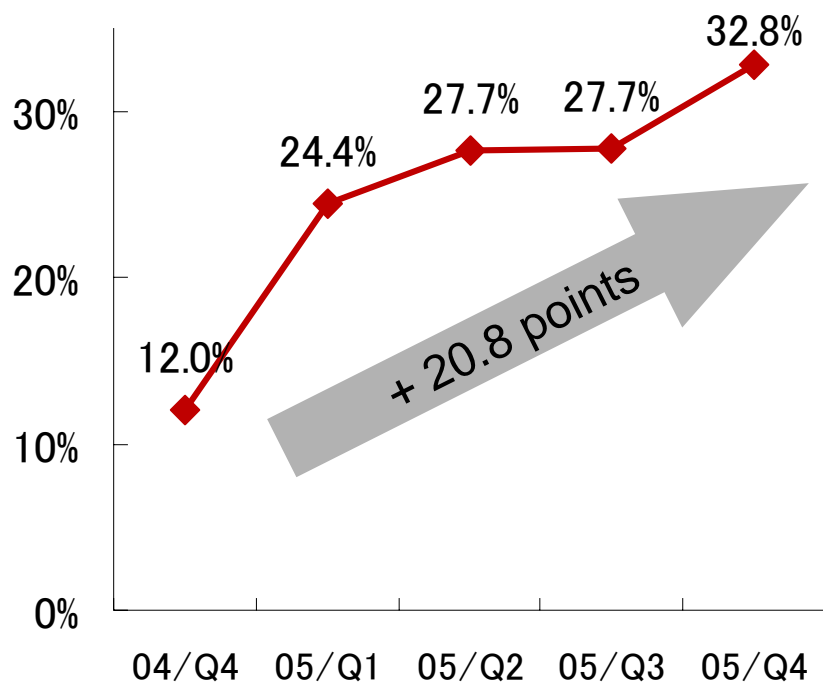
*1 Portal Business Company PVs – Q4/02 for Infoseek only

*2 Former EC Business Group

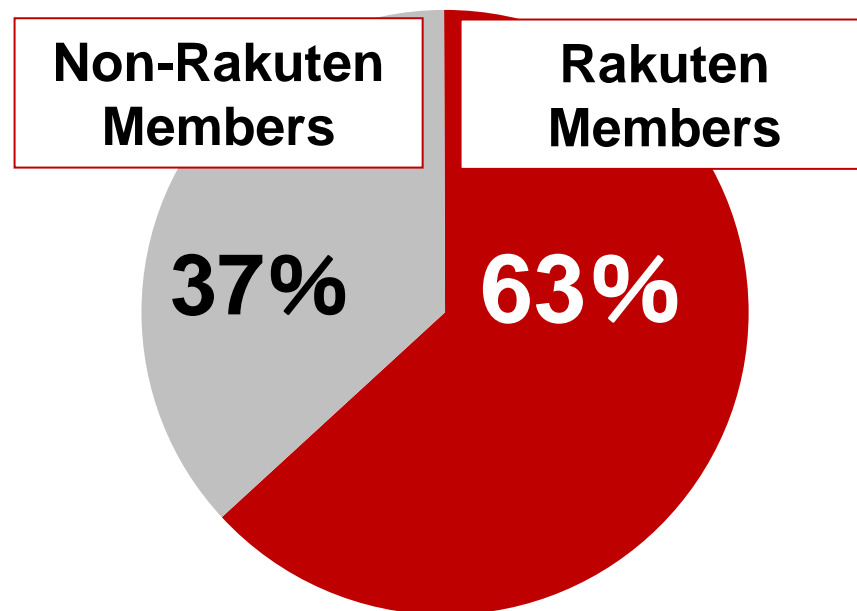


Accelerating Customer Flow from Rakuten Ichiba to Rakuten Securities

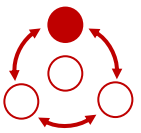
Percentage of New Accounts through Rakuten Ichiba to Total New Accounts



Percentage of Rakuten Member of New Customers

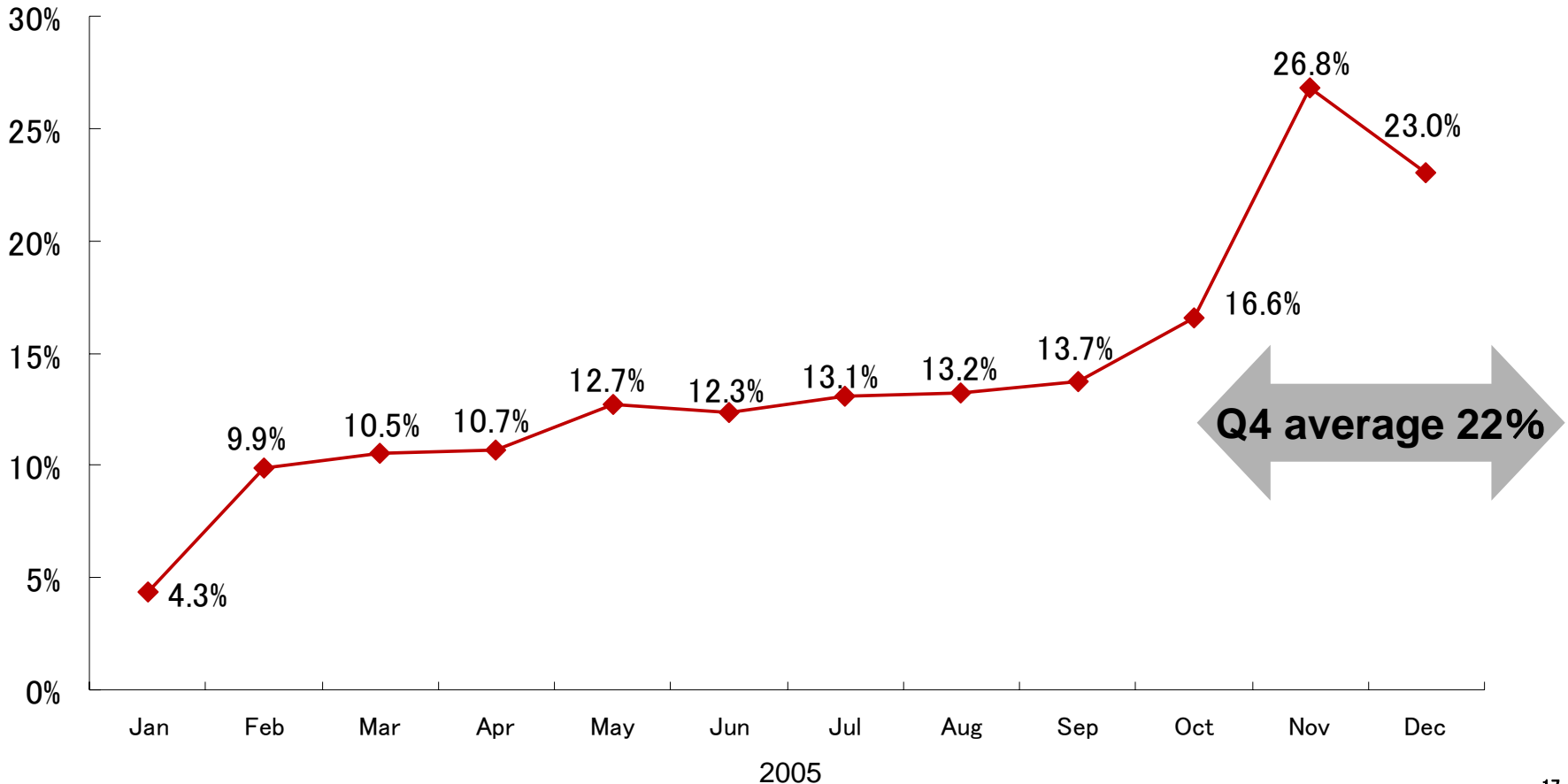


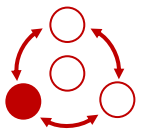
* Survey Results from New Customers



Share of New Applications from Rakuten Ichiba Sharply Increases in Q4/05
Rakuten Ichiba Top Page and Rakuten Prize Contribute to the Flow

Share of New Applications from Rakuten Group





Building Japan's Strongest Consumer Database Encompassing Shopping, Travel, Payment, Finance and Portal Contents

Shopping



Travel



Payment



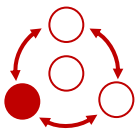
Brokerage



Portal

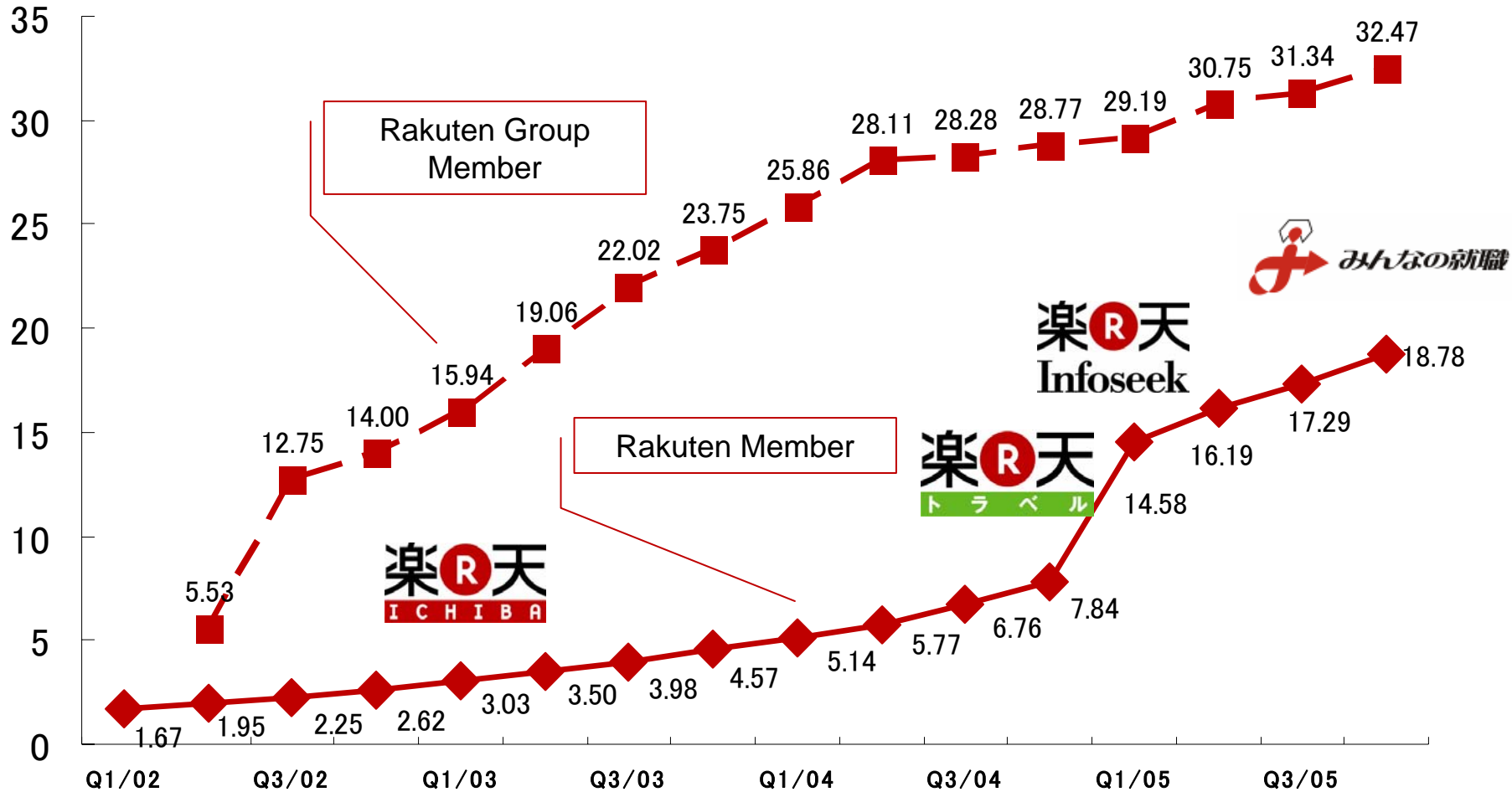


Consumer Loans



ID Integration Promotes Increase in Rakuten Members

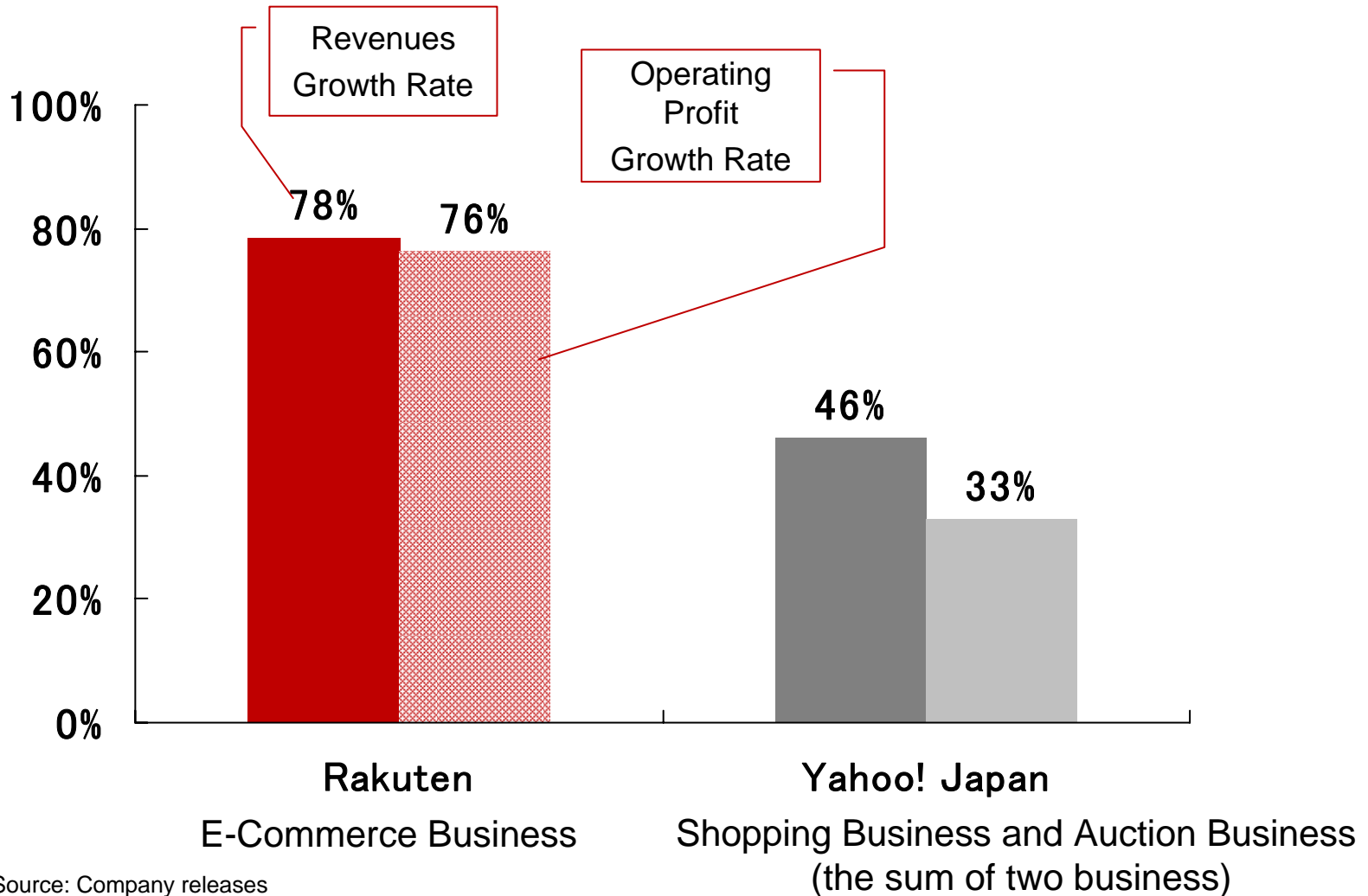
(Millions)



Continuing high growth in revenue and operating profit

- **Severe cold weather helps boost winter sales**
- **Number of Ichiba merchants exceeds 15,000 mark**
- **More than 9 million transactions in Q4**
- **Large increase in basket price**
- **Mobile commerce shows stable high growth**
- **Expanding local presence; branches start operation**

October-December 2005 Quarter Growth Rate (Y on Y)



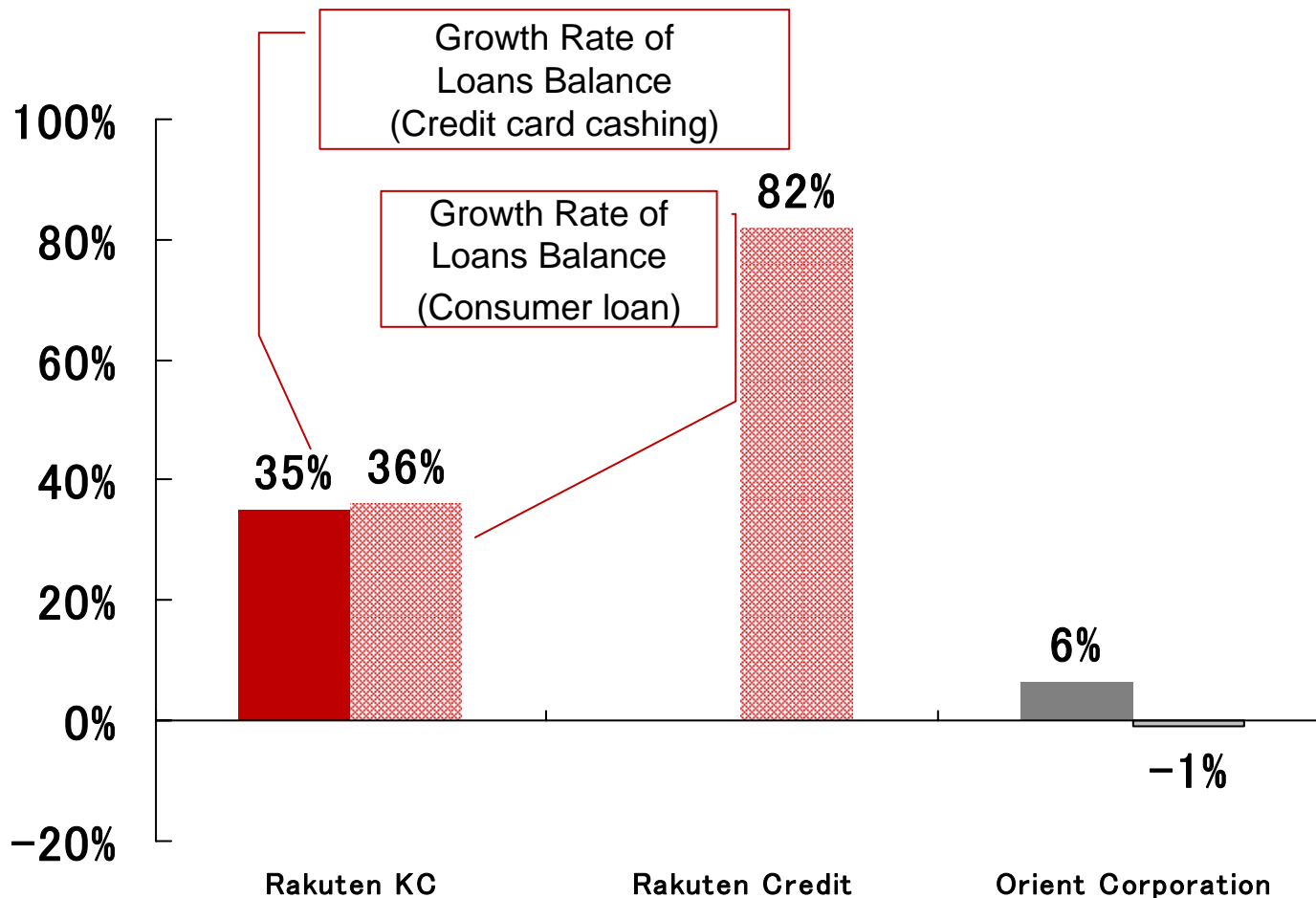
Source: Company releases

Rakuten Credit and Rakuten KC both show steady growth

- **Loan assets at Rakuten Credit surpass 50 billion yen**
- **Significant positive effect from brand integration and linkage with e-commerce business**
- **Number of new credit cards issued at Rakuten KC in Q4 grows +59% YoY**
- **Revenue decline from previous quarter due to decrease in one-time profit from loan securitization program**

Credit & Payment Business Growth Rate Rakuten

October-December 2005 Quarter Growth Rate (Y on Y)



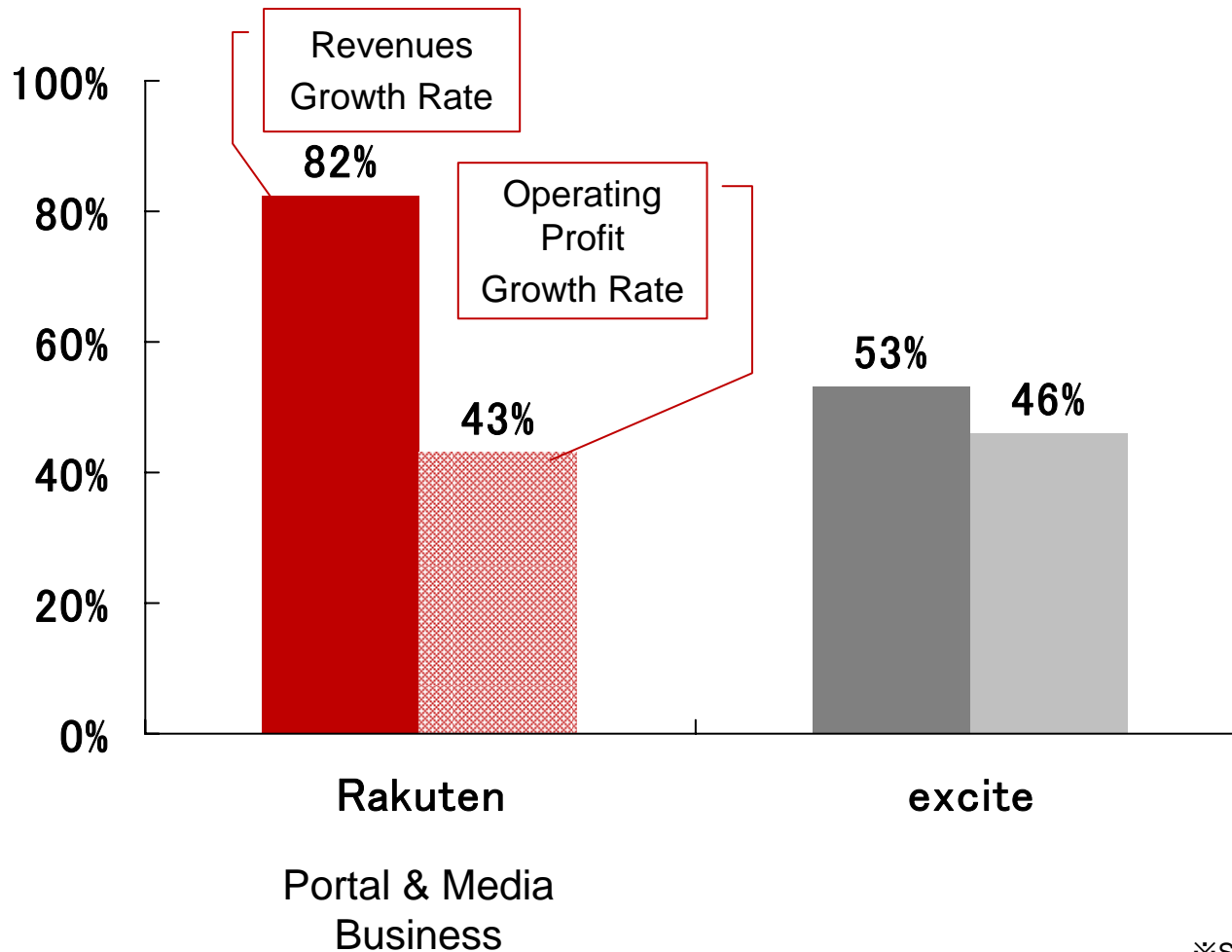
※As of the end of 2005 December, Before Securitization

※Source: Company releases

Diversification in Services Provided

- **Healthy growth in advertisement sales**
- **Integrate Cyber Brains with Rakuten Research, strengthening online marketing research offering**
- **Adding new features to community business**
- **Utilizing offline events**
- **Convergence of Internet content and other media**

October-December 2005 Quarter Growth Rate (Y on Y)

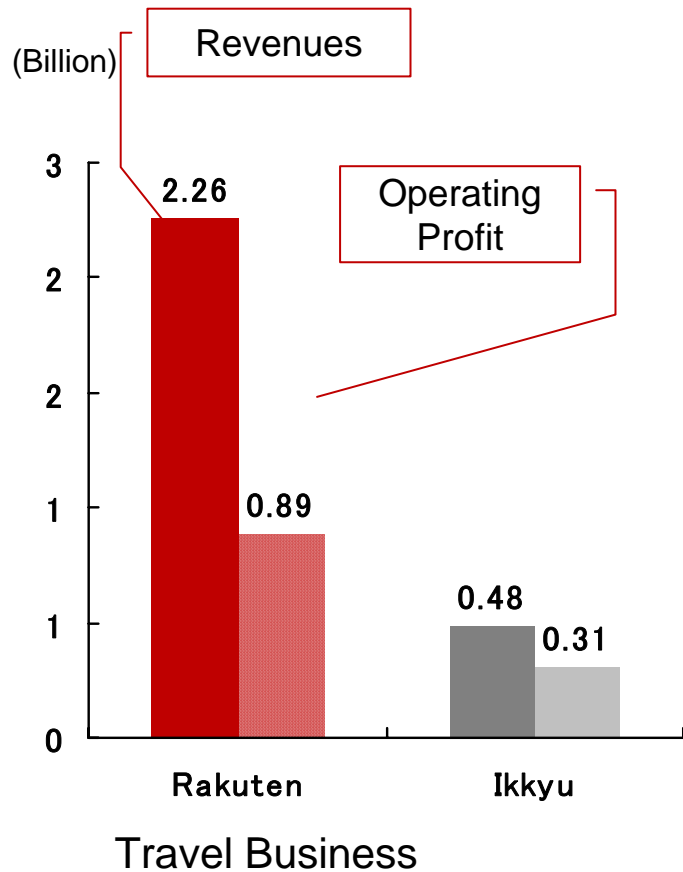


※Source: Company Release

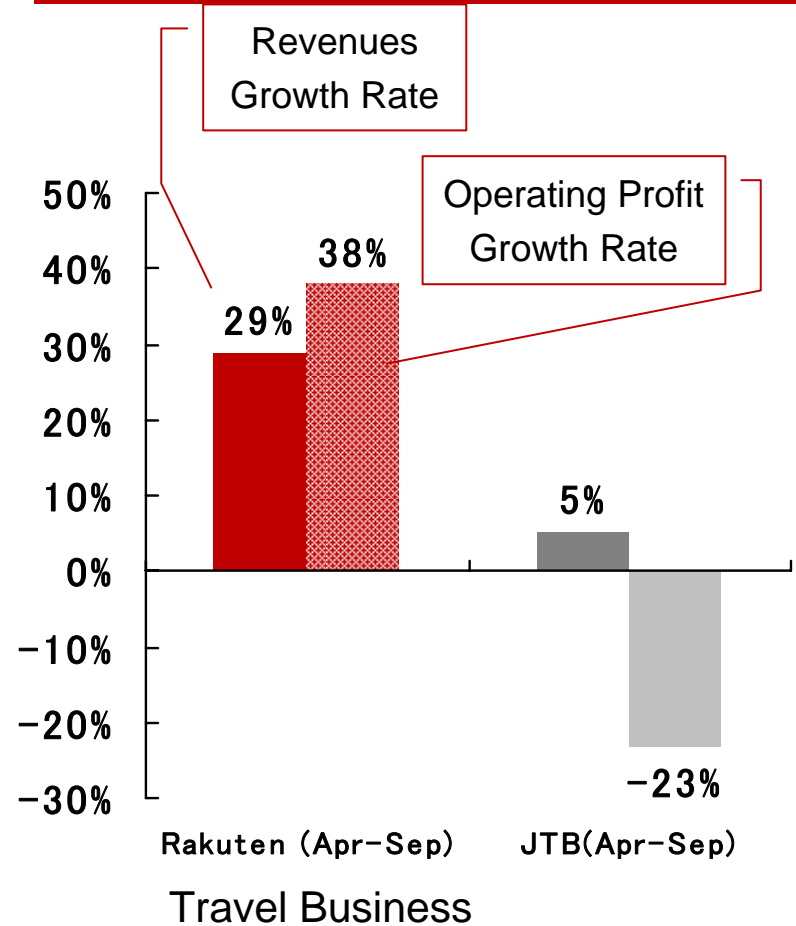
Continuing Success in Travel Business

- **Gross transaction volume continues to see growth**
- **Realizing positive effect on additional room availability through new contract with hotels**
- **New pricing introduced; Q4 revenues up +58.3% YoY**
- **Dynamic packaging on international travel booking being introduced**

Outlook of October-December 2005 Quarter



April –September 2005 Growth Rate (Y on Y)

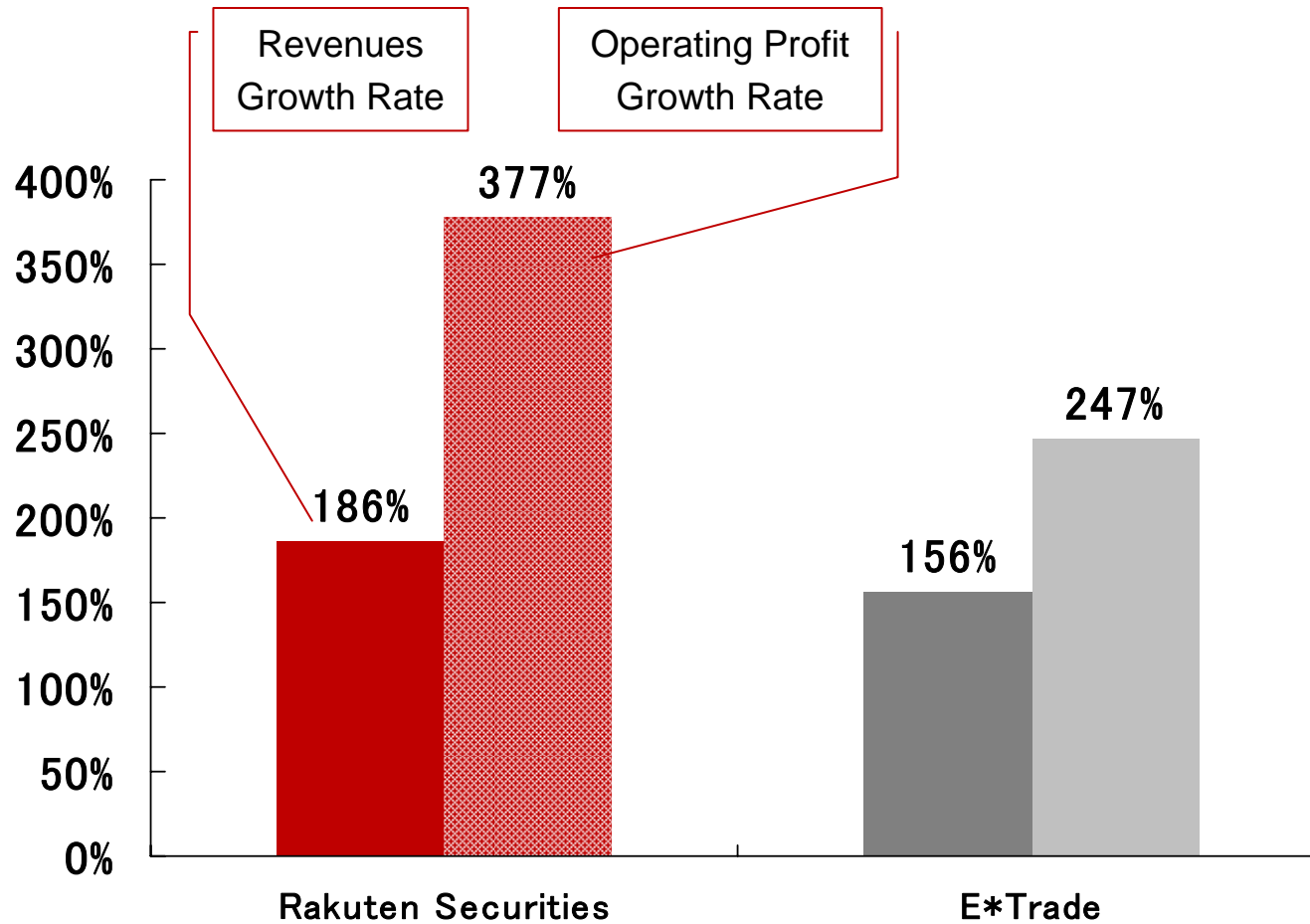


※Source: Company Release

Outstanding Growth During October-December Period

- Increase in percentage of Rakuten Members among Rakuten Securities accounts
- Increase in transaction volume through booming Japanese stock market
- Highest increase in new accounts among major brokerage companies
- Maintain high level of systems investment
- Open additional call center to accommodate increasing customer inquiries

October-December 2005 Quarter Growth Rate (Y on Y)



※Source: Company Release

Resulted in Operating Profit on Annual Basis

(in Billion yens)

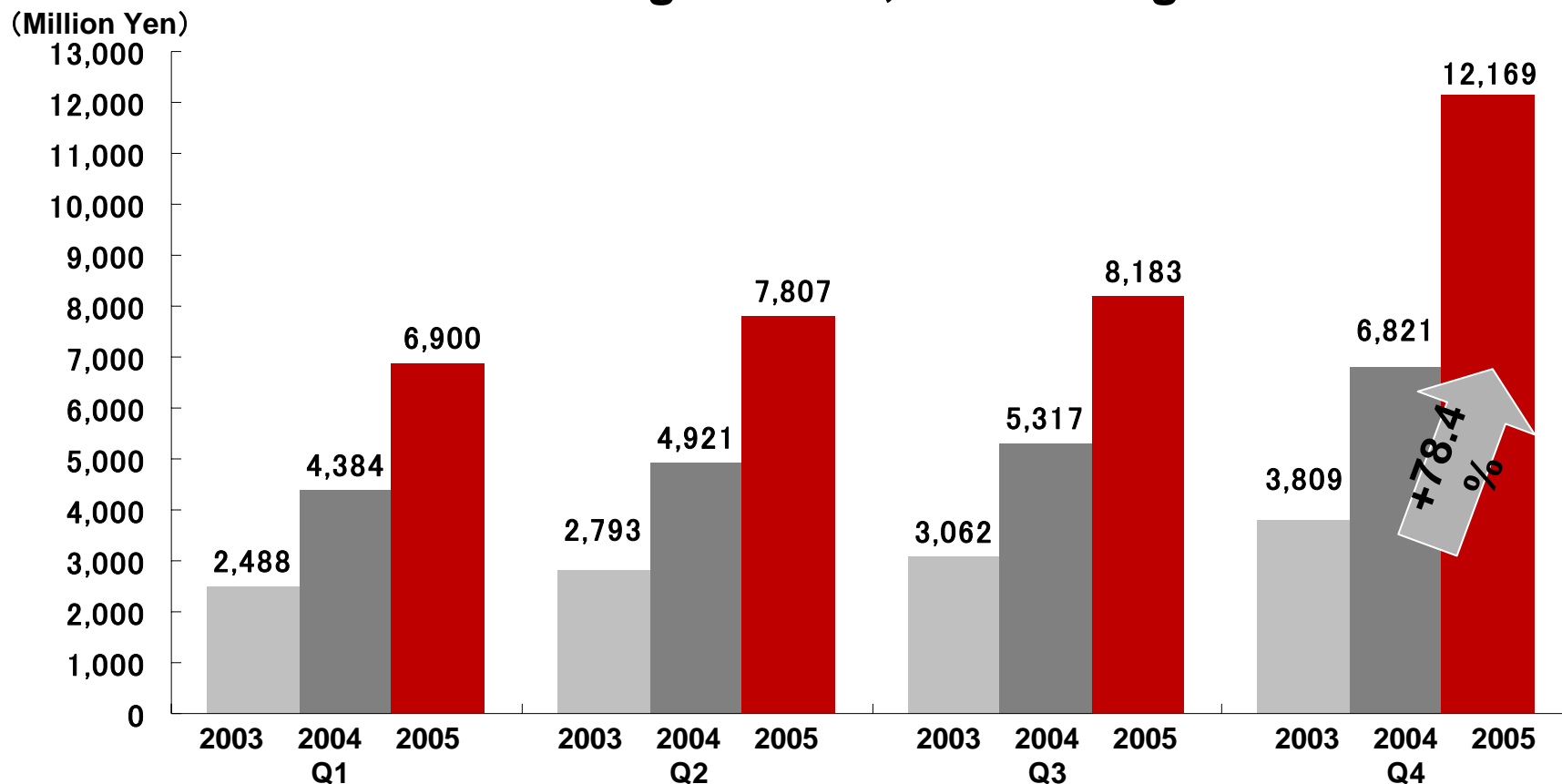
- Baseball team remained highly popular throughout the season
- Actual Revenue exceeded estimated revenue by 16%
- Became profitable on operating profit basis
- Maintain high level of investment both in capital expenditures and in building the operational team

	Original Plan for 2005	Actual Result for 2005
Revenues	6.3	7.3
Operating Expense	7.3	7.2
Operating Profit	(0.9)	0.1
Ordinary Profit		0.2

2 **E-Commerce Business**

E-Commerce Business Revenues (Excluding One-time Factor in Q2/03)

05/Q4 YoY Change +78.4%, QoQ Change +48.7%



* One-time factor in Q2/03:+203 million yen due to change in revenue recognition policy

* Rakuten Books revenues included from Q1/04

* Signature Japan revenue recognition policy change from Q1/04

(Before change in policy, Signature Japan recorded total amount members paid as revenue; after change Signature Japan records margin only)

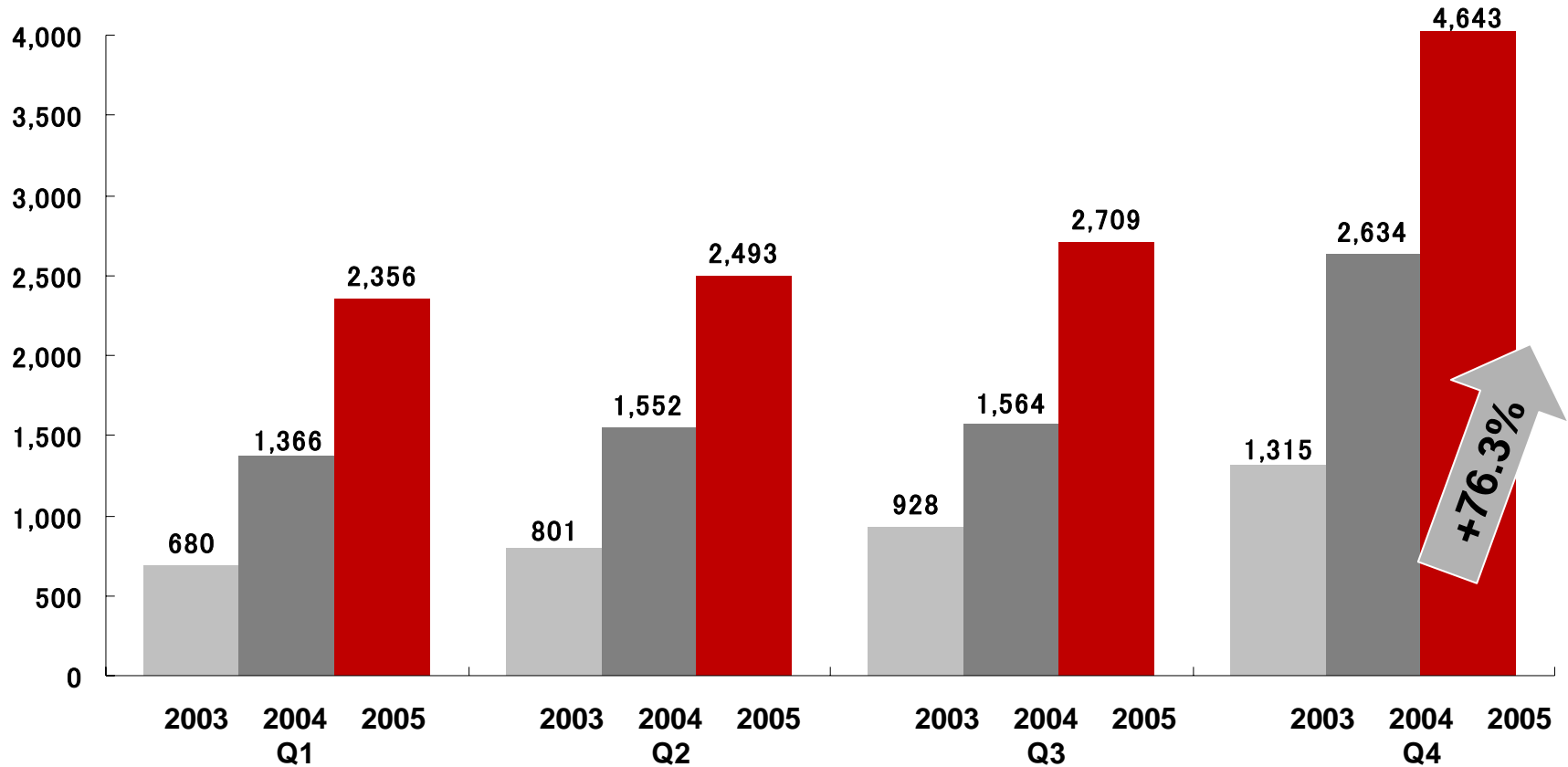
(From Q1/04, Signature Japan adjusted financial retroactively)

*Change made in business segment, Entertainment Business included

E-Commerce Business Operating Profit (Excluding one-time factor in Q2/03)

Q4/05 YoY Change +76.3%, QoQ +71.4%

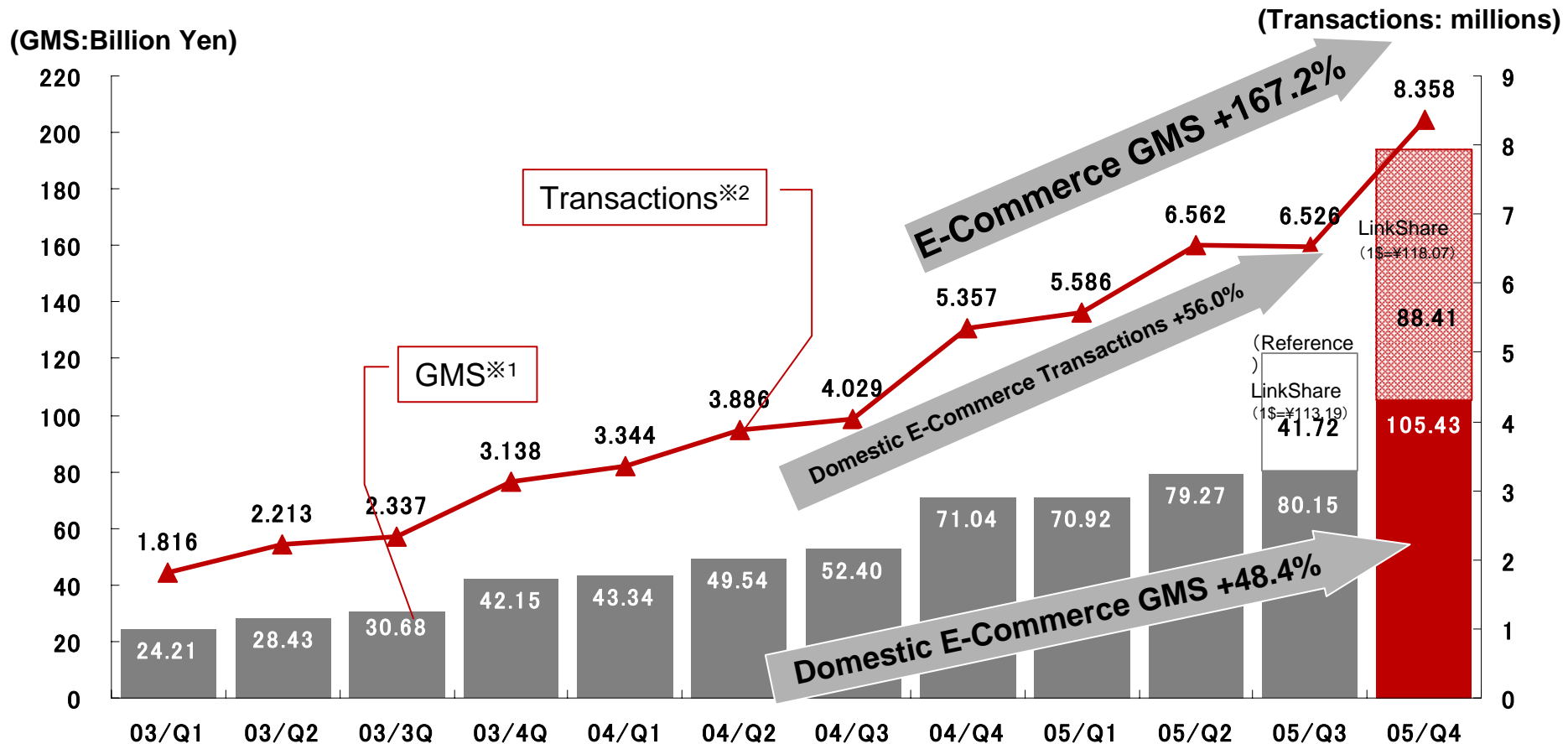
(Million Yen)



- * One-time factor in Q2/03: +203 million yen due to change in revenue recognition policy; -28million yen due to point-related costs
- * Rakuten business included from Q1/04
- * Change made in business segment, Entertainment Business included
- * For Q1/05, Point program adjustment made
- * For Q3/05, restated retroactively
- * Excluding amortization of goodwill recorded as SG&A

Gross Merchandise Sales (E-Commerce) Rakuten

GMS Growth YoY +167.2% (including Linkshare), Transactions YoY +56.0%



*1 GMS = Mall (Fixed Price, Super Auction, Group Buy), Flea Market, Mobile, Business Service, Golf, Books. From Sept 03 GORA included, From Q1/04 Rakuten Download included

*2 Note: Number of Fixed Price Purchases at Mall

*3 Business segment changed; Entertainment segment included

Unique Buyers and Transactions Continue to Increase

	2004/Q2	2004/Q3	2004/Q4	2005/Q1	2005/Q2	2005/Q3	2005/Q4
Unique Buyers ('000)	2,040 (1,850)	2,110 (1,940)	2,630 (2,400)	2,790 (2,590)	3,150 (2,920)	3,170 (2,970)	3,790 (3,560)
# of Transactions ('000)	4,320	4,460	5,940	6,140	7,190	7,120	9,000
Average # of Transactions per Buyer	2.1 (2.5)	2.1 (2.5)	2.2 (2.7)	2.2 (2.6)	2.3 (2.7)	2.2 (2.7)	2.4 (2.8)
Average Basket Price	¥9,500	¥9,500	¥9,900	¥9,500	¥9,000	¥9,000	¥9,600
Quarterly GMS Per Buyer	¥20,060 (¥23,071)	¥20,122 (¥23,140)	¥22,188 (¥25,862)	¥20,903 (¥24,149)	¥20,526 (¥23,849)	¥20,305 (¥23,543)	¥22,739 (¥26,512)

* Fixed-Price and Group Buy Purchases made at Rakuten Ichiba *()based on e-mail address

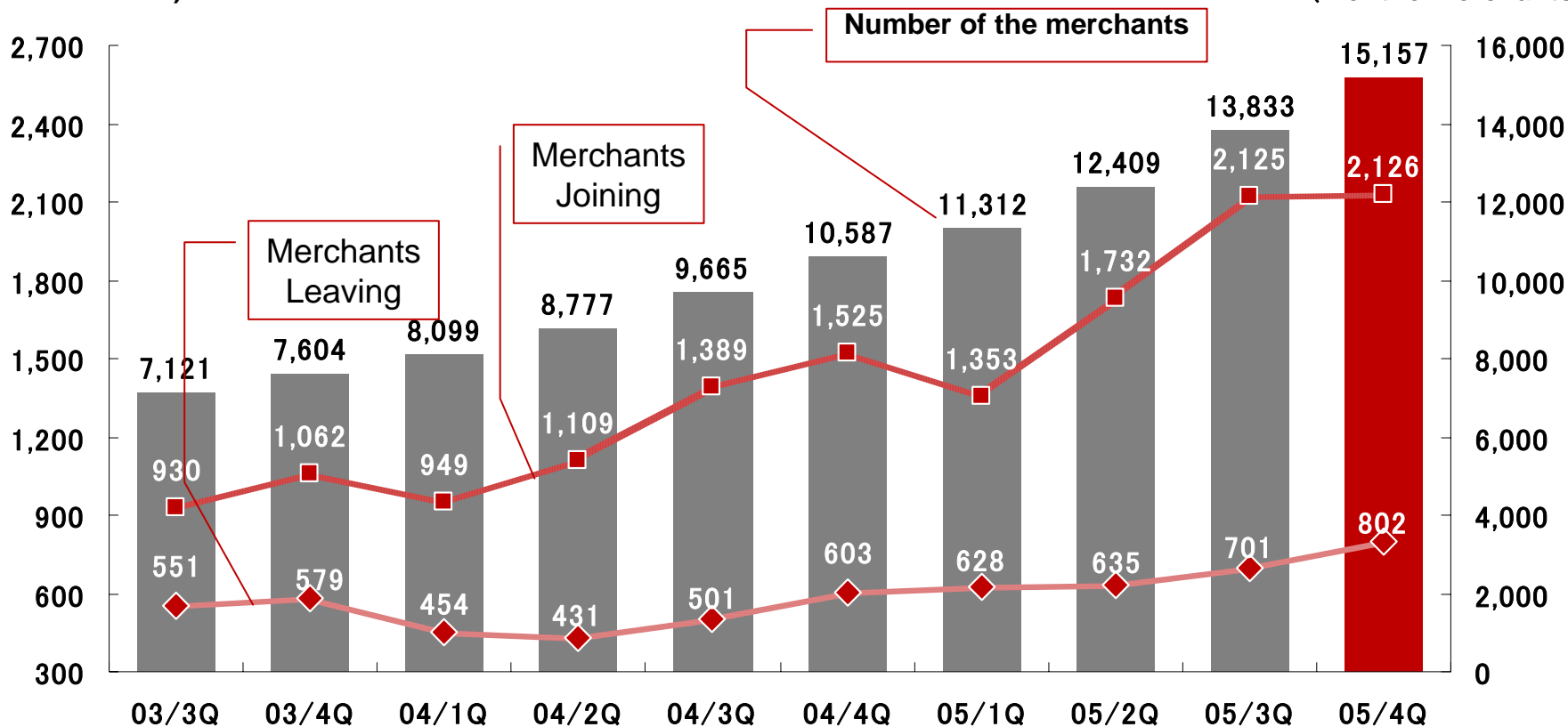
Merchants Joining vs. Merchants Leaving



Number of Merchants Marks 15,000

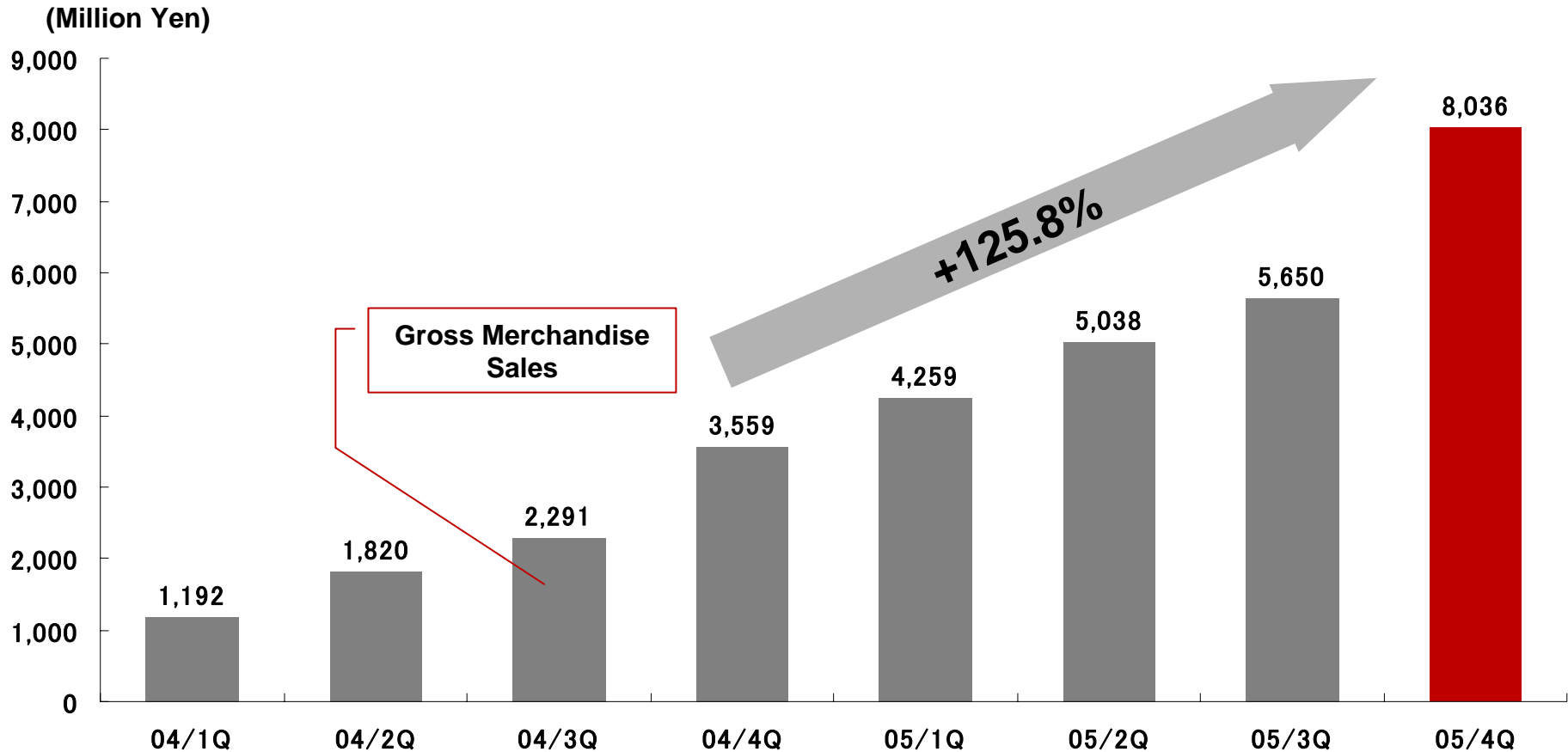
(# of Merchants)

(# of the merchants)



	2005 July	2005 August	2005 September	2005 October	2005 November	2005 December
Merchants Joining	761 (546)	658 (468)	706 (518)	654 (500)	654 (488)	818 (642)
Merchants Leaving	205 (143)	241 (179)	255 (187)	247 (221)	304 (207)	251 (202)
# of Merchants	12,965 (4,255)	13,382 (4,544)	13,833 (4,875)	14,240 (5,154)	14,590 (5,435)	15,157 (5,875)

Gross Merchandise Sales of Mobile Commerce Continues to Grow



Tohoku Branch (Sendai) Opened on January 25, 2006
followed after Western Japan (Osaka) and Kyushu (Fukuoka)

Influence of Rakuten KC

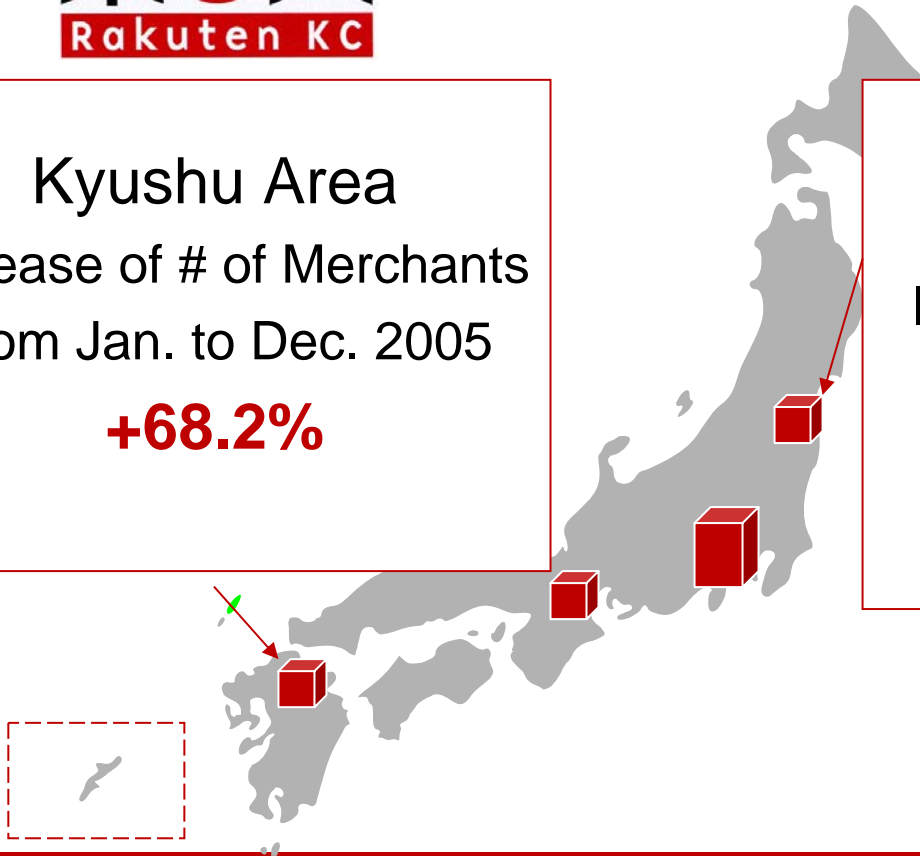


Kyushu Area
Increase of # of Merchants
From Jan. to Dec. 2005
+68.2%

Influence of Rakuten Eagles

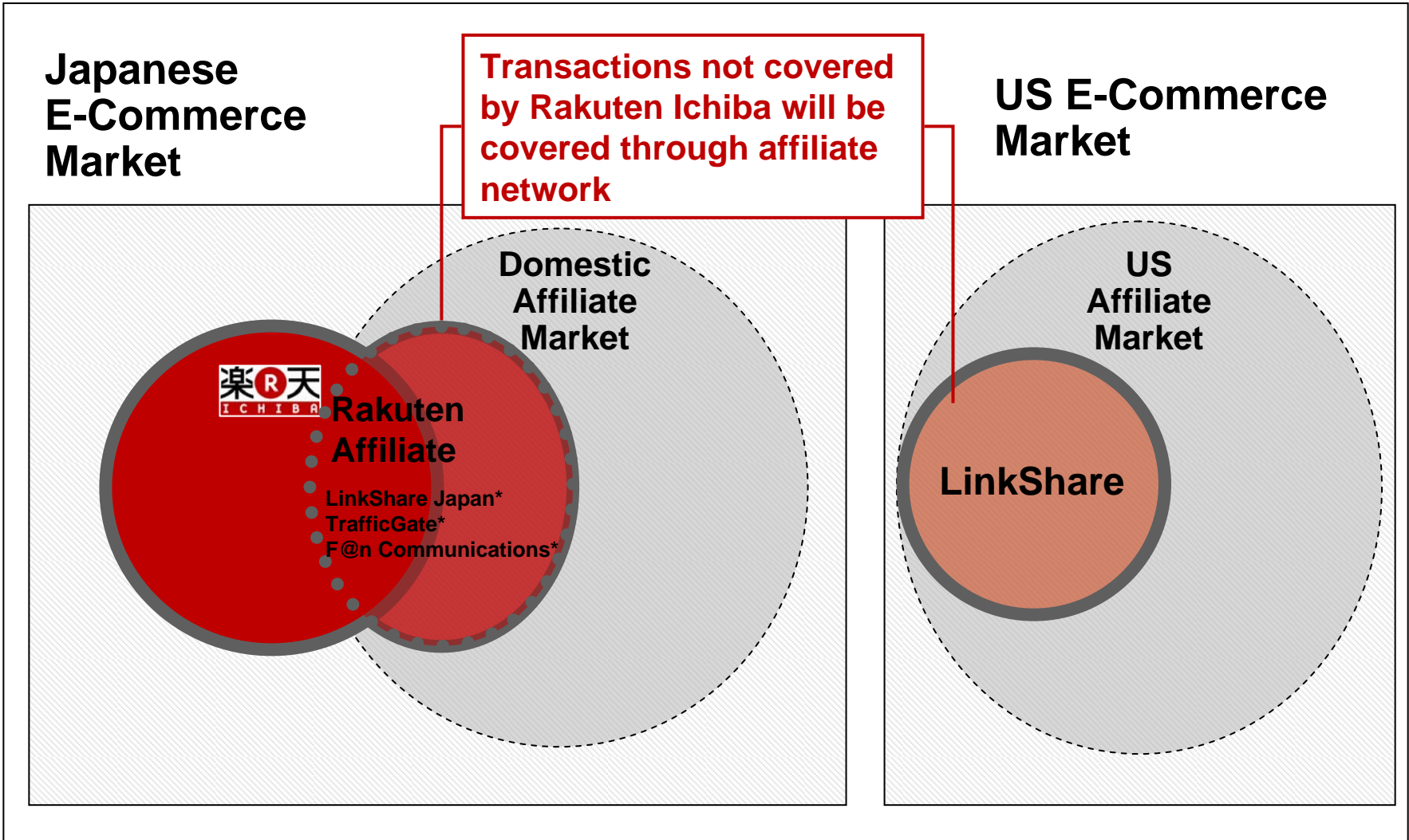


Tohoku Area
Increase of # of Merchants
From Jan. to Dec. 2005
+65.9%



Affiliate Business

○ Market penetrated by Rakuten Group Companies



* Rakuten has 50% ownership in LinkShare Japan and TrafficGate and has 6% investment in F@n Communications

Successful Quarter Due to High Volume Holiday Sales
Appointment of New President, Expansion Strategy Launched

	Q3 2005	Q4 2005		
	\$ million	\$ million	QoQ	¥ million
Revenues	10.3	14.1	+36.8%	1,670
COGS	0.7	1.2	+62.0%	150
SG&A	7.0	9.0	+28.4%	1,069
Operating Profit	2.4	3.8	+52.6%	449
Non-operational Profit	0.1	0.1	△16.7%	13
Non-operational Expense	0	0	-	0
Earnings Before Tax	3.0	3.9	30.7%	463
Net Income	1.7	2.2	+23.9%	262

- Consolidated from Q4 2005; Q3 shown as reference
- Exchange rate: \$1=118.07 yen
- Excluding costs related to acquisition
- Excluding LinkShare Japan

3 Credit & Payment Business

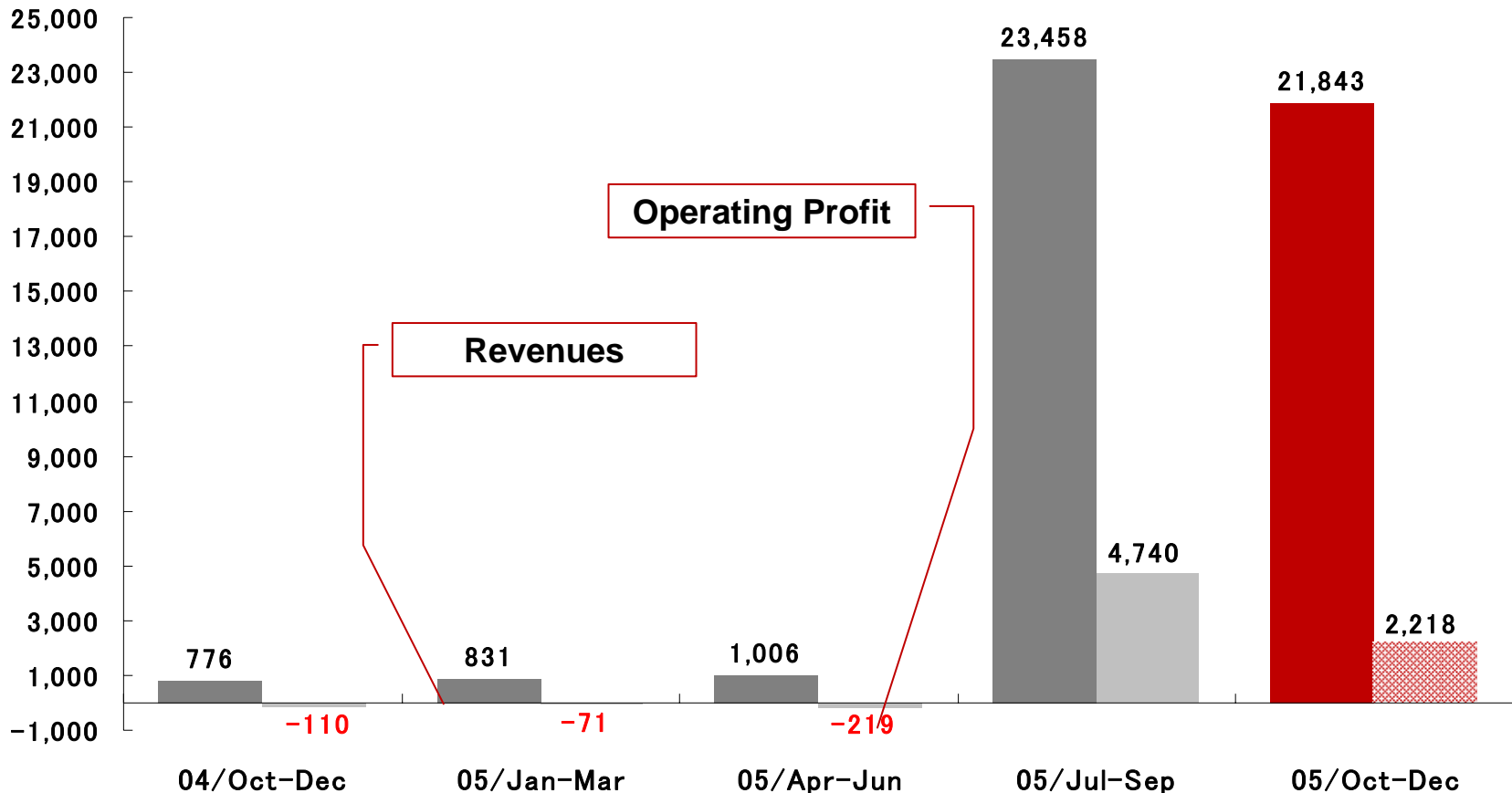
Credit & Payment Business

Revenues and Operating Profit



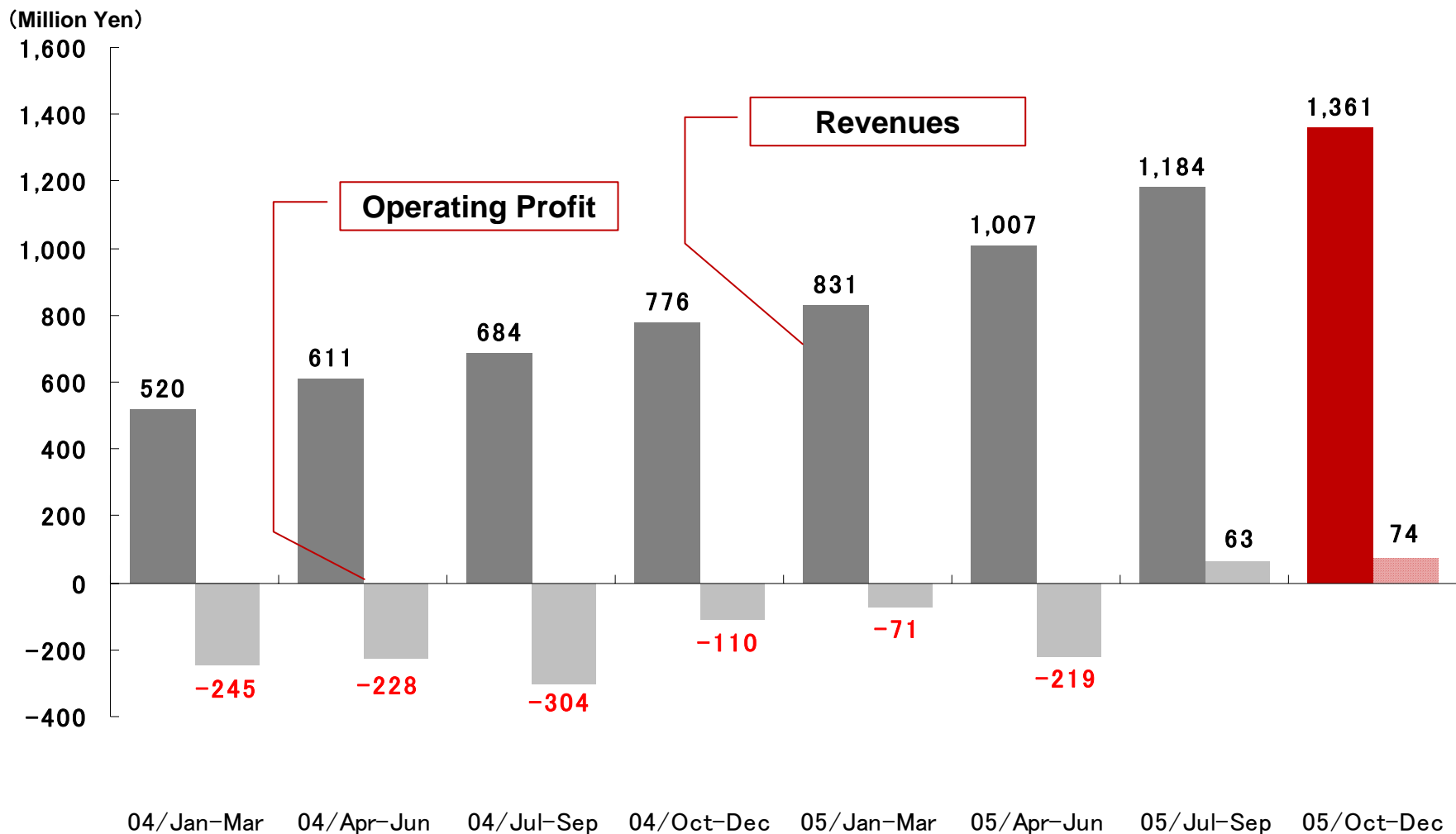
Revenues Decline QoQ due to Decrease in One-time Profit from Loan Securitization in Rakuten KC, Whereas Rakuten Credit Grows Steadily

(Million Yen)



* Excluding amortization of goodwill recorded as SG&A

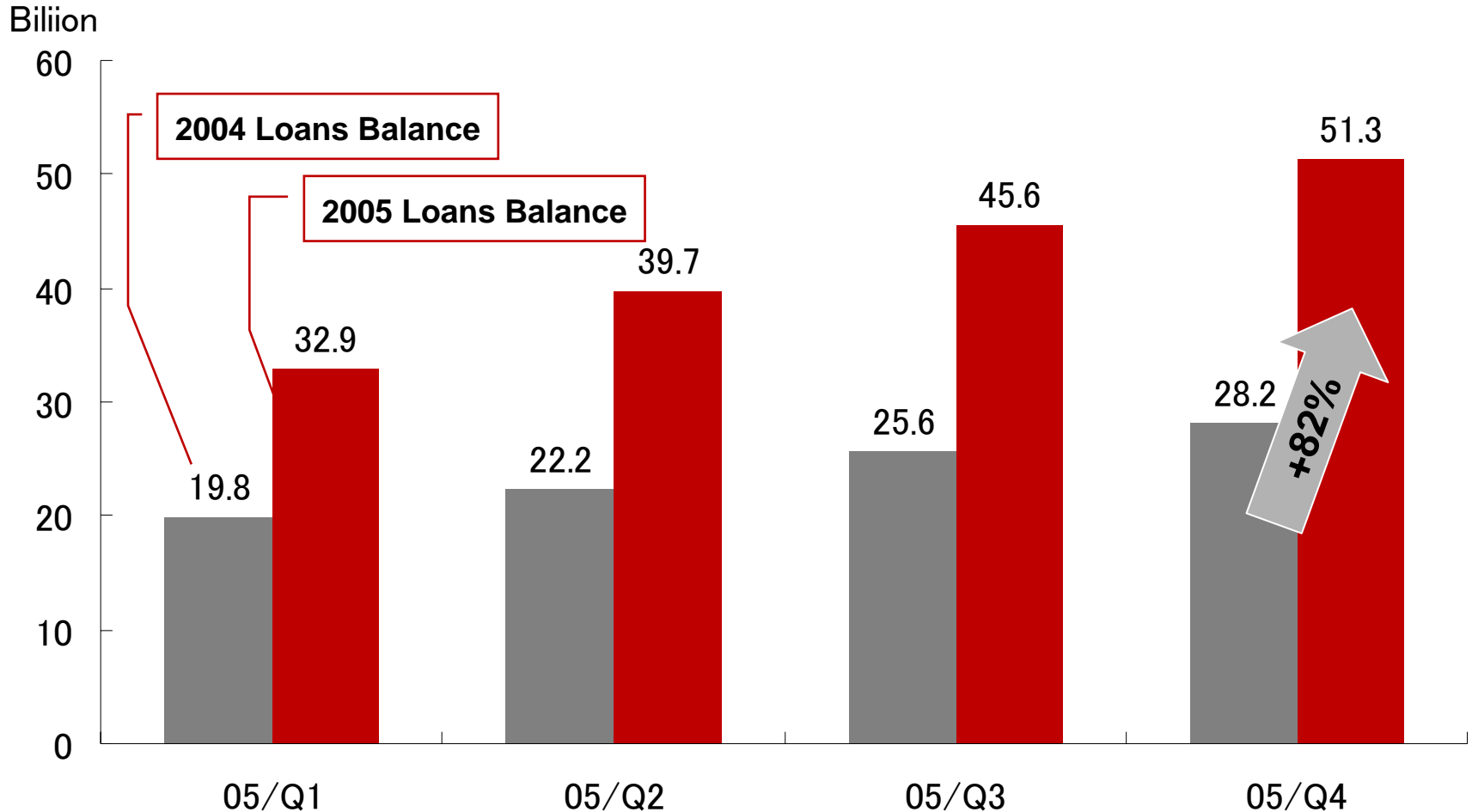
Revenue Growth YoY +75.4%、 QoQ +15.0%
Remained profitable in 4Q of 2005 after profitable 3Q



Rakuten Credit Loans Balance



Loans Balance recorded over 50 billion yen, grows YoY +82%



(Billion Yen)

Balance Sheet as of December 31, 2005

CURRENT ASSETS	688.9	CURRENT LIABILITIES	577.7
Cash and cash equivalents	38.8	Accounts payable; guarantee contracts	302.2
Installment accounts receivable	261.2	Short-term borrowings	224.2
Installment accounts receivable, guarantee contracts	302.2	Bonds	12.0
Credit from liquidation	68.8	Other current liabilities	39.2
Other current assets	45.8	FIXED LIABILITIES	160.6
Allowances for bad debt	-28.1	Bonds	0.0
		Long-term borrowing	159.5
		Other current fixed liabilities	1.1
FIXED ASSETS	64.5	TOTAL LIABILITIES	738.4
Tangible fixed assets	16.9	Common capital stock	3.0
Land and buildings	15.0	Common capital stock surplus	16.8
Other intangible fixed assets	1.8	Retained earnings	10.8
Intangible fixed assets	1.1	Net unrealized gain (loss) on available-for-sale securities	0.9
Investment and other assets	46.4	Treasury stock	-16.5
		TOTAL SHAREHOLDERS' EQUITY	15.0
TOTAL ASSETS	753.4	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	753.4

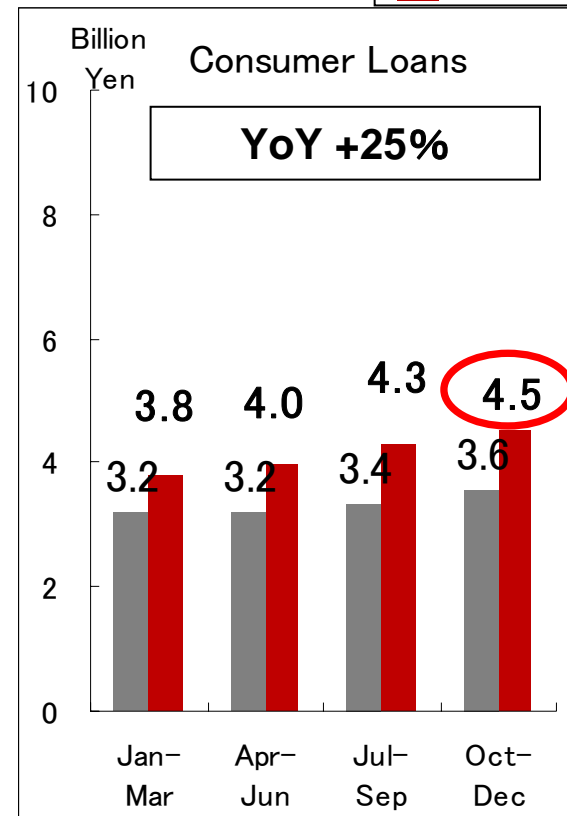
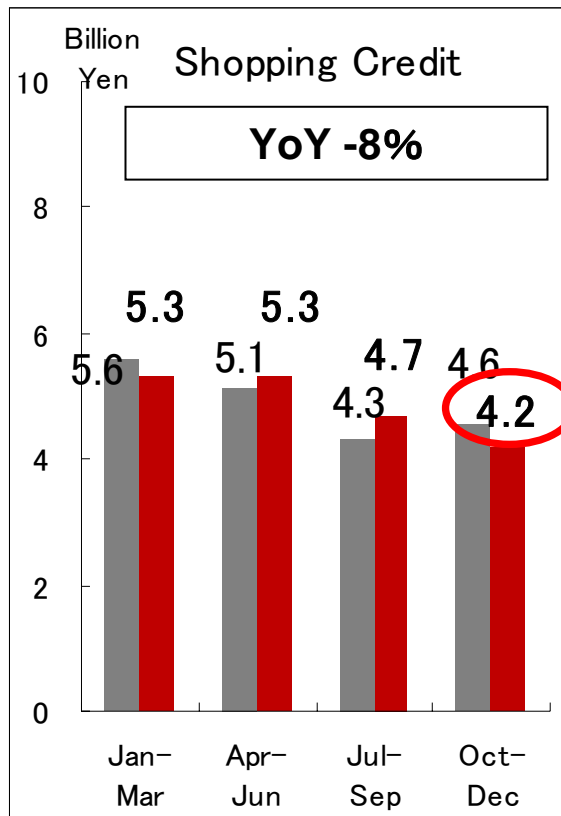
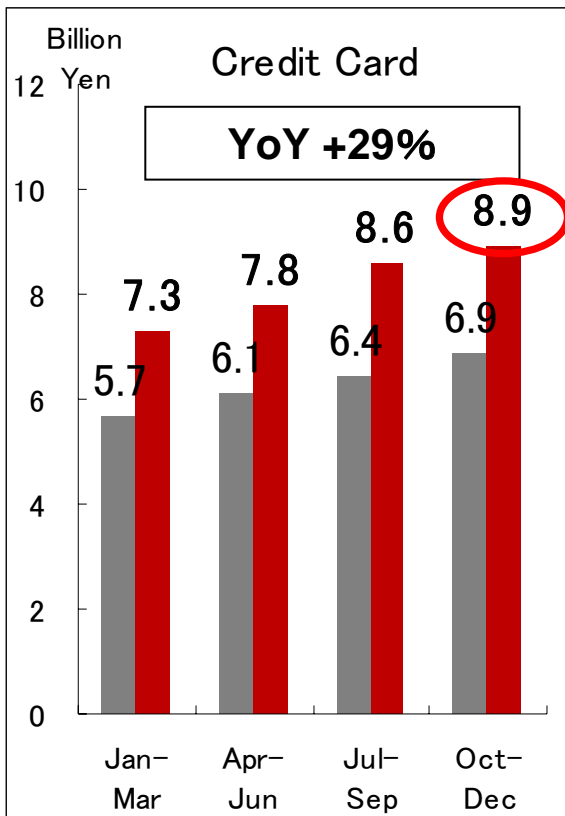
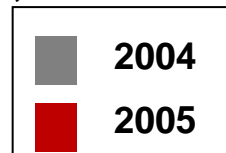
Income Statement for October to December, 2005

Revenues	20.3
Operating Expense	18.2
SG&A	16.0
Interest Expenses	2.2
Operating Profit	2.1
Non-Operating Profit	0.0
Ordinary Profit	2.1
Extraordinary Profit (Loss)	-0.8
Earnings Before Tax	1.3
Provision for Income Taxes	1.0
Net Income	0.3

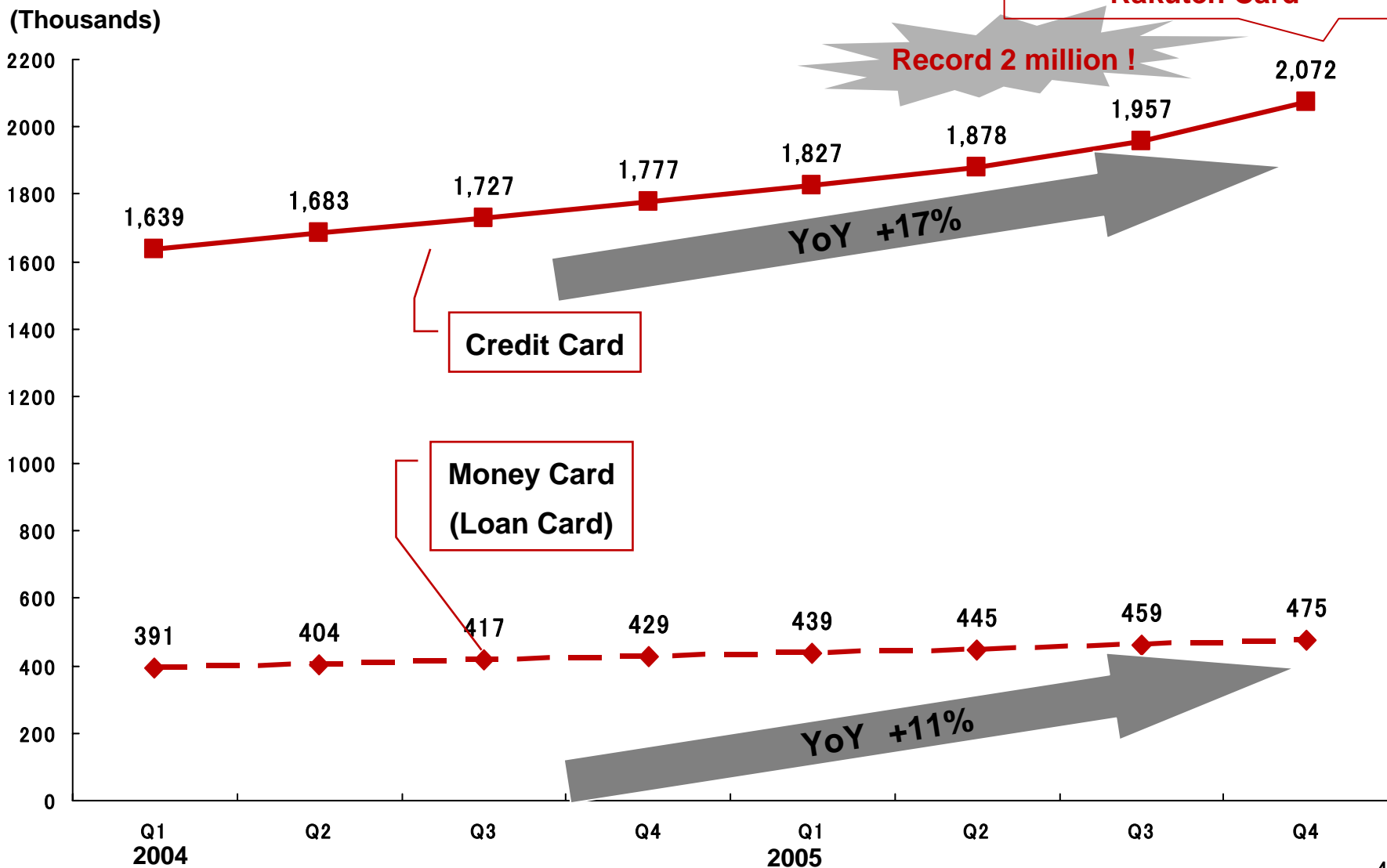
*Balance of securitization from installment account receivables:141.2 Billion Yen

*Balance of guarantee contract which is excluded from balance sheet by changing condition of contract with banks from this quarter :100.9 Billion Yen

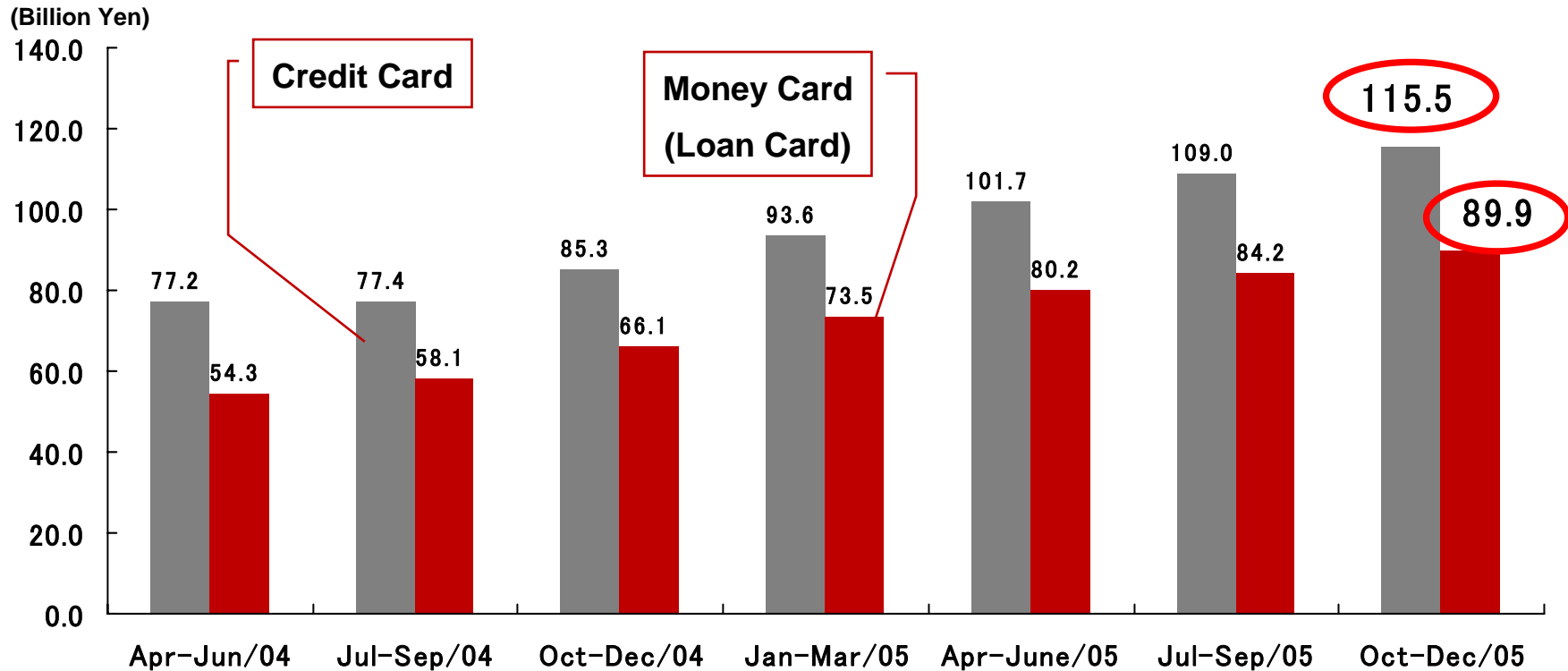
Credit Card Business and Consumer Loans Business Continues to Grow
 Shopping Credit Business was Down YoY as Auto Loans Declined,
 Impacted by Japan's Weakening Auto Sales



Rakuten KC Number of Accounts (As of the end of the quarter)

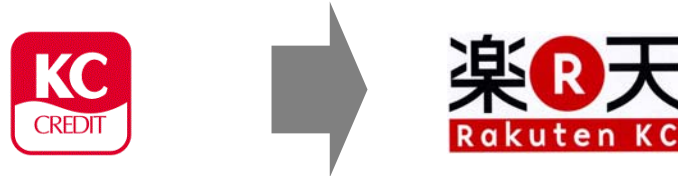


Loans Balance on Both Credit Card and Money Card Increase



	December 05	December 04	YoY
Credit Card Loans Balance	115.5	85.3	+30.2
Money Card Loans Balance	89.9	66.1	+23.8

- 1 Corporate Name Changed in October 2005
From Kokunai Shinpan to Rakuten KC**



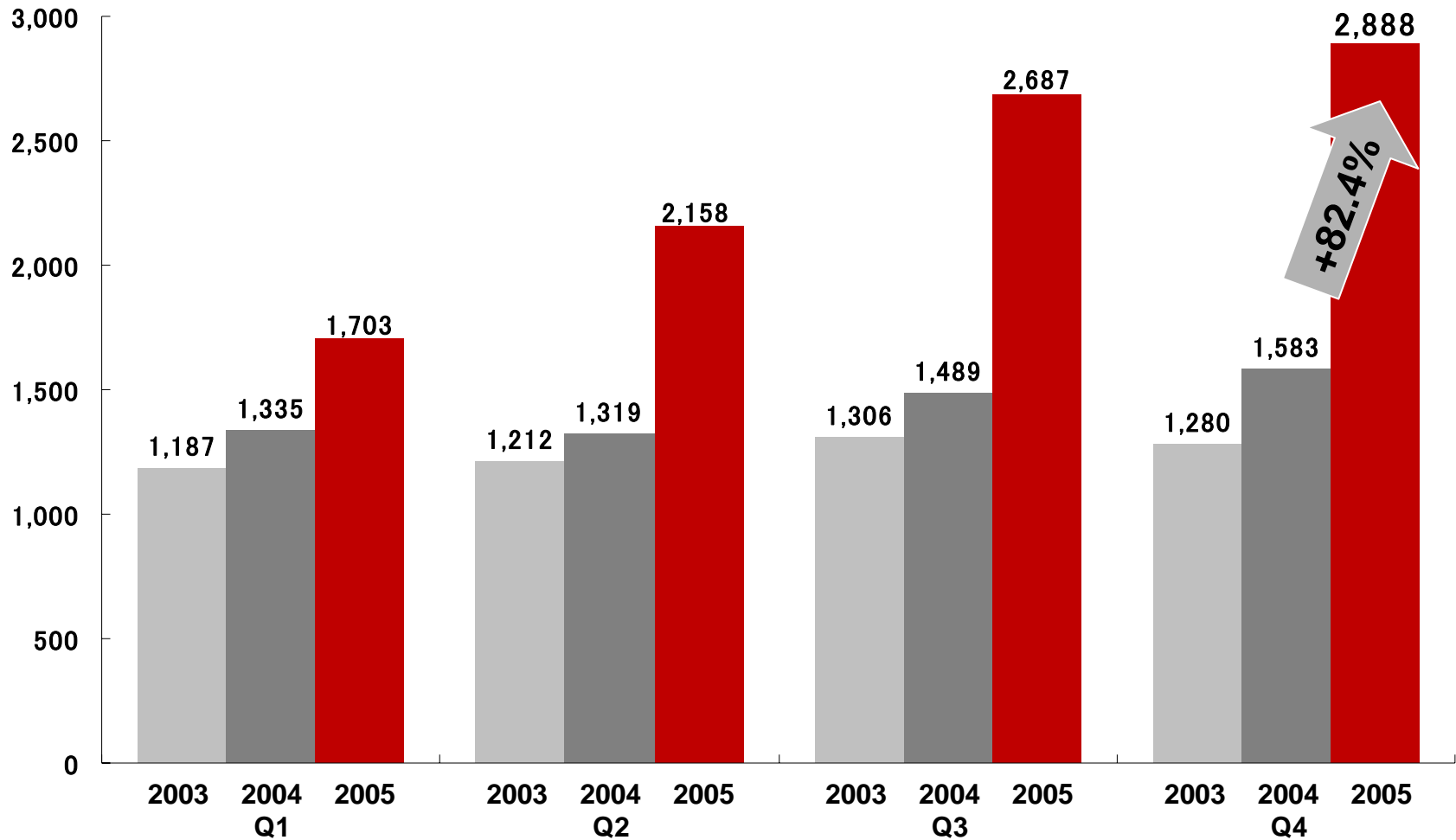
- 2 VISA Special Licensee Officially Granted in
November 2005**

- 3 BBB- credit rating for Rakuten KC obtained in
December 2005 from R&I (Rating and Investment
Information, Inc.)**

4 Portal & Media Business

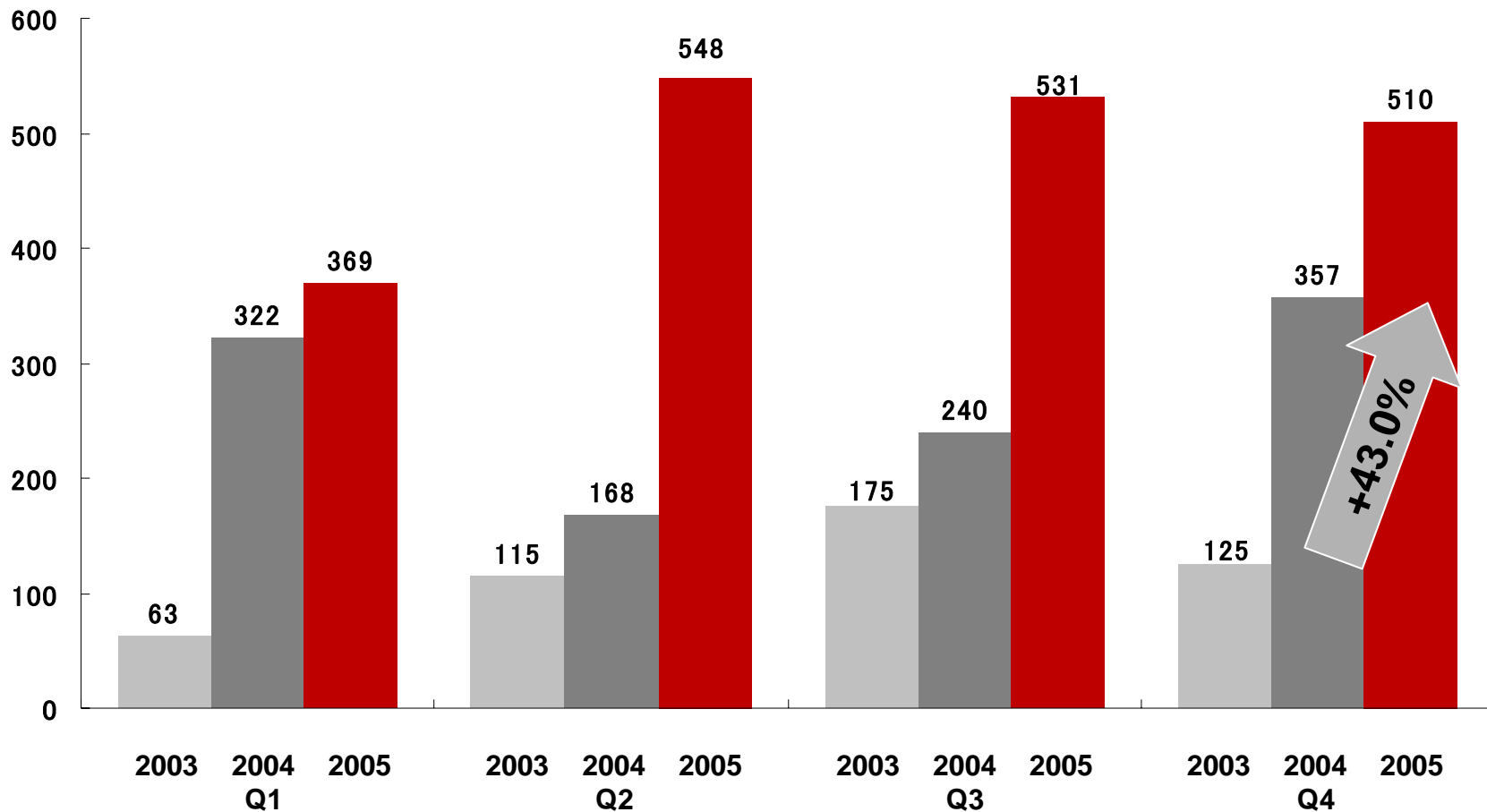
05/Q4 Growth YoY +82.4%, QoQ +7.5%

(Million Yen)



Record Healthy Growth YoY +43.0%

(Million Yen)

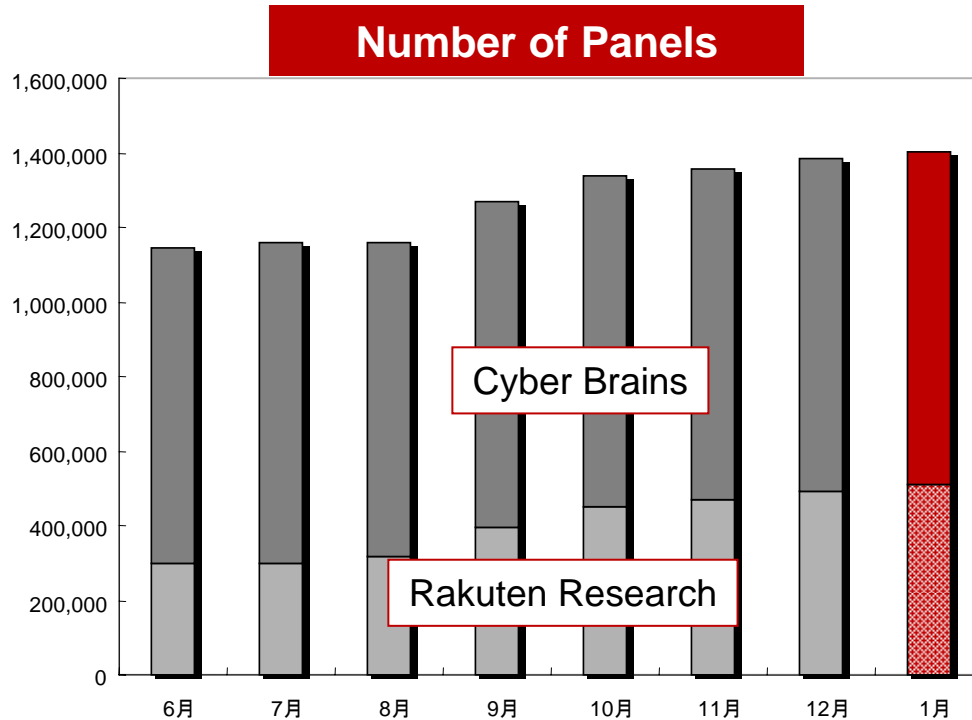


* For Q3/05, restated retroactively

* Excluding amortization of goodwill recorded as SG&A

Integrated Cyber Brains with Rakuten Research in November 2005 and changed its name to Rakuten Research K.K.

Number of panels exceeds 1.4 million, one of largest in industry
Marketing through trade magazines and seminars



Mobile Features

- Can add images and comments

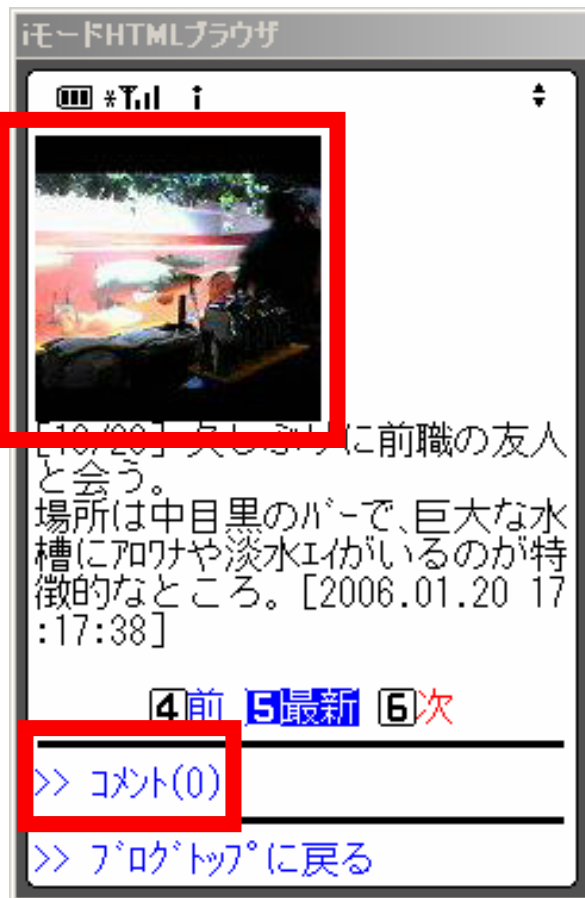
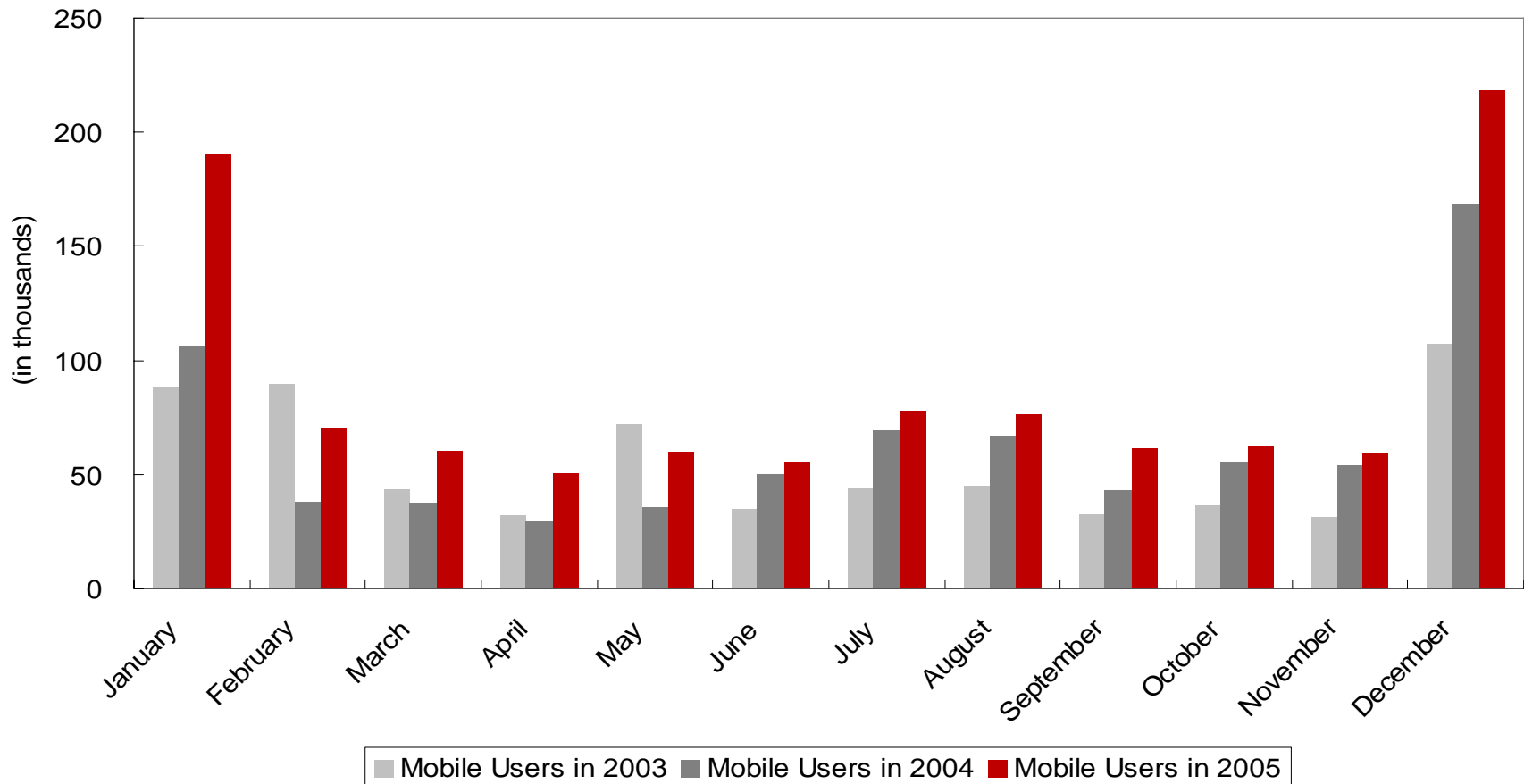


Photo Album

- Started as new service to share pictures



Demand soars, user growth at +80% YoY in December KDDI (au), Vodafone user growth most significant



Internet TV Project Launched
Planning for Streaming Group Contents



Publishing Service Started
STAR soccer launched Jan 2006



- Lifestyle magazine geared around soccer
- Editor-in-chief: Atsushi Shikano (former editor-in-chief, rockin' on Japan)
- Distributor: Fusosha Publishing Inc.
- Publisher: Rakuten, Inc.

Strengthening Internet broadband content streaming through group synergies



- Leading service in subscription-based broadband contents
- Linkage with Rakuten Membership ID strengthened; Users able to earn/redeem Rakuten Points from Dec 2005
- Official blog at Rakuten Hiroba being offered

Offline event with Morning Musume, a popular artist group

- October 2005 in Yokohama
- Conducted sponsored ad sales



Minna-no-shushoku, a job search service, hosts Offline Event; invited students charged admission

- Postal direct mail sent to registered members



リクルート 応援フェア
SUPPORT BOOK

誰にも負けない美形スーツ。
あややと青山が暮こなしを提案! スタイリッシュなスーツで爽やかな印象を。
しくさも着こなしも、第一印象が決め手!

RECRUIT ITEM	価格
ブラウス	2,762円 (税込2,900円)
スカート	2,762円 (税込2,900円)
ワンピース	6,800円 (税込7,140円)
ジャケット	6,800円 (税込7,140円)
シューズ	9,800円 (税込10,290円)

※送料別
〒104-8504 東京都中央区銀座4-1-1 10F 株式会社リクルート
TEL: 03-4333-8221
全国各支店検索: <http://www.ayaya.co.jp>
※本誌掲載価格とは異なる場合があります。詳しくは各支店までお問い合わせください。

洋装の 青山
レディーススーツ
¥19,950

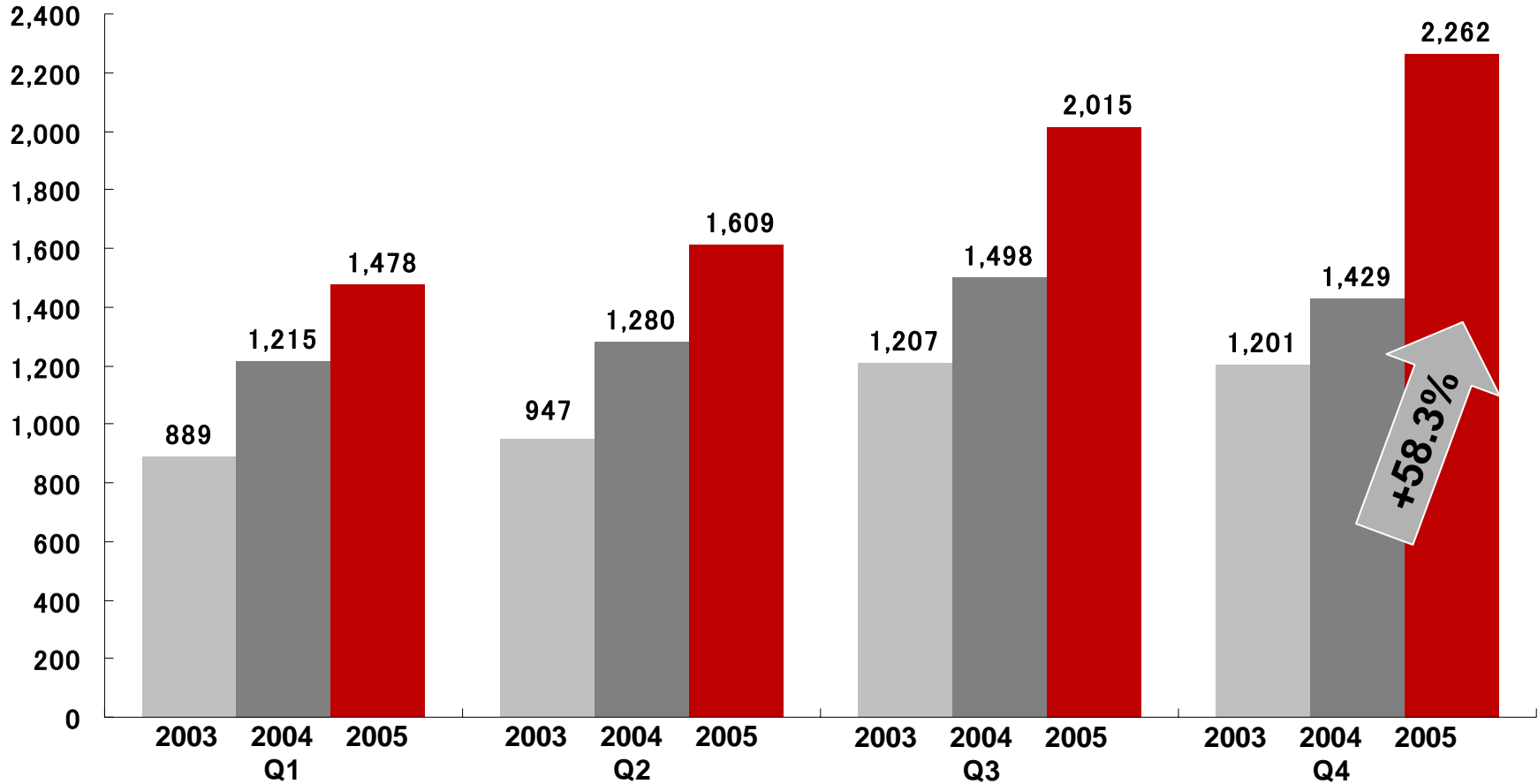
5 Travel Business

Travel Business Revenues

(Excluding One-time Factor in Q2/03)

05/Q4 Growth YoY +58.3%, QoQ +12.2%

(Million Yen)



* Q2/03 excluding one-time factor: Change in revenue recognition policy +10 million yen

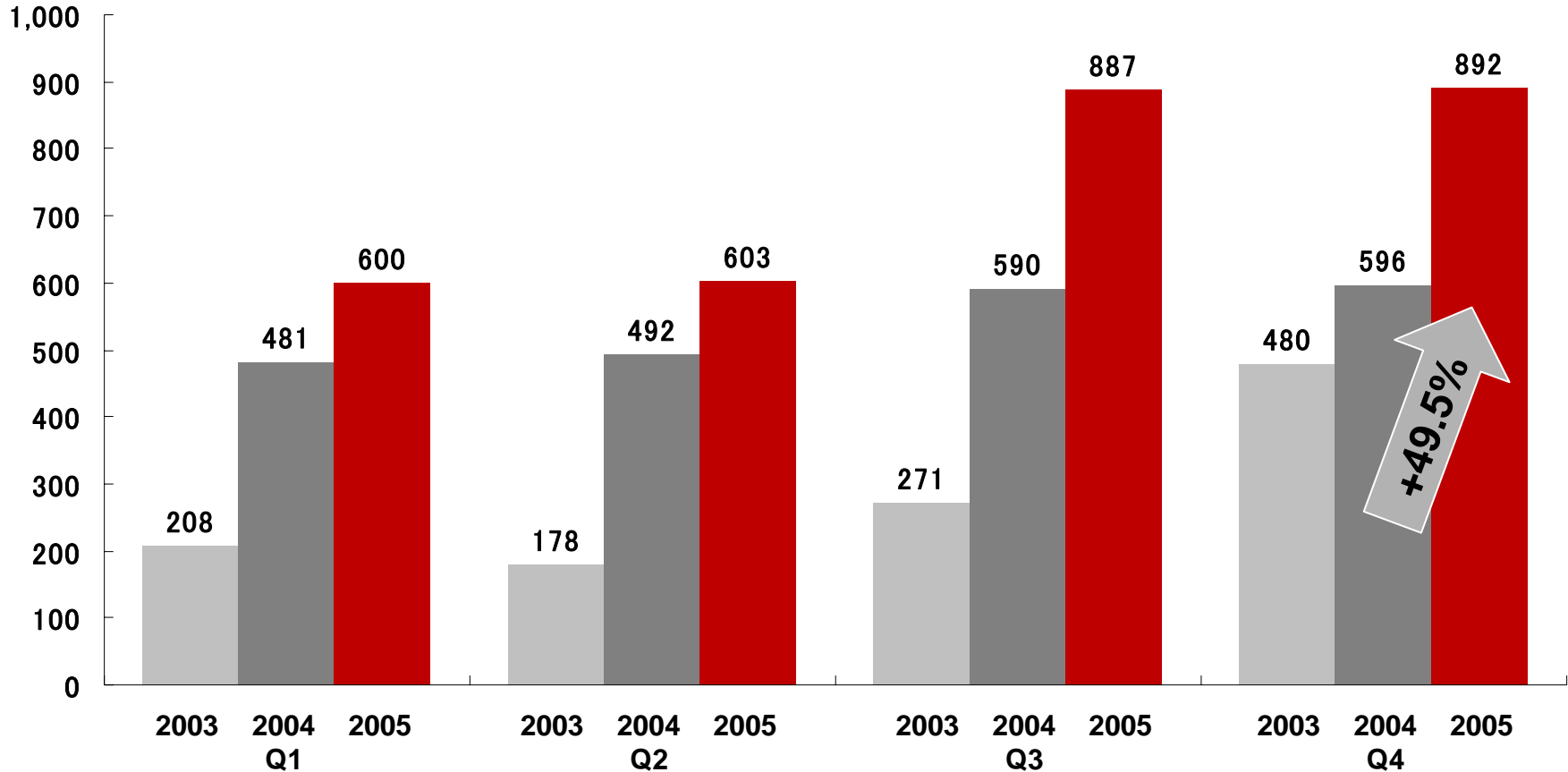
* Pre-acquisition of Mytrip.net

* Business segment changed, Entertainment Business excluded

Travel Business Operating Profitの推移 (Excluding One-time Factor in Q2/03)

Q4/05 Growth YoY +49.5%

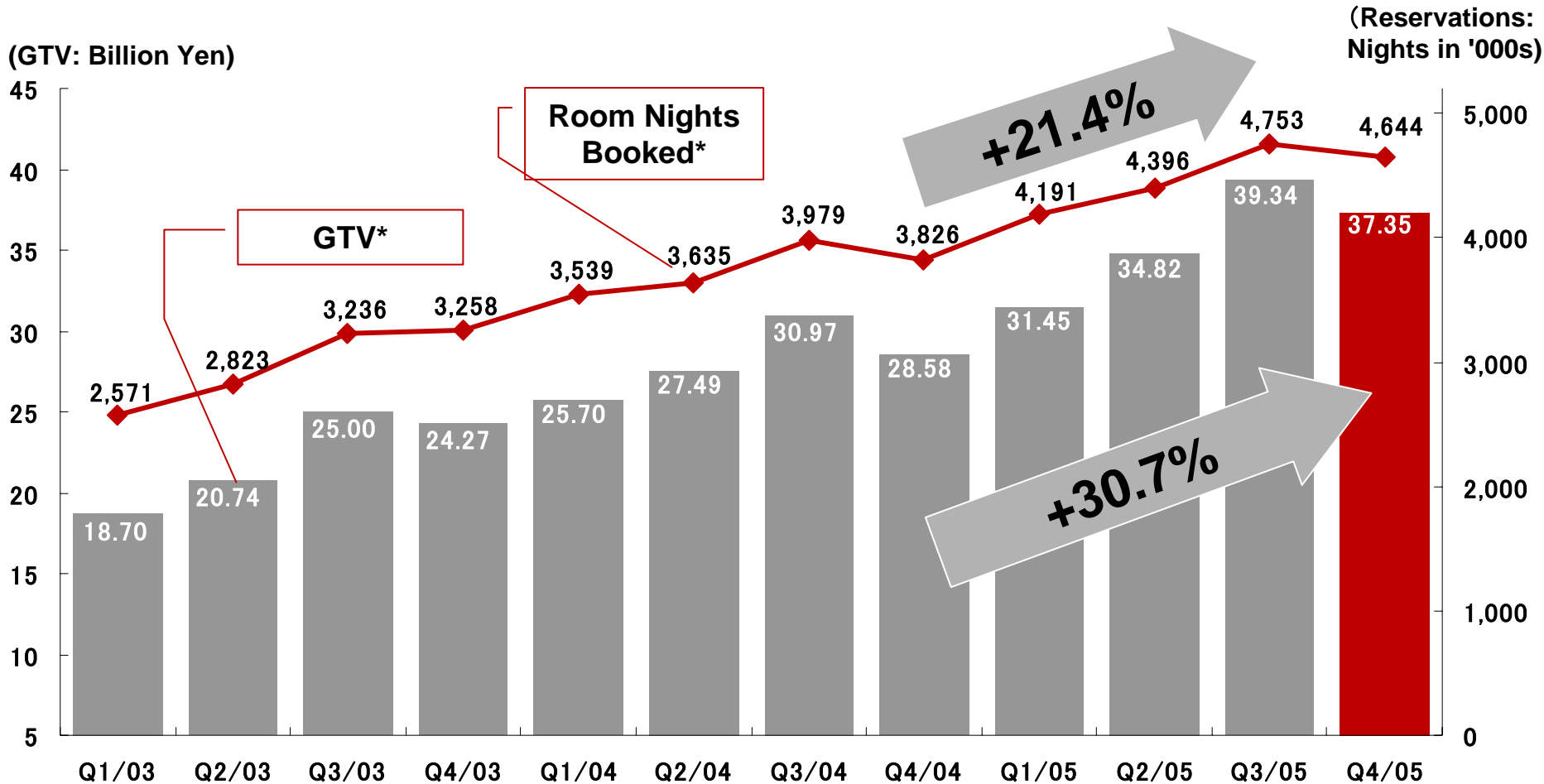
(Million Yen)



- * Q2/03 excluding one-time factor: Change in revenue recognition policy +10 million yen
- * Includes MyTrip.net before acquisition
- * Business segment changed, Entertainment Business excluded

Travel Business Reservations

Reservations Booked Growth YoY +21.4, Gross Bookings Growth YoY +30.7%



* Gross Transaction Volume at Time of Reservation (Before Cancellation, Tax Calculated)

* Travel Business: MyTrip.net and Rakuten Travel combined

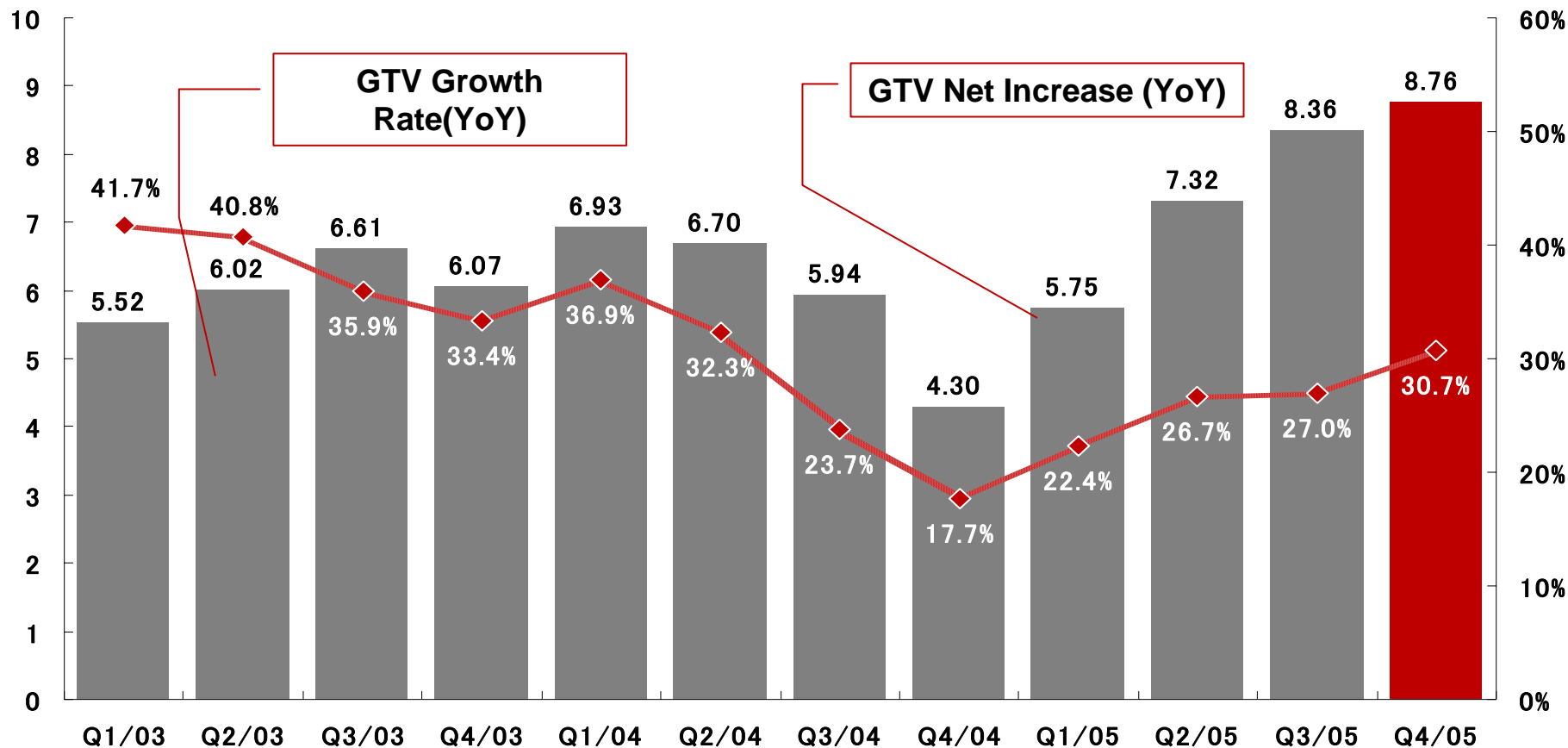
* From Q1/05, Overseas Hotels Gross Bookings, Overseas Air Travel Gross Bookings, and Overseas Hotel Reservations included

* From Q4/05, Rakuten Bus Services Inc. included

Net increase in GTV Grows Year on Year

(Increase: Billion Yen)

(Growth Rate)



* Gross Transaction Value at Time of Reservation (Before Cancellation, Tax Calculated)

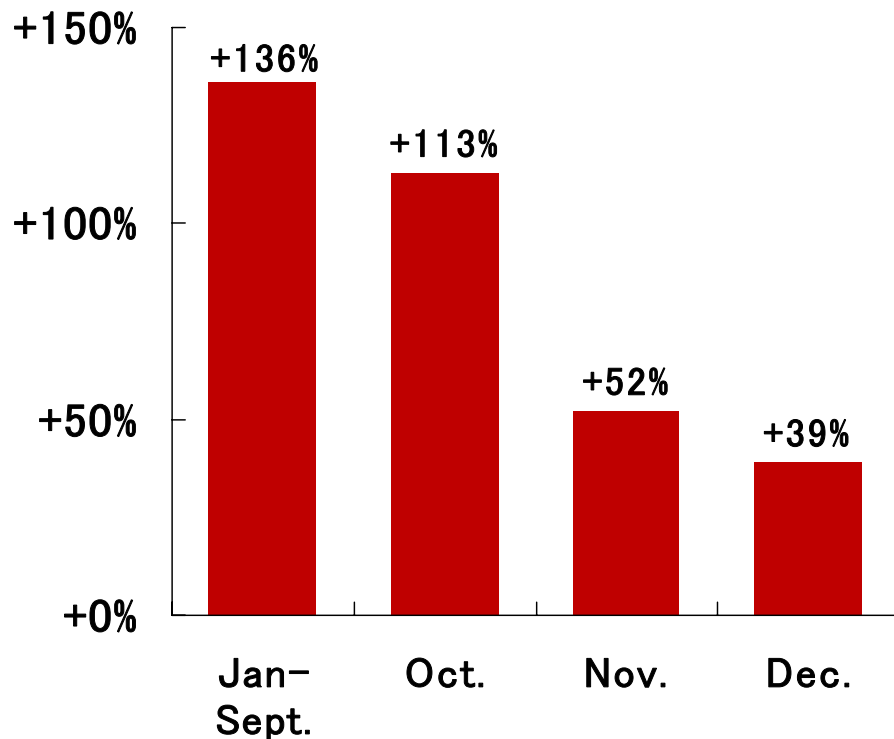
* Travel Business: MyTrip.net and Rakuten Travel combined

* From Q1/05, Overseas Hotels Gross Bookings, Overseas Air Travel Gross Bookings, and Overseas Hotel Reservations included

Benefits of New Contracts

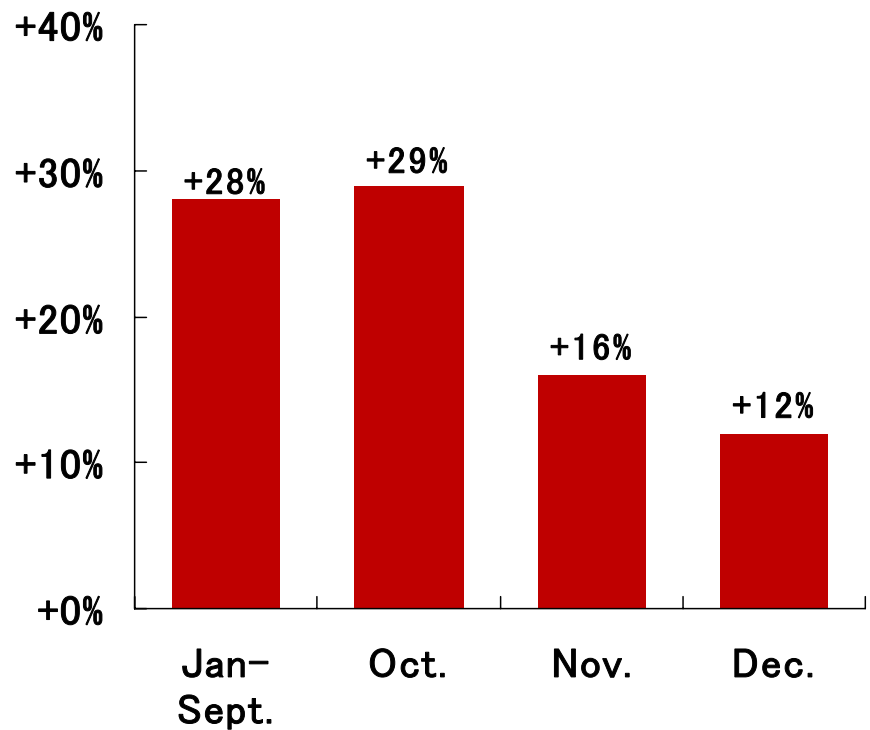
YoY Growth in Reservations in Year-end of 2005 to New-year 2006
New Contracts Led to the Earlier Booking of Reservations and a
Increase in the Average Price.

Gross Transaction Value



(when reservations were made)

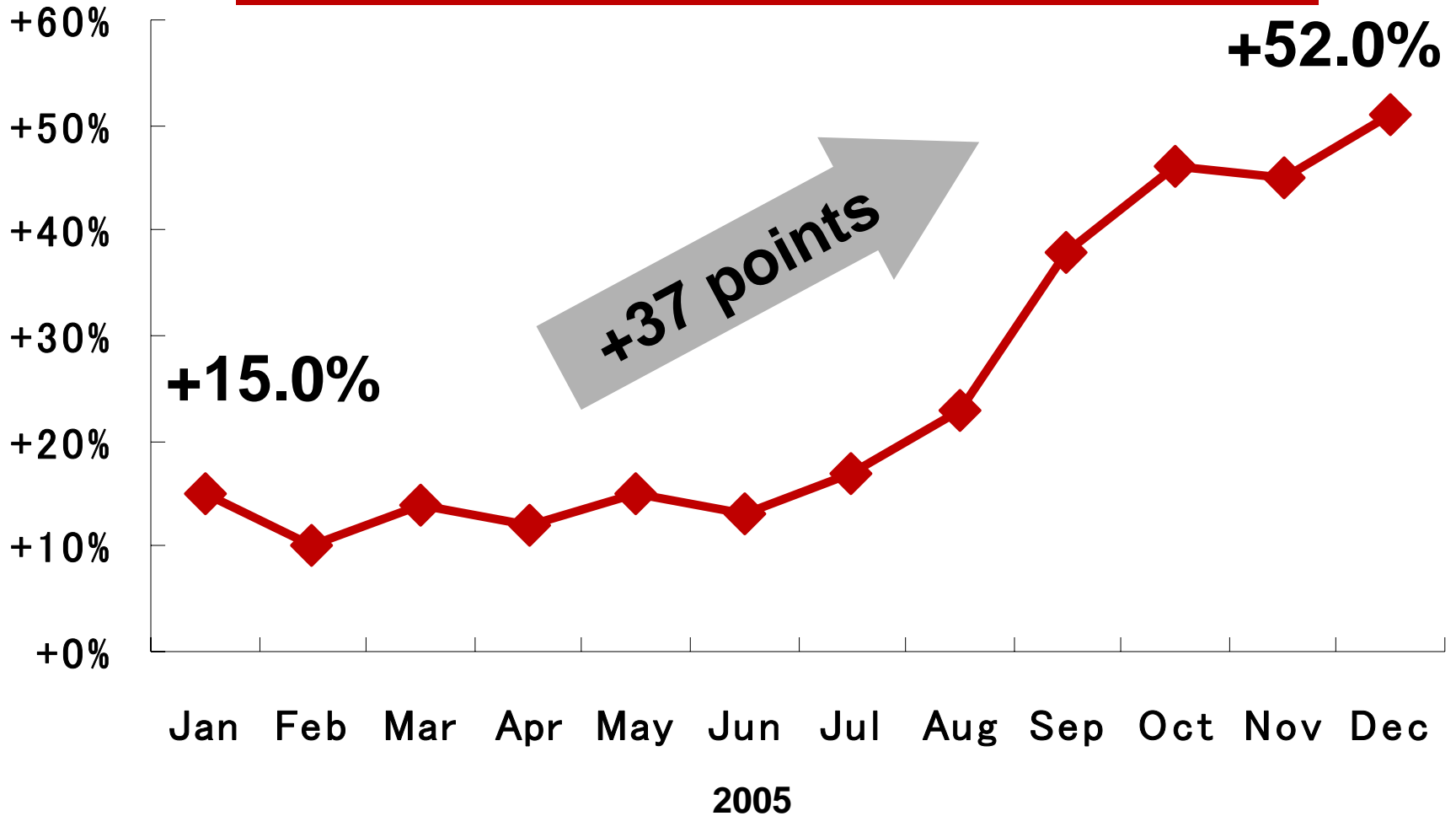
Average Hotel Unit Price



(when reservations were made)

Rakuten Travel becomes No.1 in i-mode Menu!

Growth of Gross Transaction Volume Booked through Mobile



Accelerate New Members Joining by Focusing on Leisure Users



The screenshot shows the Tabi-Komi website interface. At the top, there's a navigation bar with '国内' (Domestic) and '海外' (Overseas) tabs, and links for '予約の確認・変更・取消' (Check/Change/Cancel Reservations), '個人ページ' (Personal Page), and 'お客様の声' (Customer Voice). Below the navigation, there's a search bar and a main banner for '寒い冬に暖かい旅のコミュニティ' (Travel Community for Warm Winters). The main content area is divided into several sections: 'みんなの体験談 [全国] 編' (Everyone's Experiences [All Japan] Edition) with sub-sections like 'グルメネタ (10)', '家族・夫婦ネタ (10)', '勉強・仕事ネタ (10)', '心と体の癒しネタ (10)', '女性ネタ (10)', and '恋ネタ (10)'; 'これまでの情報件数' (Information Count to Date) as of 2006.12.26, showing 1,234 travel spots, 399 experiences, and 1,234 travel tips; '地域から探す' (Search by Region) with a map of Japan and a list of 47 prefectures; and a right sidebar with '旅行をもっとみよう' (Let's see more travel), '旅コミ個人ページ' (Travel Komi Personal Page), '今すぐおさだむ' (Check out now), and '特集・企画' (Special Features/Events).

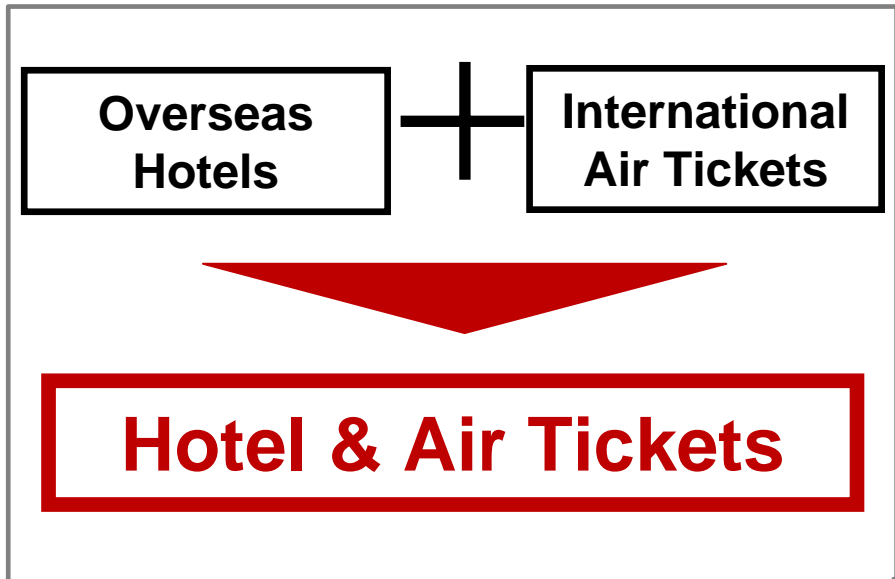
■ Release February 06, 2006

■ Travel information posted by users

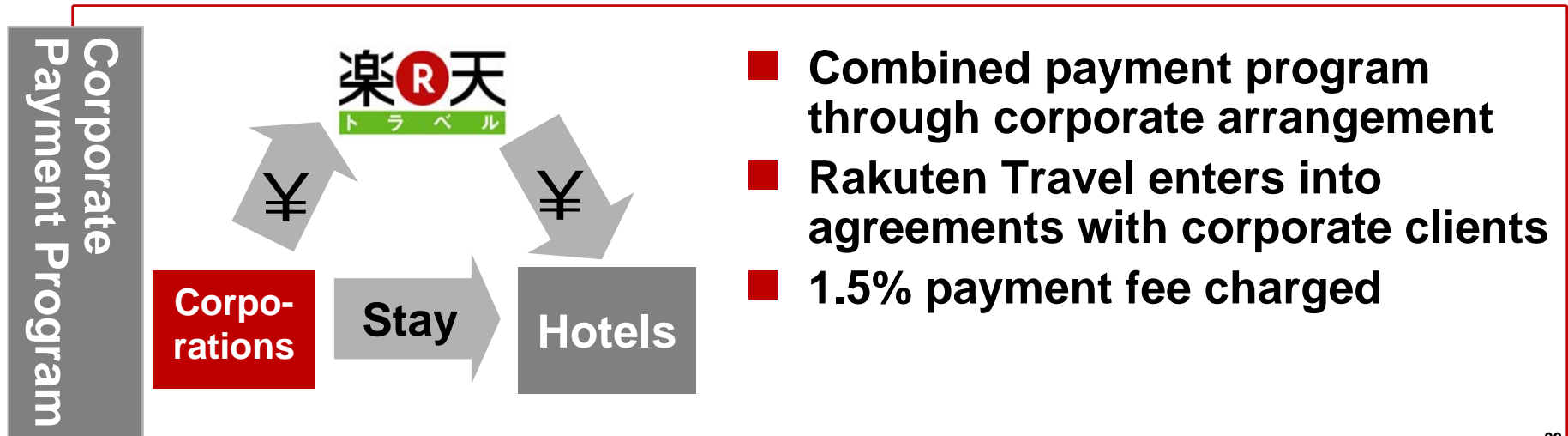
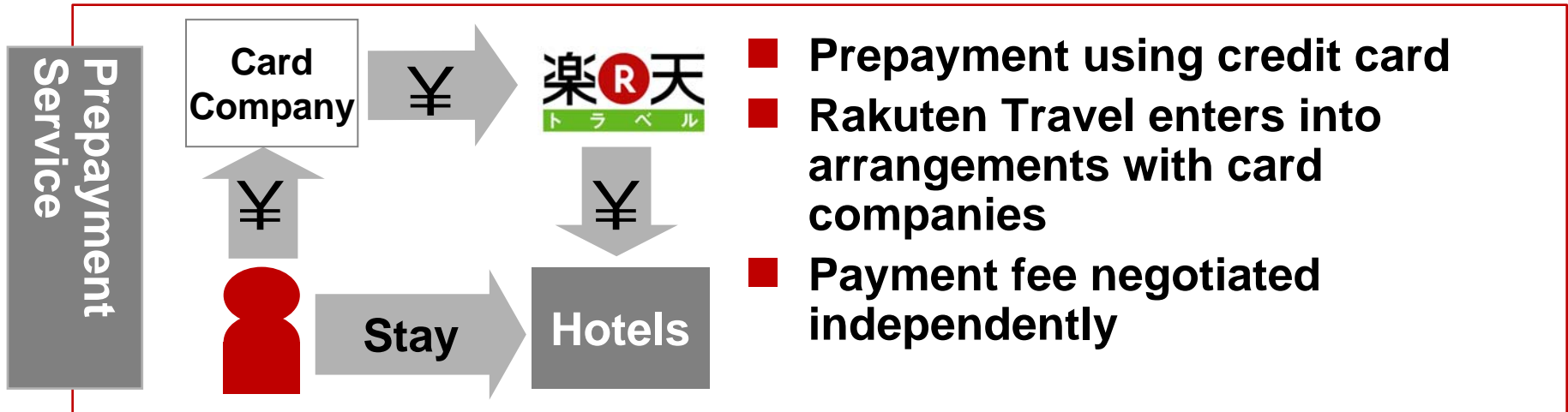
■ Seeking No.1 in Travel Community

The screenshot displays the Rakuten website interface for international travel. It features a search form for flights and hotels, and two search results for hotels in Shiga Prefecture, Japan. The first result is 'GO-OP RESIDENCE OHMIEDGYO' and the second is 'TIFFANY HOUSE'. Both results show flight options with United Airlines and a total price of ¥97,843.

- Launched Feb 2006
- Can package overseas hotels and air tickets independently



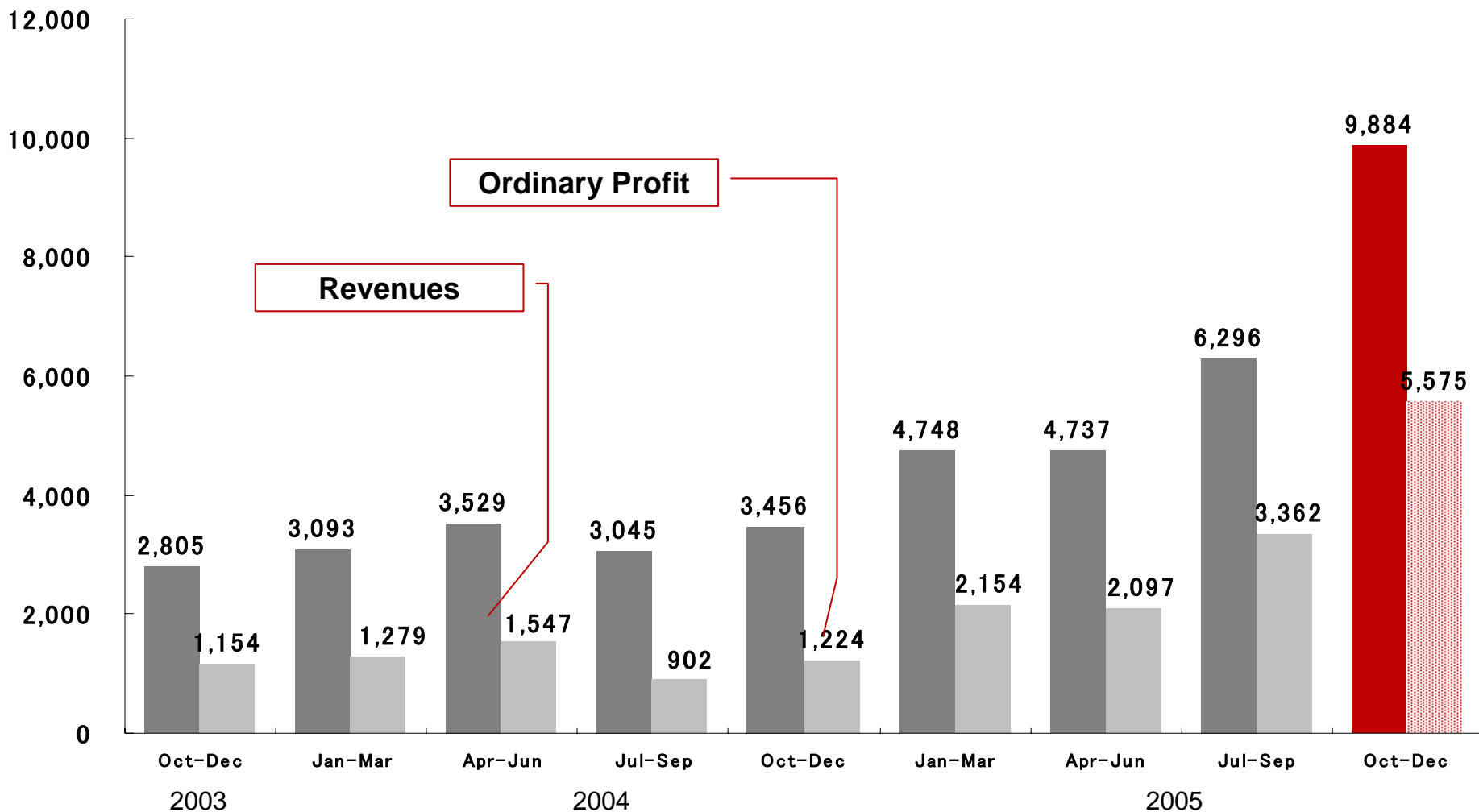
Launched Prepayment Service and Corporate Payment Program in Feb 2006



6 Securities Business

(Million Yen)

Ordinary Profit Growth YoY +355.5%, QoQ +65.8%



Rakuten Securities (Consolidated) Recent Results Rakuten

(Million Yen)

	Oct-Dec/04	Jan-Mar/05	Apr-Jun/05	Jul-Sep/05	Oct-Dec/05	YoY
Total Revenues	3,456	4,748	4,737	6,296	9,884	186.0%
(Net Interest Revenues)	532	659	803	943	1,461	174.6%
Net Revenues	3,149	4,482	4,374	5,751	9,288	195.0%
Operating Profit	1,185	2,103	1,830	2,988	5,657	377.4%
Ordinary Profit	1,224	2,154	2,097	3,362	5,575	355.5%
Earnings Before Tax	928	1,710	1,794	2,913	6,860	639.2%
Earnings After Tax	420	1,172	977	1,588	3,913	831.7%

Financial Overview for Oct-Dec 2005

(Billion Yen)

	Rakuten Securities	E*Trade	Matsui	kabu.com	MBH
Revenues	9.80	16.49	16.37	5.82	12.03
Net Revenues	9.28	15.71	15.58	5.56	11.64
SG&A	3.63	7.02	4.31	1.72	3.32
Operating Profit	5.65	8.68	11.27	3.83	8.31
Ordinary Profit	5.57	8.59	11.17	3.82	8.32

* Source: Individual company financial reports on a consolidated basis (excluding kabu.com)

* Comparison of consolidated results

Growth Rate YoY

	Rakuten Securities	E*Trade	Matsui	Kabu.com	MBH
Revenues	+186.0%	+156.1%	+105.0%	+115.3%	+146.2%
Net Revenues	+194.9%	+169.4%	+111.7%	+128.6%	+153.3%
SG&A	+84.9%	+111.2%	+46.1%	+62.3%	+22.1%
Operating Profit	+377.3%	+246.7%	+155.5%	+180.2%	+343.7%
Ordinary Profit	+355.5%	+228.5%	+152.0%	+179.1%	+344.1%

* Source: Individual company financial reports on a consolidated basis (excluding kabu.com)

* Comparison of consolidated results

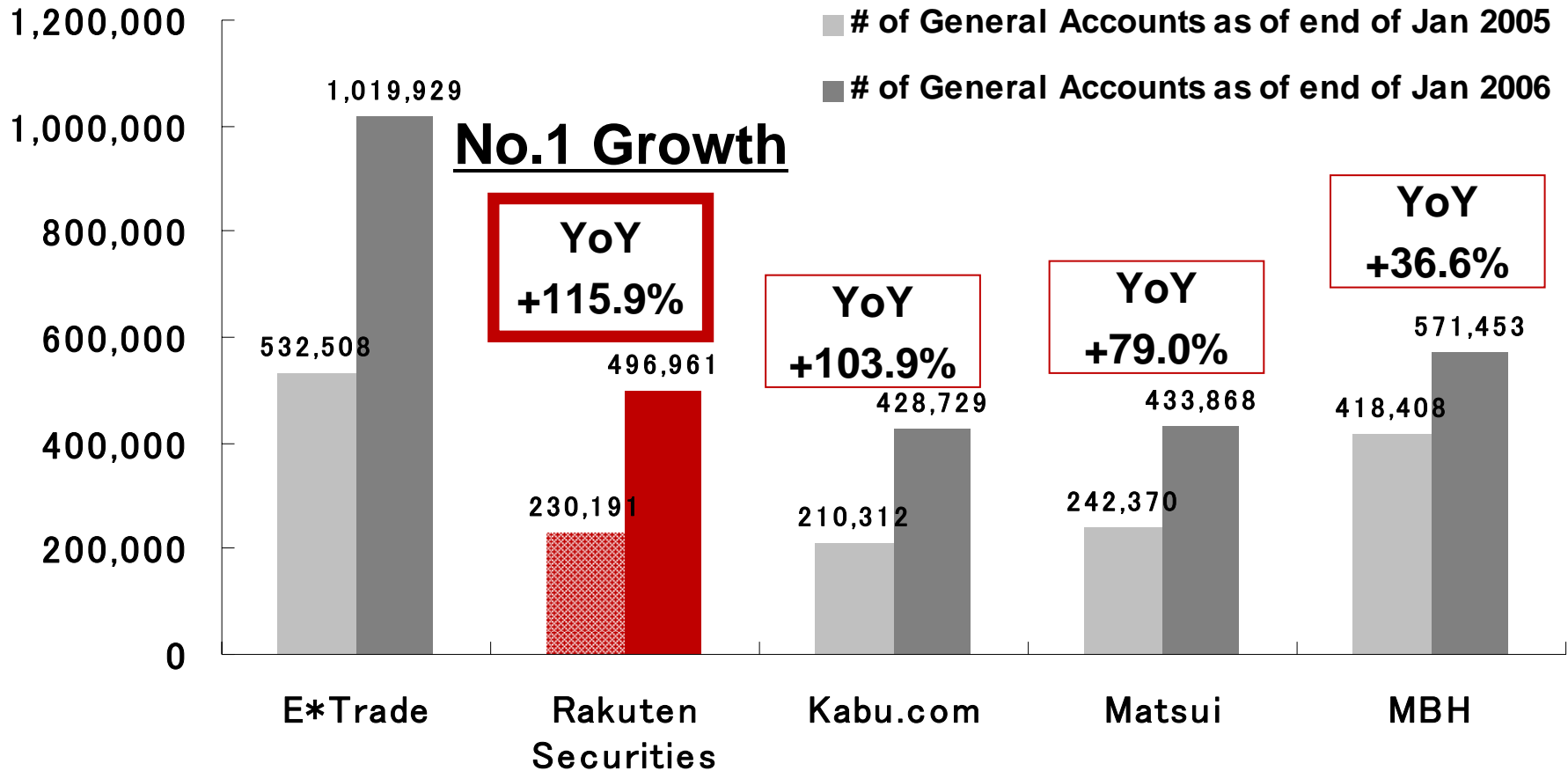
Growth Rate QoQ

	Rakuten Securities	E*Trade	Matsui	Kabu.com	MBH
Revenues	+57.0%	+19.2%	+28.3%	+24.9%	+33.0%
Net Revenues	+61.5%	+26.4%	+29.9%	+32.1%	+33.7%
SG&A	+31.4%	+20.0%	+19.1%	+7.9%	+15.8%
Operating Profit	+89.3%	+32.2%	+34.6%	+46.9%	+42.5%
Ordinary Profit	+65.8%	+30.9%	+33.5%	+48.6%	+48.8%

* Source: Individual company financial reports on a consolidated basis (excluding kabu.com)

* Comparison of consolidated results

**YoY
+91.5%**

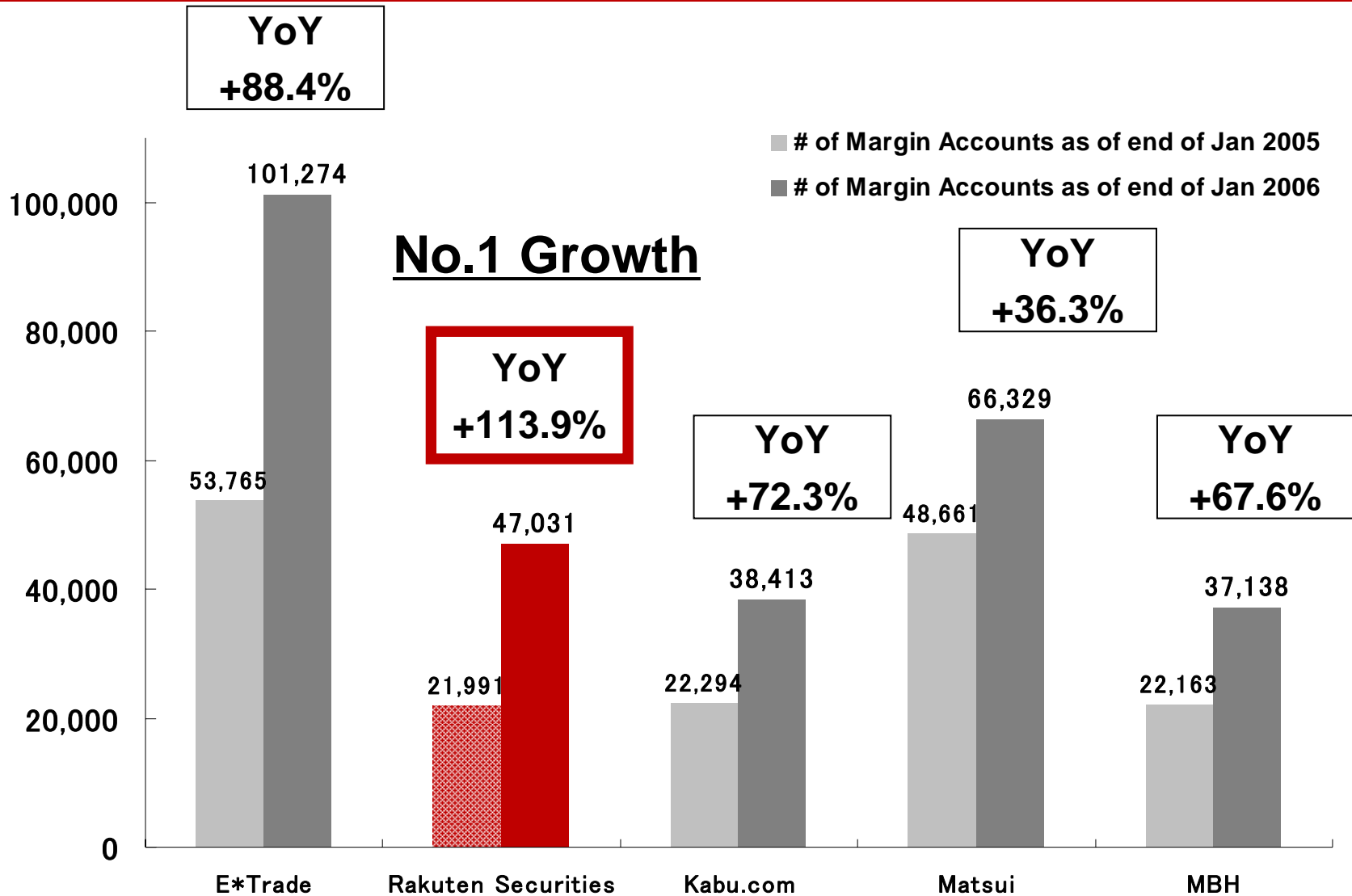


* Source: based on information on companies' websites

* MBH discloses sum of former Monex business and former Nikko Beans business from May 2004

* kabu.com for Jan. 2006 includes 69,531 accounts of Me net Securities

Rakuten Securities Number of Margin Accounts Rakuten



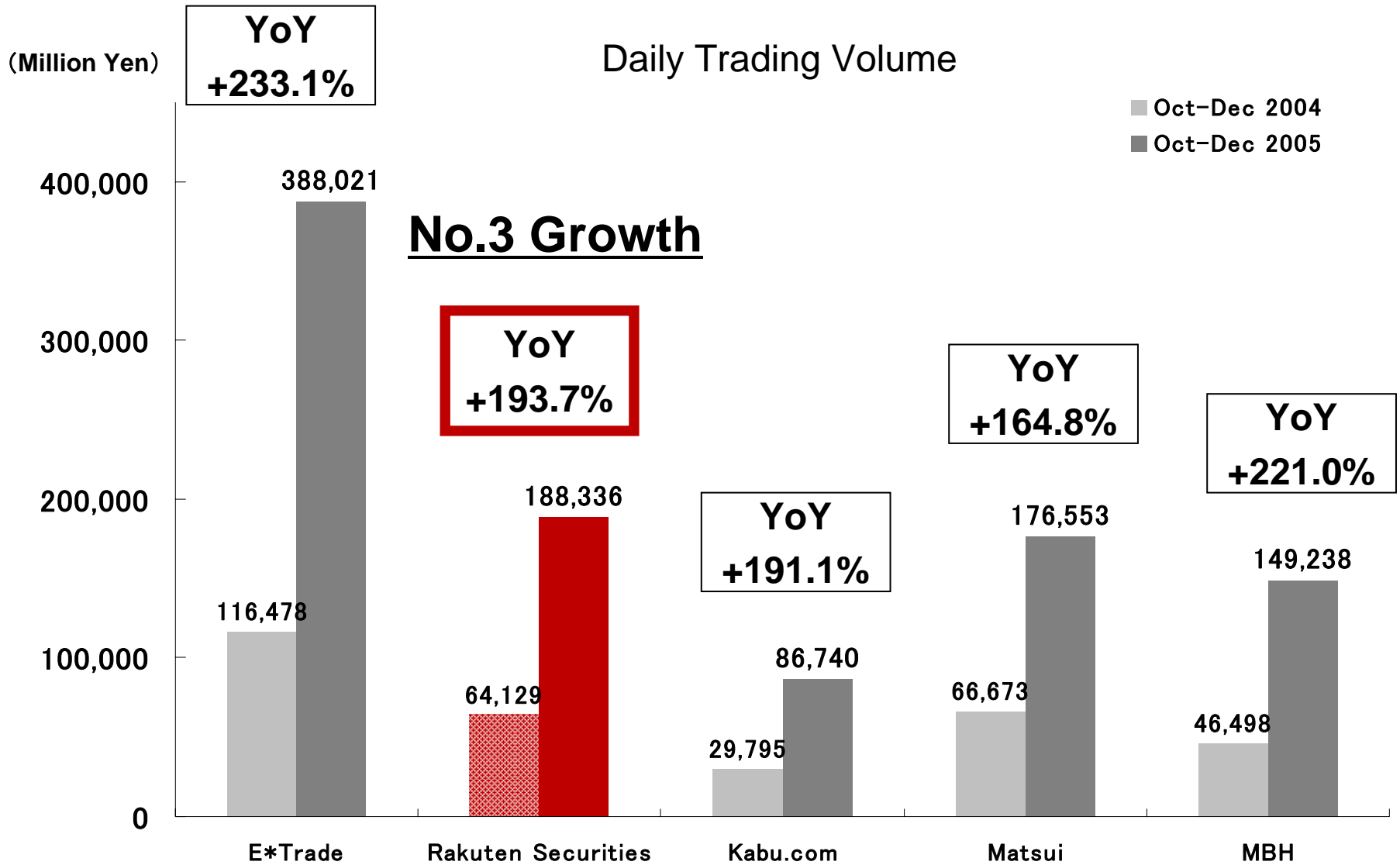
* Source: basis on information on companies' websites

* MBH discloses sum of former Monex business and former Nikko Beans business from May 2004

* kabu.com for Jan. 2006 includes 4,038 accounts of Me net Securities

Rakuten Securities

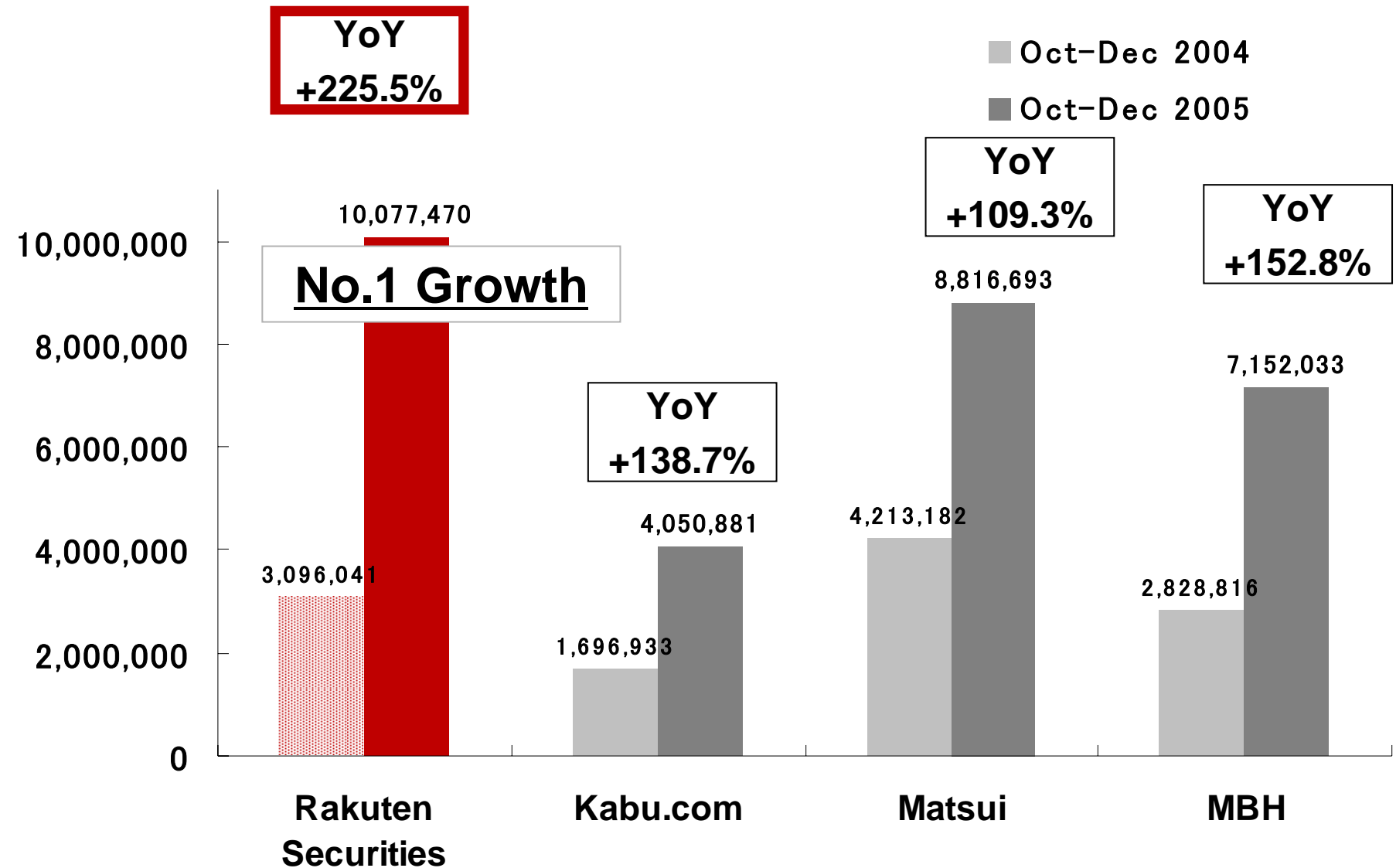
Daily Trading Volume of Japanese Equity



* Source: based on information on companies' websites

* MBH discloses sum of former Monex business and former Nikko Beans business from May 2004

Rakuten Securities Transactions of Japanese Equity Rakuten



* Source: based on information on companies' websites

* MBH discloses sum of former Monex business and former Nikko Beans business from May 2004

Building non-stop systems

- Extensive use of redundant systems
 - RAC (real application cluster) compatibility for core database server
 - Redundancy for order placement system
 - Redundancy for order placement channels
- Termination of old Web system

Securing adequate capacity

- Establishment of second data center (spring 2006)
(capacity of 1.5 million accounts)
- More core database servers
- Enhancement of market speed systems
- Expansion of new Web systems
- Expansion of order placement systems

More competitive services to create a call center that generates more sales

Fukuoka Call Center (completion in spring 2006)



Professional Sports Business

Professional Sports Business Summary

Strong Revenue Performance Throughout the Year
Achieved Positive Operating Profit as Expected in New Entry

Million Yen

Non-Consolidated (Rakuten, Baseball, Inc.)	2005
Revenues	6,542
Operating Expenses	6,420
Operating Profit	122

Consolidation (Include Rakuten Sports Properties)	2005
Revenues	7,385
Operating Expenses	7,229
Operating Profit	156

Breakdown of the Sales of Rakuten Baseball, Inc.	
Advertisement/Sponsor	2,243
Broadcasting Rights	771
Ticket Sales	2,353
Stadium	556
Fan Club	262
Team Goods Rights	277
Others	80
Total	6,542

Sponsor Business and Ticket Sales Account for 70% of non-consolidated Revenues

Advertisement/Sponsor Business

(Million Yen)

	Categories of Sponcers	# of Sponsors	Revenues
1	Naming Rights(Platinum)	4	443
2	Helmet, Uniform etc.	3	451
3	Gold/Silver members	28	534
4	Regional Sponsors	57	152
5	Beer and Beverage	4	194
6	Others	44	469
	Total	140	2,243

Ticket Sales

	2005		
A	# of Tickets Released	903,232	tickets
B	# of Actual Tickets Sold	620,350	tickets
C	Sales Rate(B/A)	68.7	%
D	# of Home Games	63	games
E	Average Tickets Sold(B/D)	9,847	tickets

	Items	Revenues (million yen)
1	Season Tickets	1,217
2	Regular Tickets	1,067
3	Other	69
	Total	2,353

Popularity of New Team Continues over the Year, Thanks to the Supporters

Stadium

Key Data		
1	# of Home Games	63
2	Official # of Visitors	920,969
3	Capacity of Stadium	19,500
4	Average # of Visitors per Game	14,619

(Thousand Yen)

	Items	Revenues
1	Beverage (Margin basis)	208,636
2	Roadshow	152,000
3	Rental Fees, Parking	97,000
4	Team Goods (Margin basis)	87,420
5	Others	10,696
	Total	555,752

Broadcasting

	Category	# of games	
1	Terrestrial	Nationwide	3 Giants 3
		Local	22
		Visitors	8 Kansai 3, Fukuoka 4, Saitama 1
2	BS	6	NHK-BS3, Commercial Net3
3	CS	67	

Fan Club

(Thousand Yen)

	Category	# of members	Revenues
1	Kids	6,198	6,198
2	Regular	17,835	61,422
3	Gold	13,671	141,545
4	Booster	557	52,978
	Total	-	262,143

New Facilities for Strengthening the Team will be launched in late March

Fullcast Stadium Miyagi



Facilities around Backstop



Large Indoor Gym



Additional Seats on
Third-base side

Izumiosawa (for Farm Team)



- Main Ground
- Sub Ground
- Indoor Gym
- Bullpen
- Accommodations

Appendices

Outlook of Balance Sheet

Finance Related Business

(Credit & Payment Business and Securities Business)

(As of December 31, 2005, Combined Information)

Cash ¥63.1Billion	Interest Bearing Debt ¥549.0Billion
Other Assets ¥1,348 Billion	
Equity and Other Liabilities ¥862.2Billion	

Total Assets
¥1,411.2 Billion

Total Liabilities and Equity
¥1,411.2 Billion

Non-Finance Related Business

(As of December 31, 2005, Combined Information)

Cash ¥17.7 Billion	Interest Bearing Debt ¥149.4 Billion
Marketable Securities ¥144.6 Billion	
Securities of Affiliates ¥25.9Billion*	Equity and Other Liabilities ¥122.9 Billion
Other Asset ¥84.1 Billion	

Total Asset ¥272.4Billion

Total Liabilities and Equity
¥272.4

*Securities of Affiliates evaluated in market price

* The Gap in total assets between the sum of "Finance Related Business" and "Non-Finance Related Business", and consolidated balance sheet is a gap in evaluation between market price and booked price of securities of affiliate companies listed on stock exchanges

Q4/05 Consolidated Financial Results Rakuten

(Billion Yen)

	Revenues	YoY	QoQ	Ordinary Profit	YoY	QoQ	Ordinary Profit Margin
E-Commerce Business	12.16	+78.4%	+48.7%	4.22	+59.2%	+52.7%	34.7%
Credit and Payment Business	21.84	+2713.0%	(6.9%)	2.02	(1624.6%)	(55.7%)	9.2%
Portal and Media Business	2.88	+82.4%	+7.5%	0.50	+29.2%	(5.5%)	17.6%
Travel Business	2.26	+58.3%	+12.2%	1.18	+90.9%	+12.3%	52.4%
Securities Business	9.82	+182.7%	+42.5%	5.51	+347.7%	+69.5%	56.1%
Professional Sports Business	0.99	-	(64.3%)	(0.67)	+1140.1%	(189.8%)	(68.2%)
Internal Elimination	(1.25)	-	-	(1.46)	-	-	-
Consolidated	48.72	+251.3%	+7.7%	11.30	+139.9%	(13.3%)	23.2%

* Including amortization of goodwill recorded as SG&A

Breakdown of Amortization of Goodwill Rakuten

Included in SG&A

(Million Yen)

	Q1/05	Q2/05	Q3/05	Q4/05	Companied
E-Commerce Business	-	-	-	528	LinkShare
Credit & Payment Business	-	-	164	171	Rakuten KC
Portal & Media Business	-	8	10	12	Ynot Rakuten Research
Travel Business	-	-	-	0	
Securities Business	-	1	1	1	Rakuten Realty Management
Professional Sports Business	-	-	-	-	
Consolidated	-	9	176	714	

(Million Yen)

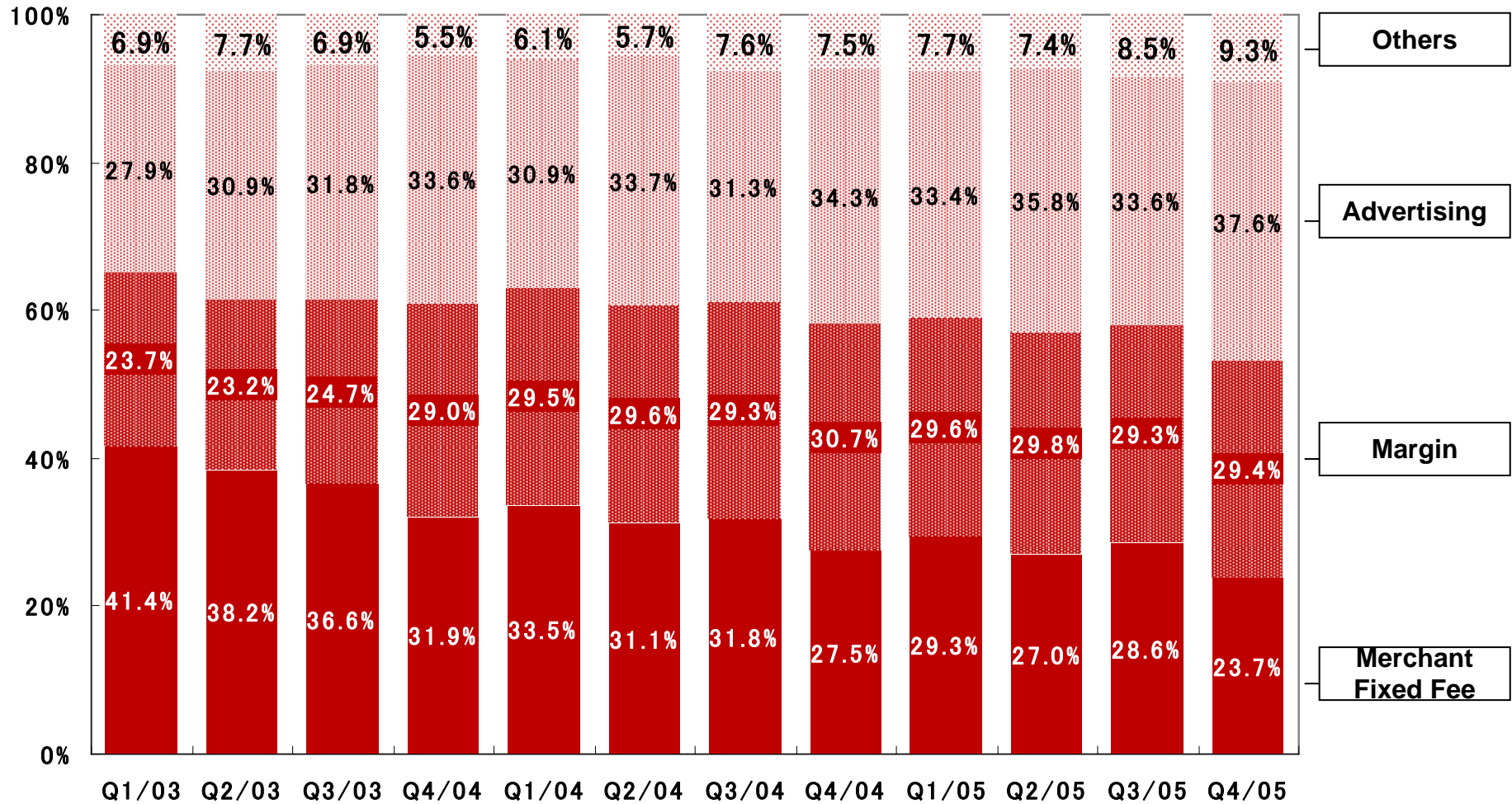
	2005			
	Q1/05	Q2/05	Q3/05	Q4/05
Revenues	5,685	6,565	6,837	8,918
Operating Expenses	3,208	3,950	4,236	4,569
Operating Profit	2,477	2,615	2,600	4,349
Operating Margin	43.6%	39.8%	38.0%	48.8%

* Rakuten Inc, excludes Portal & Media Business Company

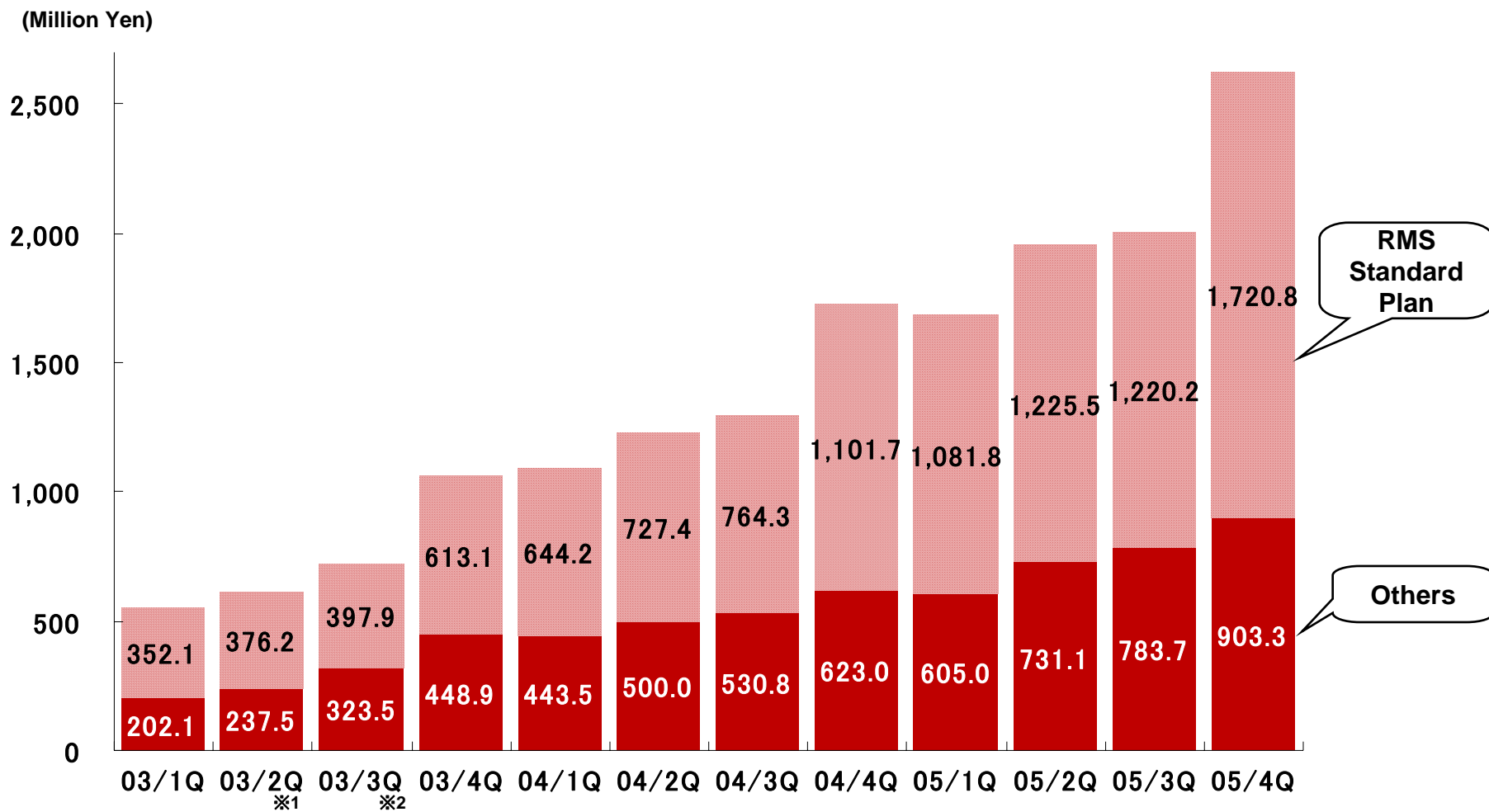
* For Q1/05, Point program adjustment made: -116Million Yen

Non-Consolidated Revenue Breakdown

(Excluding one-time factor in Q2/03 and Portal Business Results)



Sales Margin Breakdown (Non-consolidated) Rakuten



* Up to Q2/03, quarterly sales margin is calculated against GMS one month behind actual calendar quarter

* From Q3/03, quarterly sales margin is calculated against current period GMS

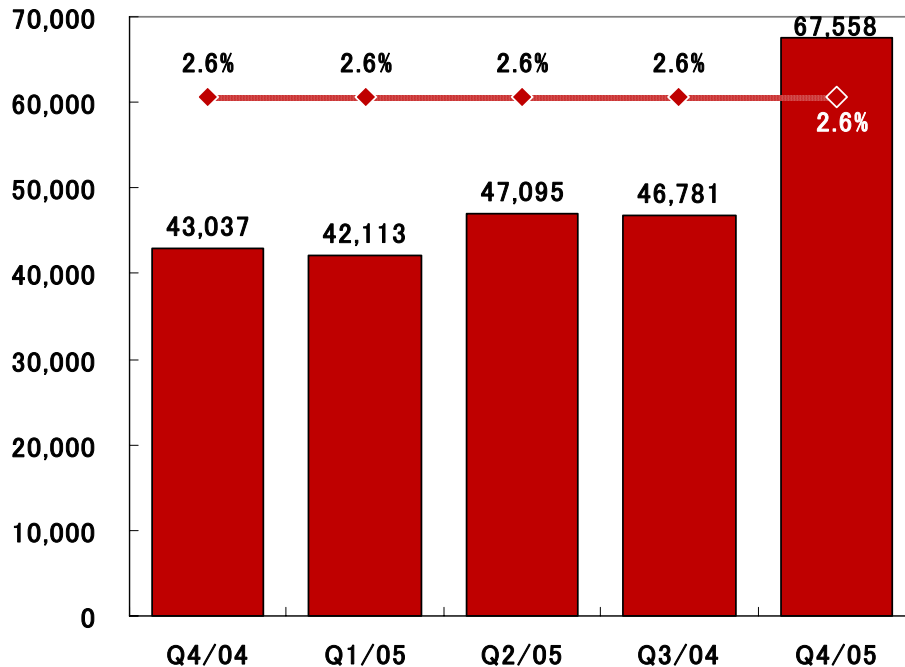
Reference) June/03 RMS Standard : 147 million yen

Percentage of Chargeable Merchants Reaches Highest, 53.1%

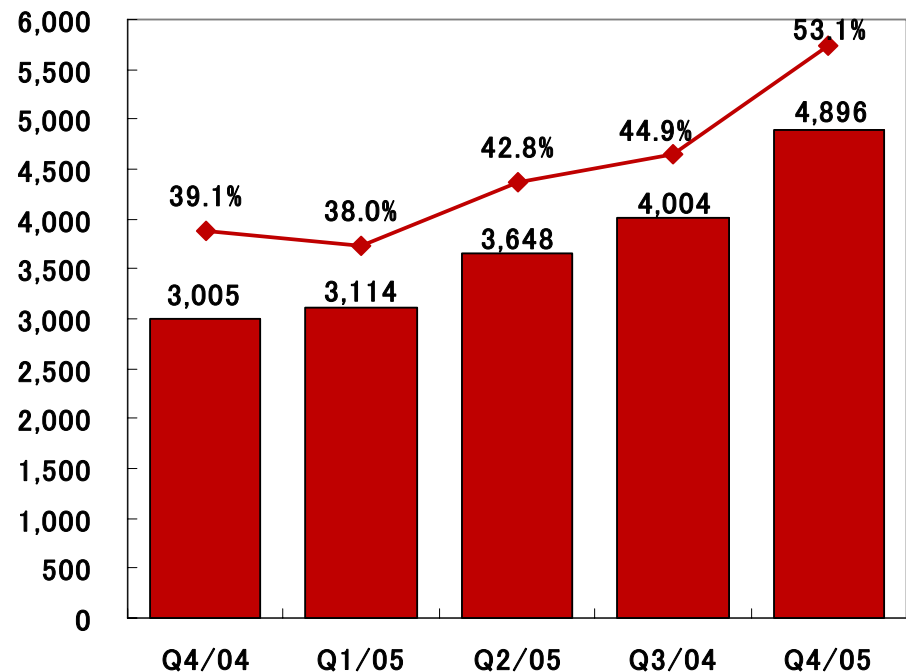
GMS Subject to Margin Fees ^{*1}

Merchants Subject to Margin Fees ^{*2}

(Million Yen) Average Margin on Chargeable GMS



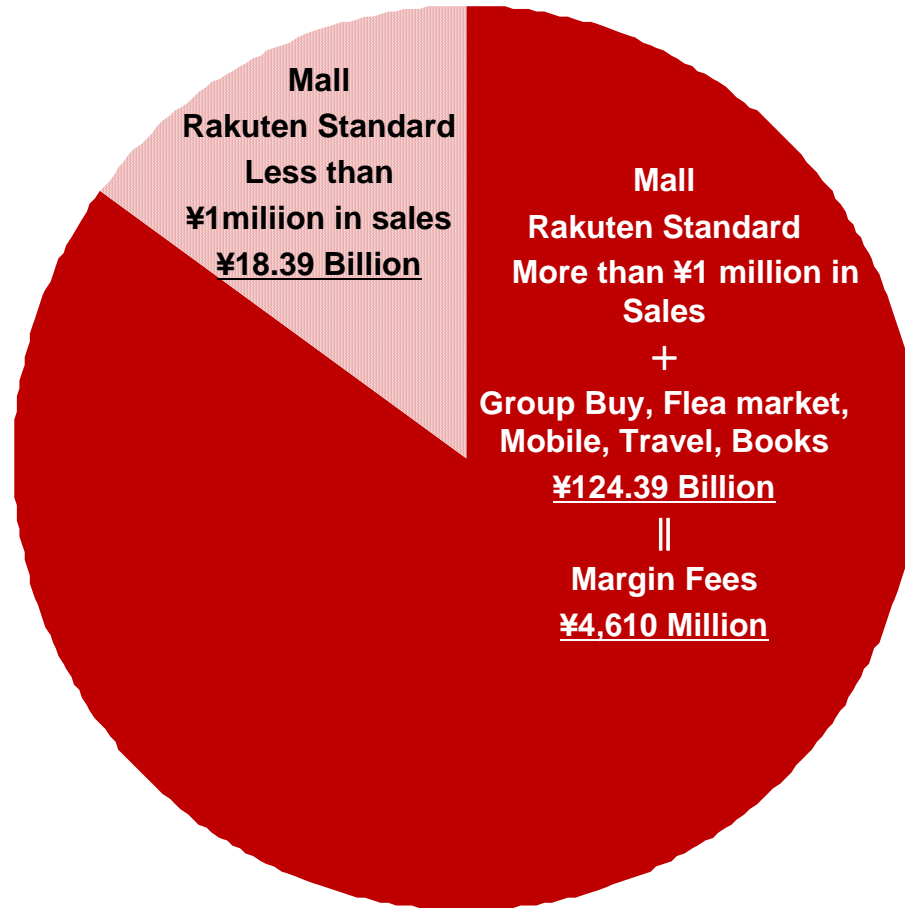
Shops Chargeable Merchants as % of Total



***1 Charge on merchants whose GMS is above 1 million yen in monthly sales since February 2005**

***2 Monthly average number of chargeable merchants as % of open shops over RMS Standard merchants**

Q4/05 GMS = 142.78 Billion Yen



* Excluding GMS of LinkShare

Property Sept. 2005

Yahoo! 85.9

Rakuten 59.4

GMO 52.4

Nifty 50.3

MSN 49.9

NEC 44.4

NTTCommunications 38.9

Property Dec. 2005

Yahoo! 85.1

Rakuten 58.4

GMO 50.1

Nifty 47.8

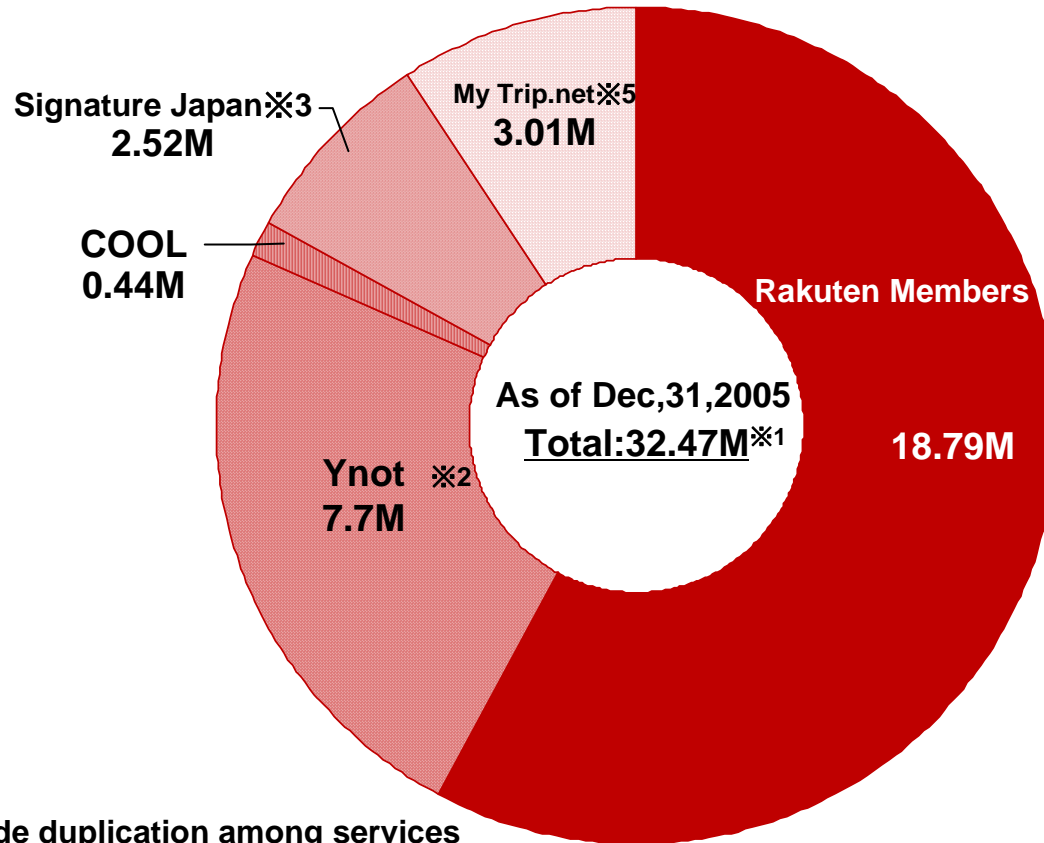
MSN 46.4

NEC 41.8

NTTCommunications 38.9

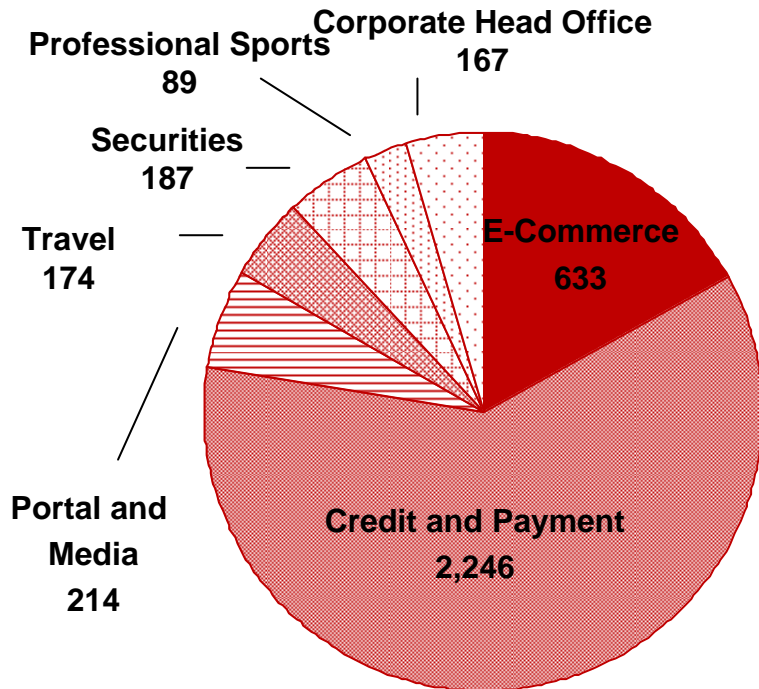


Group Membership

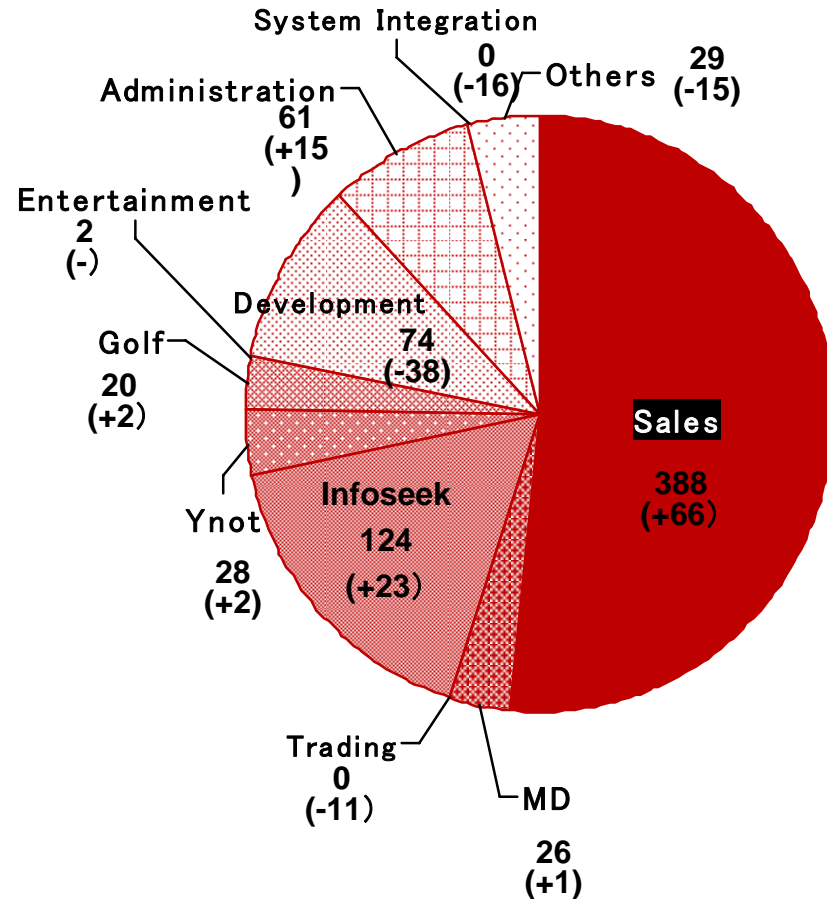


- *1 Figures include duplication among services
- *2 Includes members from co-branded services
- *3 Includes automatic registration to service
- *4 GORA members and Rakuten members merge
- *5 MyTrip.net excludes members converted to Rakuten ID
- *6 Infoseek members and Rakuten members merge

Rakuten Group : 3,709



Rakuten, Inc. : 752



- * As of December 31, 2005
- * Excluding Board of Directors
- * Figures in () represent change in numbers since September 30, 2005
- * Rakuten, Inc. Development reshuffled into Corporate Head Office

Capital Expenditures

(Billion Yen)

		2004	2005		
		Year	Q1 to Q3	Q4	Year
Non-consolidated	Hardware	1.91	1.24	0.72	1.95
	Software	1.04	1.28	0.43	1.71
	Total	2.95	2.53	1.15	3.67
Consolidated	Hardware	3.26	2.29	1.22	3.52
	Software	2.83	1.72	1.39	3.12
	Total	6.09	4.02	2.62	6.64

* Operating Base

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