

# Overview of Q1 2007

May 17, 2007  
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.

■ Significant progress in capturing Group synergies ▶

- Rakuten Ichiba, Rakuten Travel and others performing well and maintaining high growth
- Lower revenue from financial-related business due to market environment, business restructuring, securitization of loan receivables, etc.
- Continued investment in new businesses

■ Rakuten Ichiba remains strong ▶

- Reduction in number of merchants leaving
- Domestic Gross Transaction Value (GTV) from E-Commerce Business up significantly 29.4% (YoY)

■ Continuing high growth for Rakuten Travel ▶

- Gross booking value from reservations strong due to support from hotels and facilities; maintained high earnings and growth

■ Rakuten KC on recovery path



■ Substantial progress in changing operational system and rebuilding business based on Rakuten method management

■ Steadily improving financial results

■ High growth in Rakuten Credit



■ Continuing large increases in loan balances, results also strong

■ Securities Business affected by markets



■ Trading value for full-year continues to increase

■ Growth curtailed by market fluctuations and changes in transaction fees

■ Stabilization of earnings from Infoseek Business



■ Continuing profitable trend

■ Enhanced advertising making use of Rakuten Group gateway

## **1** Rakuten Group Strategy

## **2** 2007 First Quarter: Consolidated Operating Results

## **3** Operating Results by Key Business Units

1. Rakuten Ichiba Business
2. KC Business
3. Personal Finance Business
4. Travel Business
5. Securities Business
6. Infoseek Business
7. Professional Sports Business

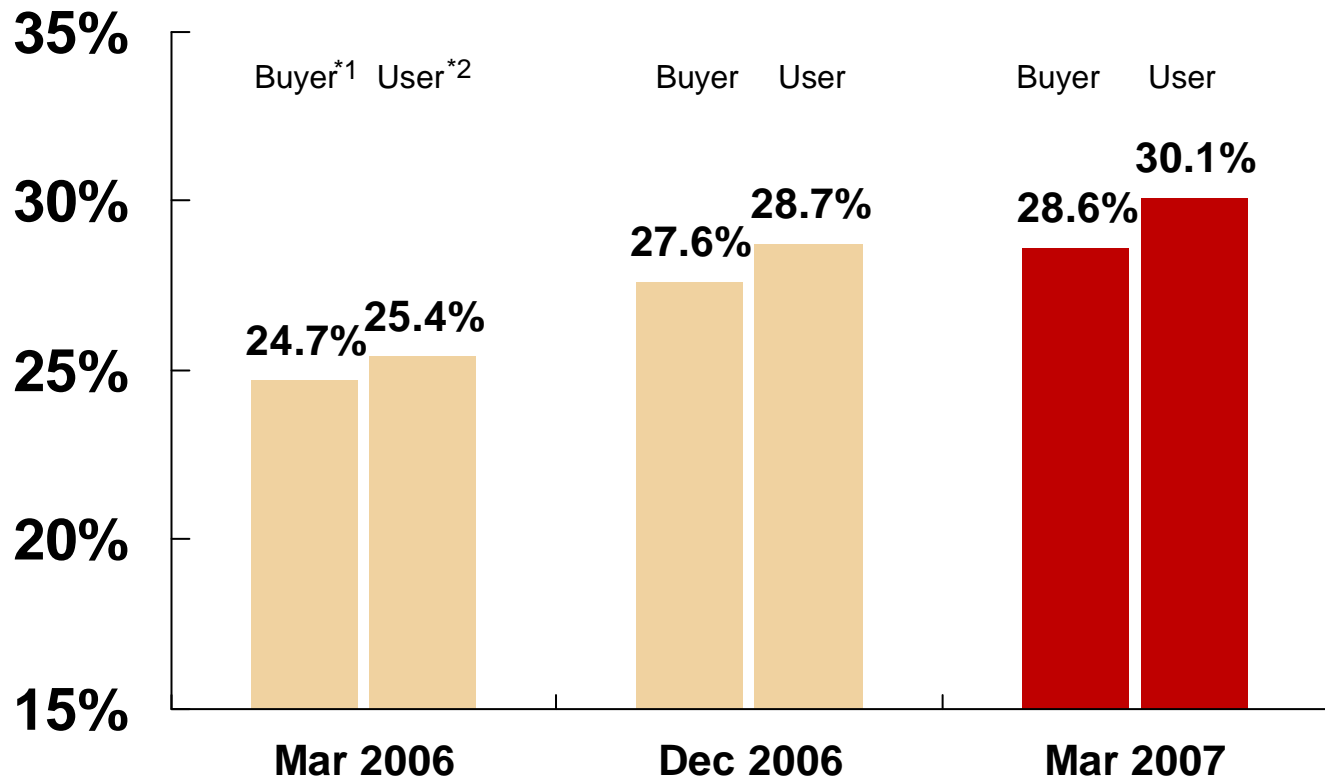
## **Reference**

- Segment information
- Unconsolidated BS/PL
- Credit and Payment reference, etc

# **1** Rakuten Group Strategy

## ■ Cross-use has been positively impacted through the Point Program

**The Ratio of Rakuten Members utilizing more than two services in each month**



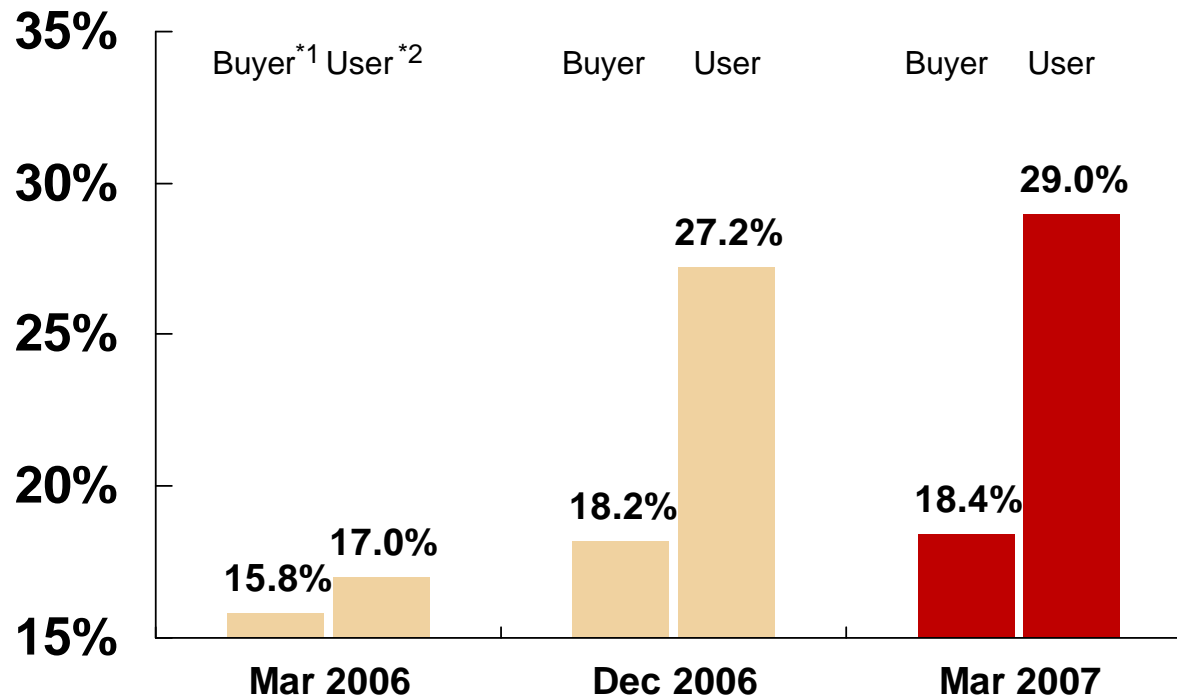
\*1 The ratio of users utilizing a service which earned Rakuten Super Points in said month and utilizing the other services during the trailing twelve months

\*2 The ratio of users purchasing a service which earned Rakuten Super Points in said month and purchasing the other services during the trailing twelve months

\*3 It is included only service which will be granted Rakuten Super Point (Excluding certain financial services e.g. Securities Business)

- Large increase in use of Rakuten Travel by Rakuten Ichiba users
- Cross-use improved

## Dual Use of Rakuten Travel by Rakuten Ichiba Users

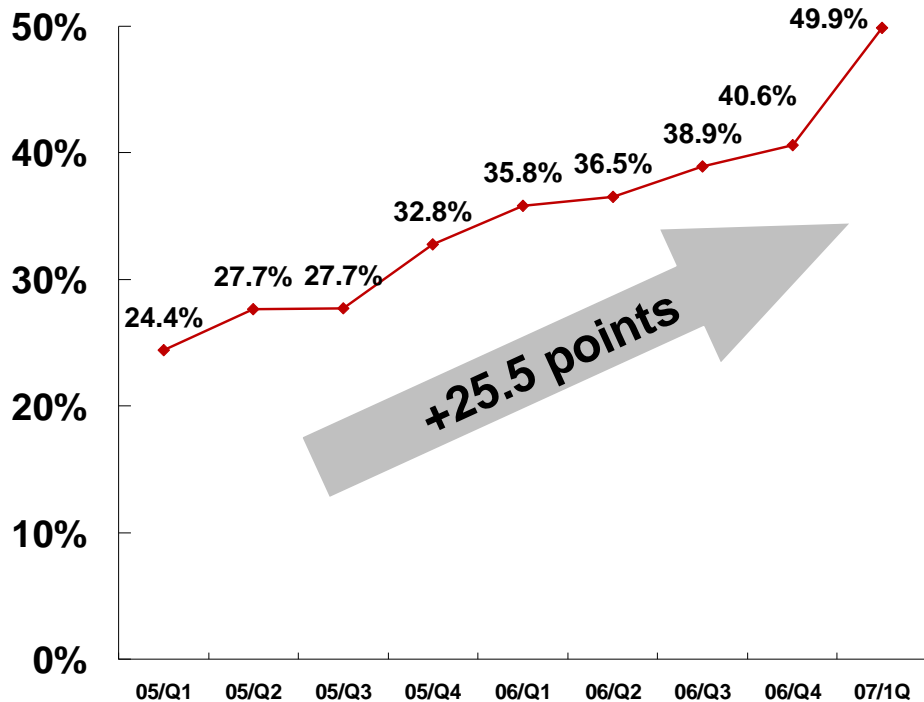


\* 1 The ratio of purchaser of Rakuten Travel during the trailing twelve months by the purchaser who utilize Rakuten Ichiba shopping services in given month

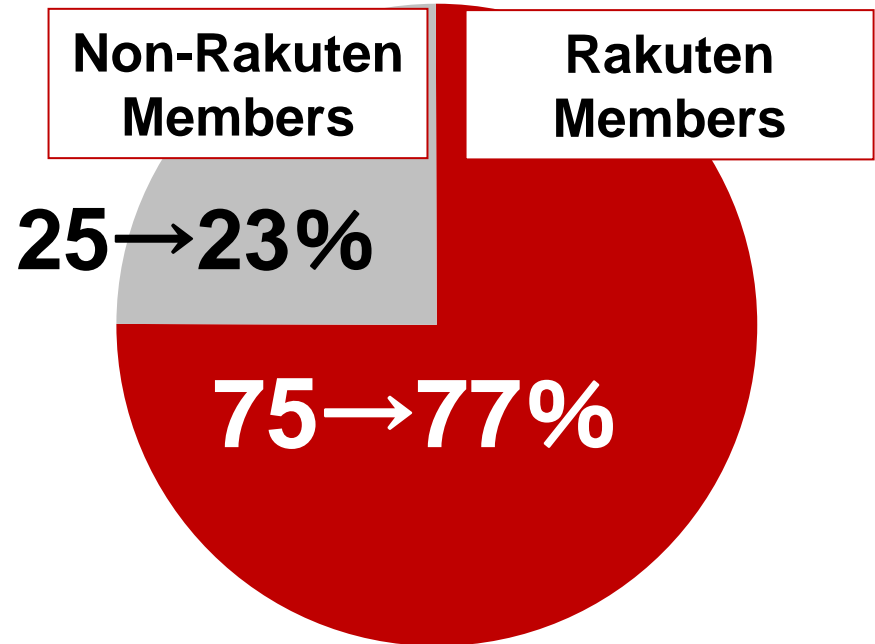
\* 2 The ratio of use of Rakuten Travel during the trailing twelve months by the users who utilize Rakuten Ichiba shopping services in given month. 6

## Accelerating Customer Flow from Rakuten Ichiba to Rakuten Securities

Percentage of New Accounts through Rakuten Ichiba of Total New Accounts



Percentage of Rakuten Members of New Customers



\* Survey Results from New Customers

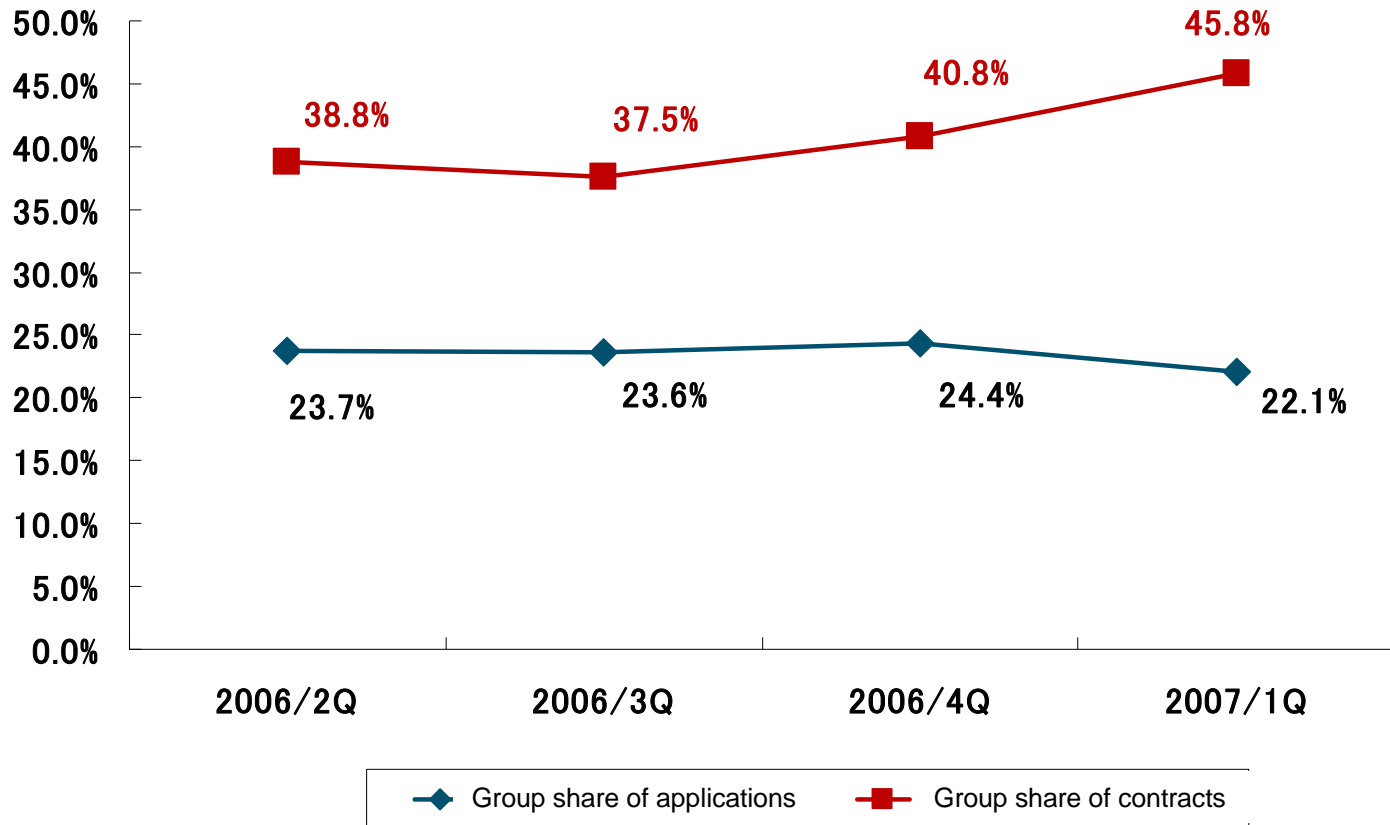
\*06/4Q =>07/1Q



# Benefits of Capturing High Credit Customers by Rakuten Credit Using Group Synergies

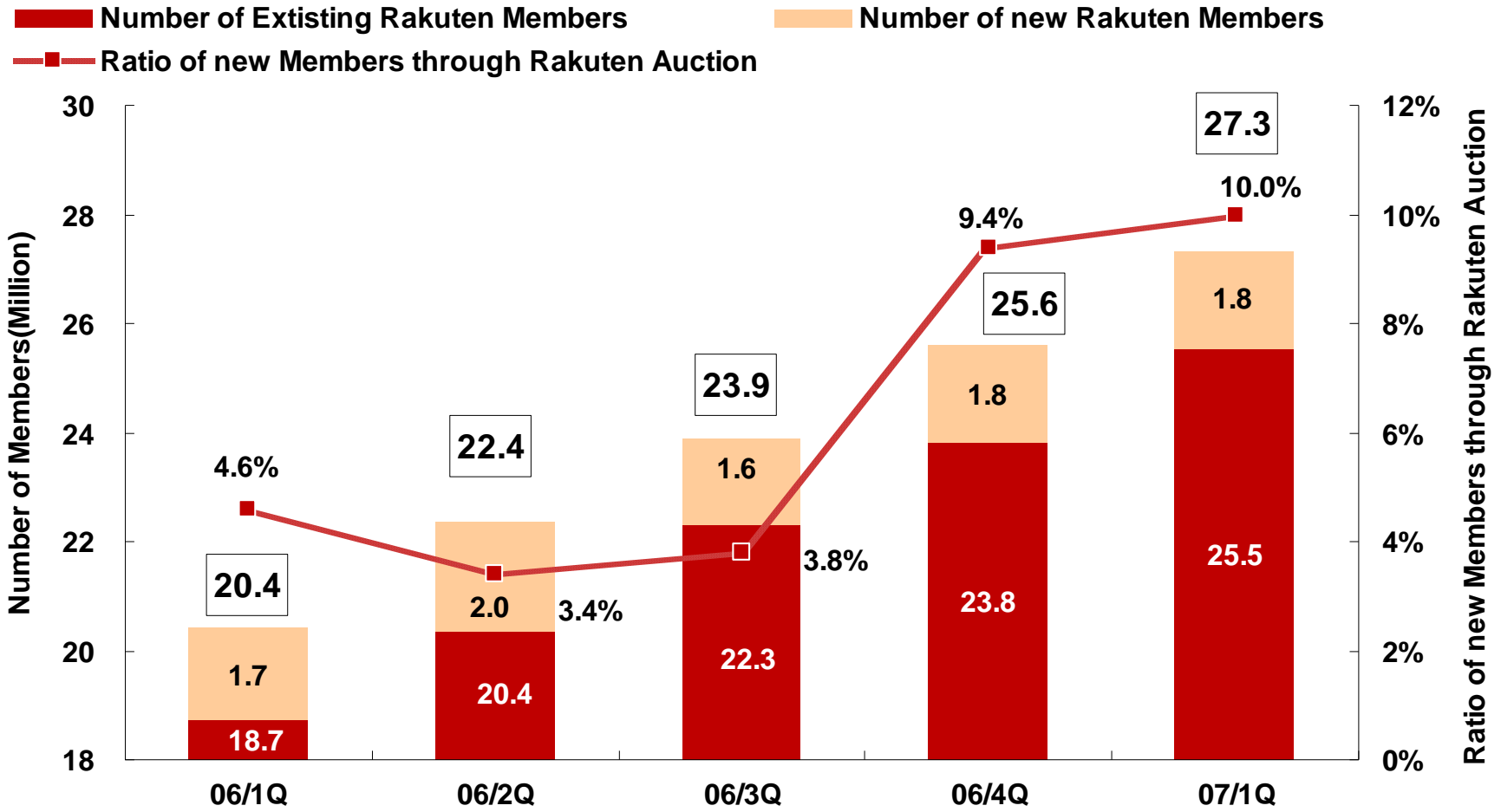
Proportion of new applications to Rakuten Credit through the Rakuten Group remained around 20% during 1Q. Led to acquisition of high credit customers, with more than 45% of contracts through the Rakuten Group being approved.

Proportion of new Rakuten Credit applications/contracts coming through the Rakuten Group



# Increasing the Number of new Members through Rakuten Auction Rakuten

■ Inflow from broad user base of NTT DoCoMo accelerates new Rakuten Membership



**2**

## **2007 First Quarter: Consolidated Operating Results**

# 2007/Q1 Financial Overview by Major Business Unit (YoY) Rakuten

(Rounded off, Billion Yen)

	06/1Q		07/1Q				
	Revenue	Operating Profit	Revenue	YoY	Operating Profit	YoY	OP margine
Rakuten Ichiba Business	9.09	4.88	11.50	+26.5%	5.50	+12.7%	47.9%
Rakuten Books <sup>*1</sup>	1.50	0.00	3.47	+131.1%	-0.05	-	-1.5%
Rakuten Auction <sup>*1</sup>	0.21	-0.02	0.33	+56.6%	-0.66	-	-197.8%
LinkShare <sup>*1</sup>	1.42	0.49	1.54	+8.4%	0.44	-10.2%	28.8%
Rakuten KC (adjusted) <sup>*2</sup>	18.44	-1.92	15.82	-14.2%	0.60	-	3.8%
Rakuten Credit (adjusted) <sup>*2</sup>	1.47	0.04	2.28	+54.7%	0.21	+357.7%	9.6%
Travel <sup>*3</sup>	2.32	1.01	2.88	+24.1%	1.29	+27.3%	44.8%
Rakuten Securities <sup>*1</sup>	10.29	5.22	7.33	-28.8%	1.93	-63.0%	26.4%
Professional Sports <sup>*3</sup>	0.70	-1.06	0.96	+36.9%	-0.89	-	-92.9%
Infoseek, Advertising Business	1.55	0.18	1.62	+4.2%	0.17	-9.1%	10.5%
Other Business Units	3.86	0.66	3.08	-20.2%	-0.79	-	-25.8%
Amortization of Consolidated Adjustment Accounts	-	-0.72	-	-	-0.84	-	-
Corporate and internal elimination <sup>*3</sup>	-1.33	-0.23	-2.37	-	0.10	-	-
Consolidated (adjusted) <sup>*2</sup>	49.58	8.56	48.48	-2.2%	7.02	-18.0%	14.5%
Securitization and other adjustment <sup>*4</sup>	2.58	2.33	-0.05	-	-0.85	-	-
Consolidated	52.16	10.90	48.43	-7.2%	6.16	-43.4%	12.7%

\*1 Entity basis

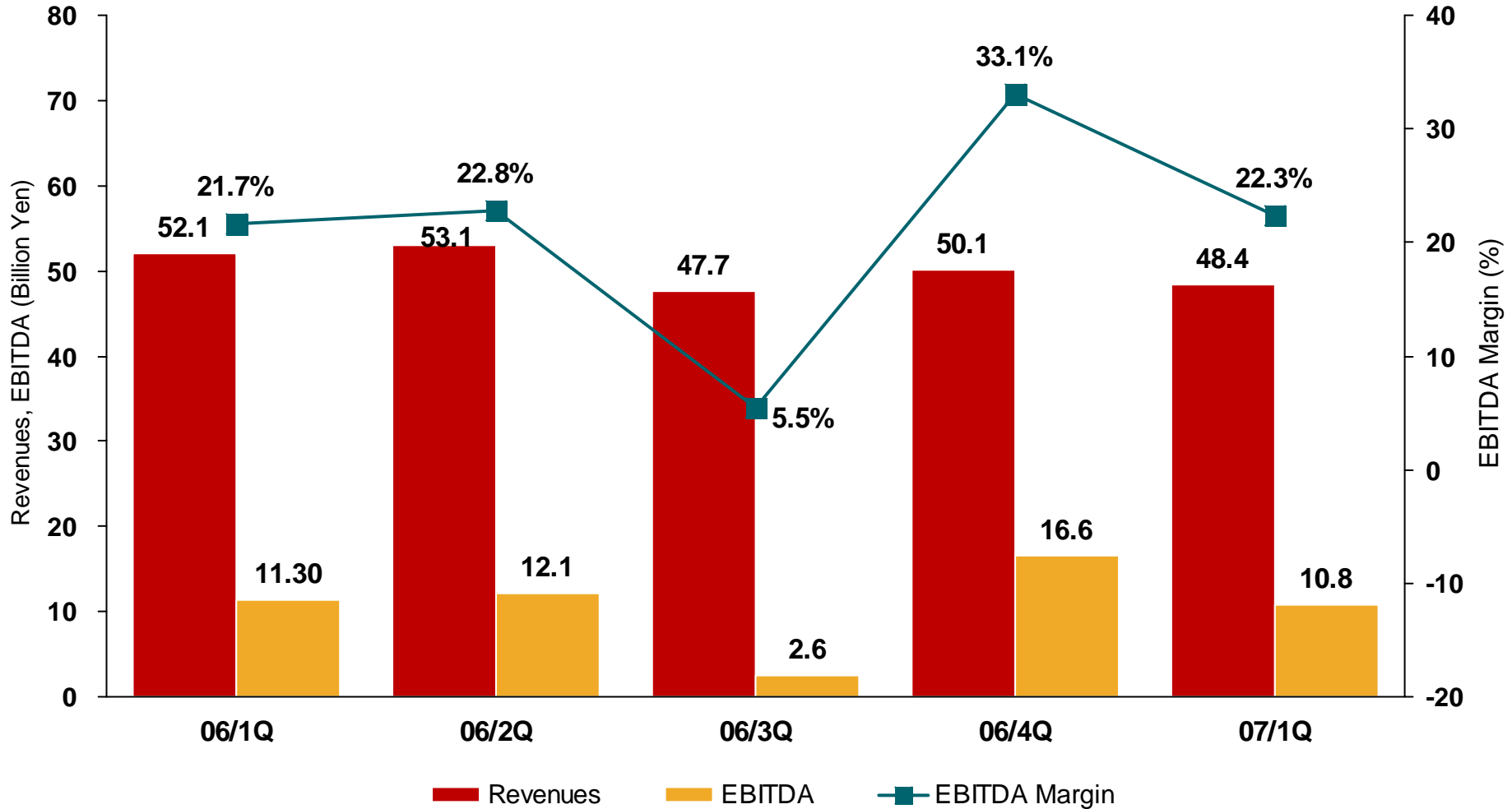
\*2 Securitization and others are adjusted

\*3 Segment in consolidated financial statements

\*4 Amount affected by securitization of loans at Rakuten KC and Rakuten Credit, and difference due to the gap of fiscal year between Rakuten KC and Rakuten Inc.

# Quarterly Consolidated Revenues and EBITDA Rakuten

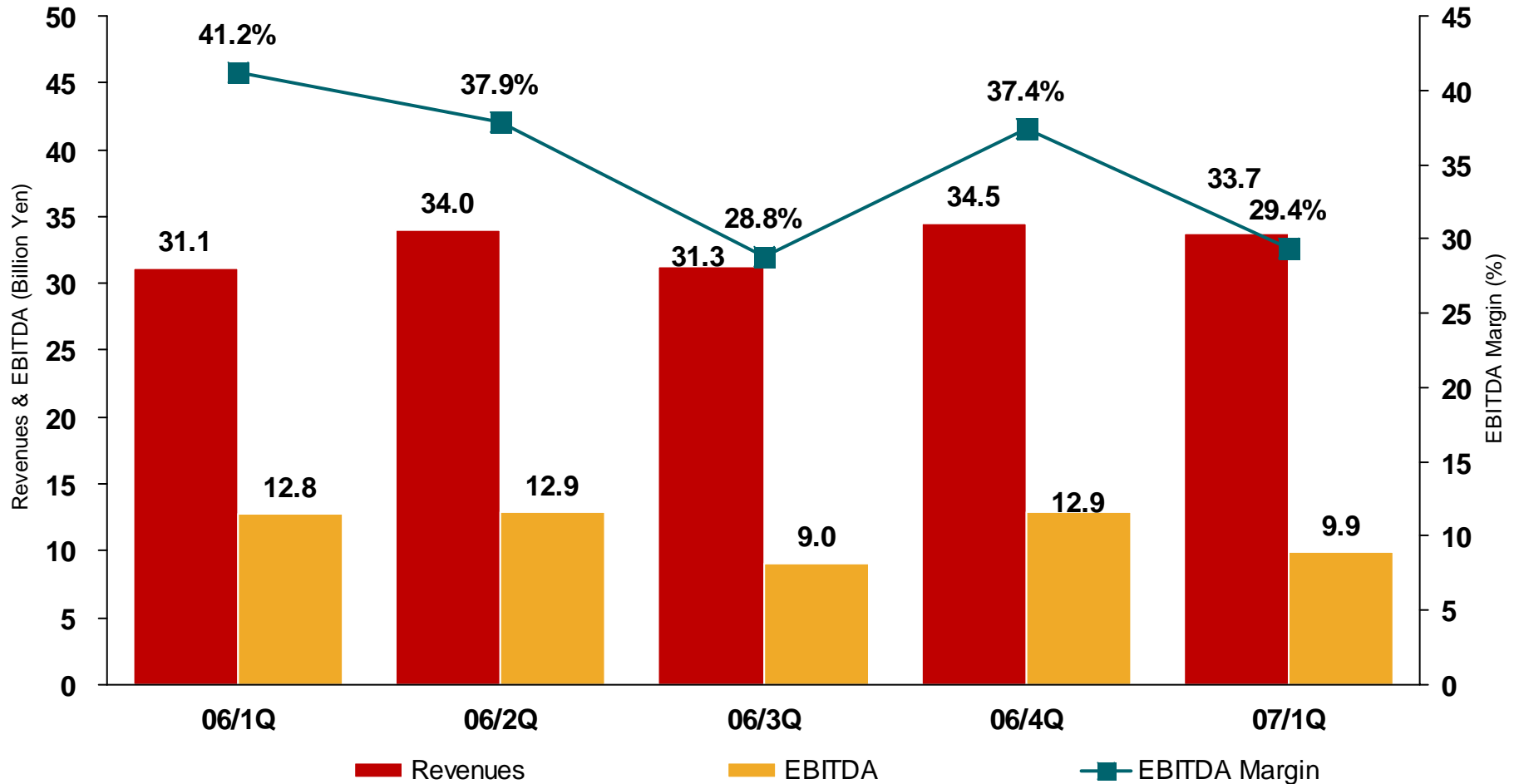
■ Revenues 48.4Billion, EBITDA 10.8Billion, EBITDA Margin 22.3%



\* EBITDA=Ordinary profit + Interest expense + Depreciation and Amortization + Amortization of Consolidation Adjustment Account - Effect of securitizing loan receivables

# Quarterly Consolidated Revenues and EBITDA (excl. Rakuten KC) Rakuten

■ Consolidated Revenues (excl.KC) +8.3% (YoY)

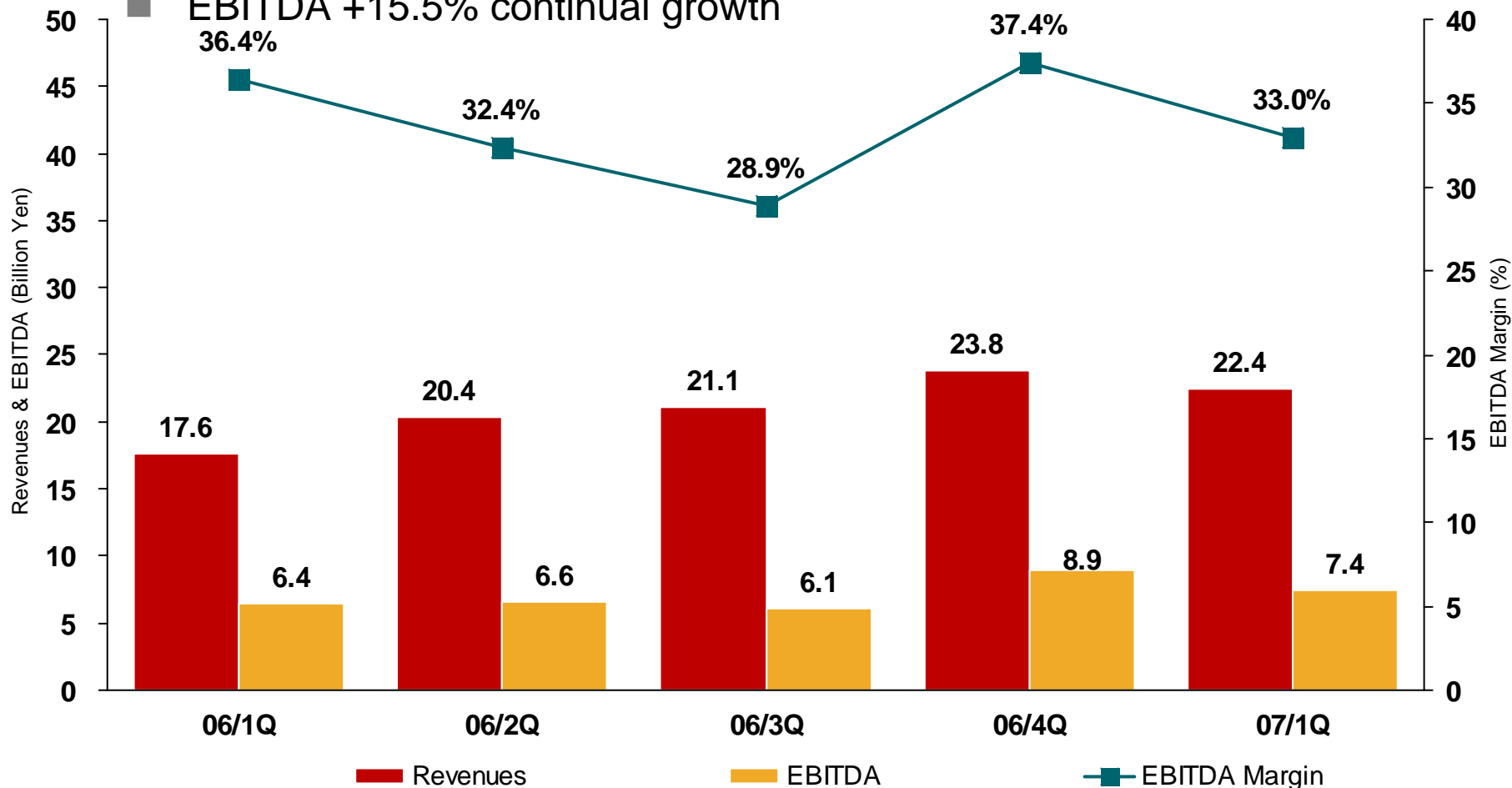


\* EBITDA=Ordinary profit + Interest expense + Depreciation and Amortization + Amortization of Consolidation Adjustment Account - Effect of securitizing loan receivables

# Quarterly Consolidated Revenues and EBITDA (excl.finacial related business)

■ Consolidated revenues (excl.finacial related business) +27.1% (YoY)

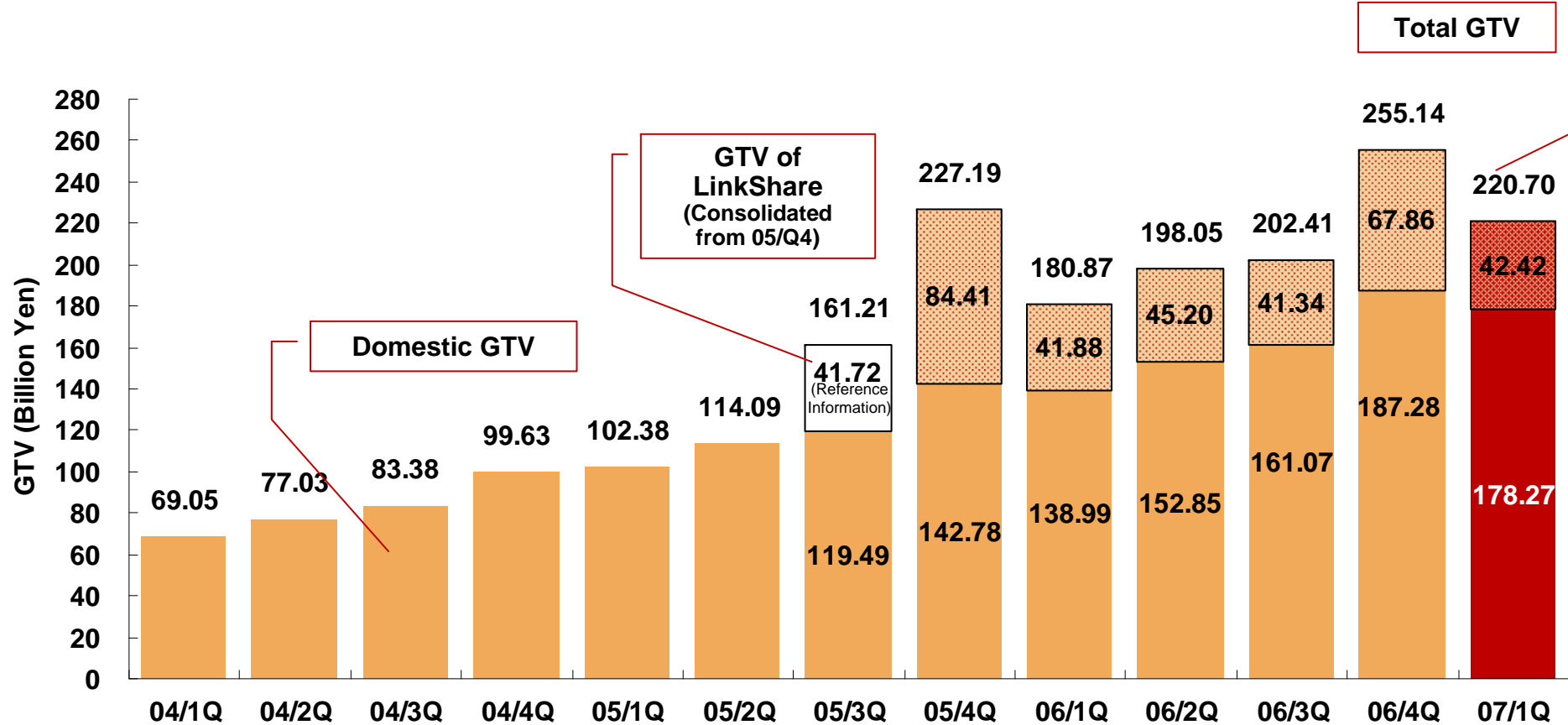
■ EBITDA +15.5% continual growth



\* EBITDA=Ordinary profit + Interest expense + Depreciation and Amortization + Amortization of Consolidation Adjustment Account - Effect of securitizing loan receivables

# Group Gross Transaction Value

Achieved Group Gross transaction Value of 178.27 billion, +28.3%(YoY)



(1\$=¥113.19) (1\$=¥118.07) (1\$=¥117.47) (1\$=¥115.24) (1\$=¥117.90) (1\$=¥119.11) (1\$=¥118.05)

- ※ E-Commerce: Mall (fixed-price, Group Buy, Super Auction), Furima, Mobile, Business, Golf, Books, Auction, Linkshare
- ※ Travel: Domestic/international accommodation booking, international tickets, domestic/international DP, Domestic Bus service



## **3** Key Business Unit Topics

1. Rakuten Ichiba Business
2. KC Business
3. Personal Finance Business
4. Travel Business
5. Securities Business
6. Infoseek Business
7. Professional Sports Business

E-Commerce Business
Rakuten Ichiba <sup>*2</sup>
Greeting Service <sup>*2</sup>
Business Service <sup>*2</sup>
Stuffed Animal Greeting Cards <sup>*2</sup>
Golf <sup>*2</sup>
Auto <sup>*2</sup>
Delivery <sup>*2</sup>
Books & Media
Auction
Fine Wine
Dining
Tickets
Performance Marketing (LinkShare)
Horse Racing Mall <sup>*3</sup>

Portal and Media Business
Infoseek
Advertising
Blog
Research
Career Service
Target
Downloads
CS Television
Internet Television
Cross Media

Travel Business
Travel

Credit and Payment Business
Personal Finance
KC
Banking (Alliance) <sup>*3</sup>

Securities Business
Securities
Capital Investments
Asset Management
Property Management

Professional Sports Business
Professional Sports

\*1 Excluding Incubation Businesses

\*2 E-Commerce businesses operated by Rakuten, Inc in 1Q/2007

\*3 Move into Segment from common item in 1Q/2007

## -1 Rakuten Ichiba Business

■ Operating profit ratio maintained high growth rate



- Favorable growth maintained; Sales +26.5%(YoY) Operating profit increase 12.7%(YoY)
- High-operating margin maintained; posted operating profit ratio of 47.9%

■ Increased “gravitational pull” of Rakuten Ichiba



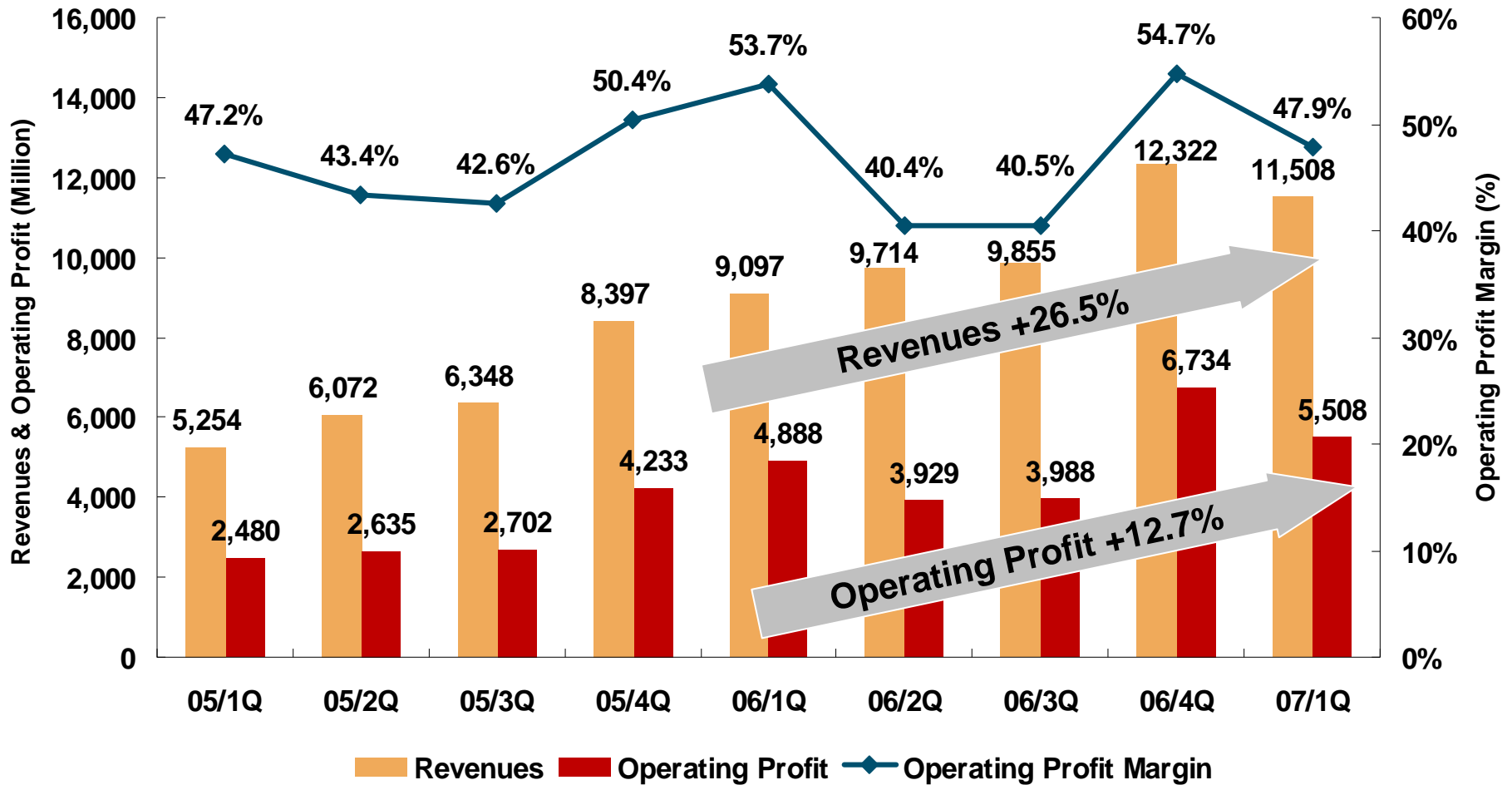
- Number of total domestic gross transaction value recorded stable growth (+29.4% YoY)
- Number of unique buyers surpassed 4.73 million per quarter (up +28.5% YoY)
- Number of transactions up +40.4% YoY

■ Support for merchants was effective; decrease in number of leaving merchants



- Number of leaving merchants -25% (QoQ)
- Steady growth in number of stores, with 19,539 stores opened (+20.0% YoY)
- Healthy growth in advertisement sales

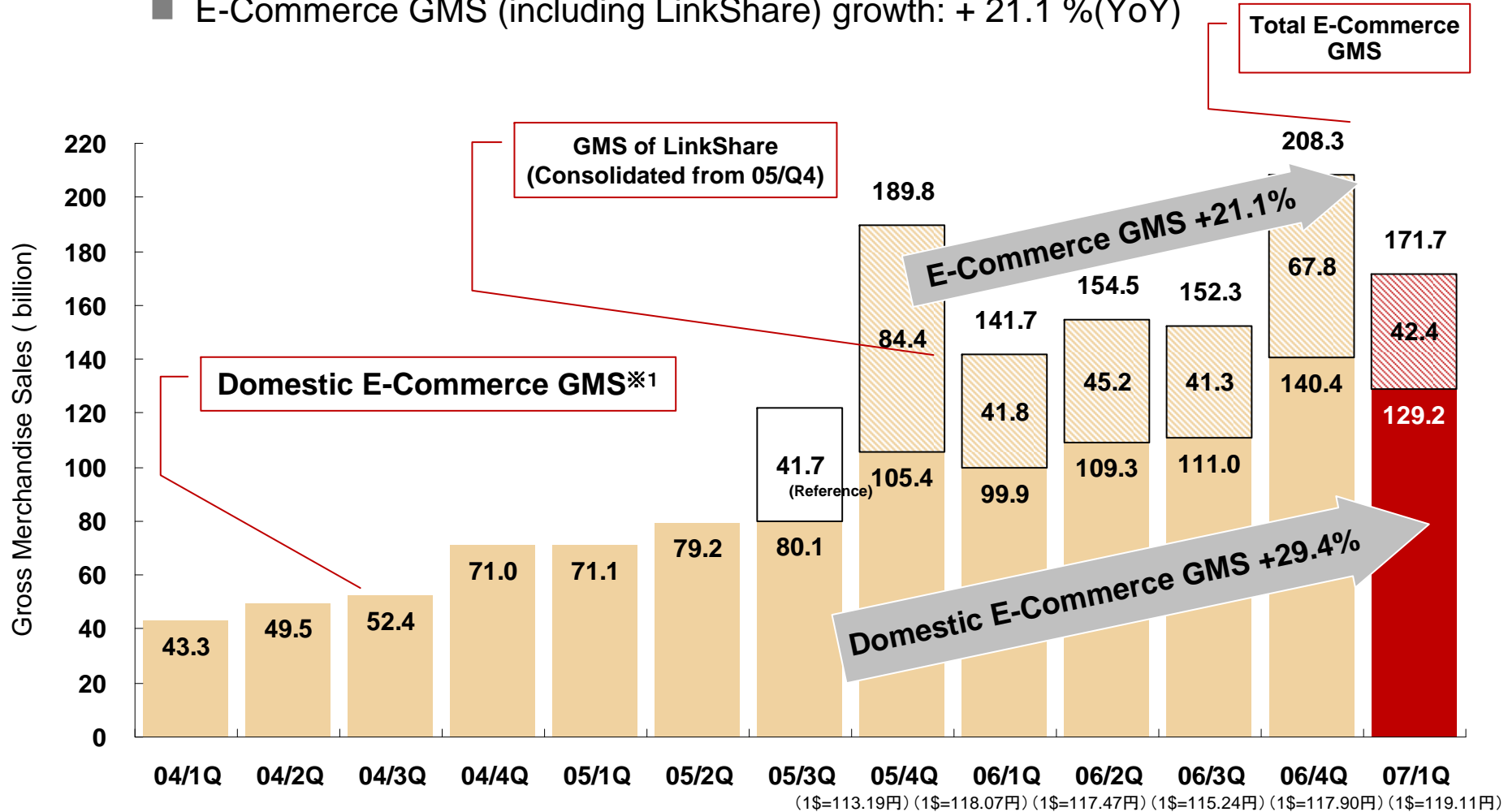
## Revenues +26.5% (YoY), Operating Profit +12.7%(YoY)



- 0.2 billion yen of unusual negative impact from shift of advertising sales from March to April due to the timing of recognition of sales
- Charge on below 1 million sales per month to Standard merchants started from January 2006

# Gross Merchandise Sales (E-Commerce Business)

- Domestic E-Commerce GMS growth: + 29.4 % (YoY)
- E-Commerce GMS (including LinkShare) growth: + 21.1 % (YoY)



\* GMS = Mall (Fixed Price, Super Auction, Group Buy), Flea Market, Mobile, Business Service, Golf (GORA), Books, Downloads, Rakuten Auction

\* Change made in business segment, Entertainment Business included from 05/1Q

# Rakuten Ichiba Buyer Metrics

(including mobile commerce, based on e-mail address)



Unique Buyers hit a high record, steady growth in number of transactions (+40.4% YoY)

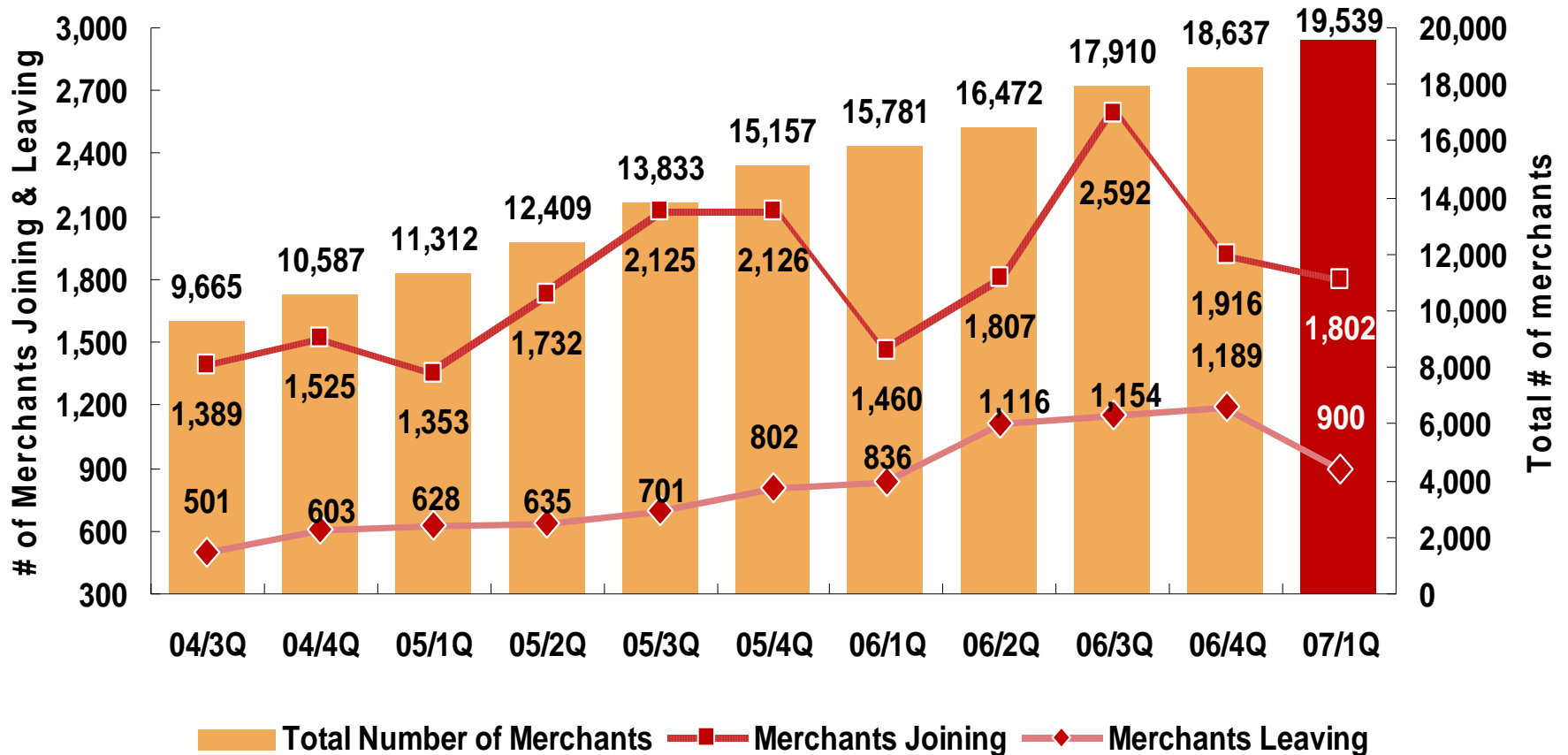
	2005/3Q	2005/4Q	2006/1Q	2006/2Q	2006/3Q	2006/4Q	2007/1Q
<b>Unique Buyers ('000)</b>	2,970	3,560	3,680	3,970	4,070	4,710	4,730
<b># of Transactions ('000)</b>	7,940	10,060	10,260	11,790	11,650	14,680	14,410
<b>Average # of Transactions per Buyer</b>	2.7	2.8	2.8	3.0	2.9	3.1	3.1
<b>Average Basket Price</b>	¥8,800	¥9,400	¥8,800	¥8,300	¥8,500	¥8,700	¥8,100
<b>Quarterly GMS Per Buyer</b>	¥23,543	¥26,512	¥24,479	¥24,650	¥24,260	¥26,942	¥24,649

\* Based on E-mail address

\* Fixed-Price and Group Buy Purchase made at Rakuten Ichiba and mobile

# Merchants Joining vs. Merchants Leaving

Large Decrease in number of leaving merchants (-24.3%YoY) through support





# Merchants Joining vs. Merchants Leaving



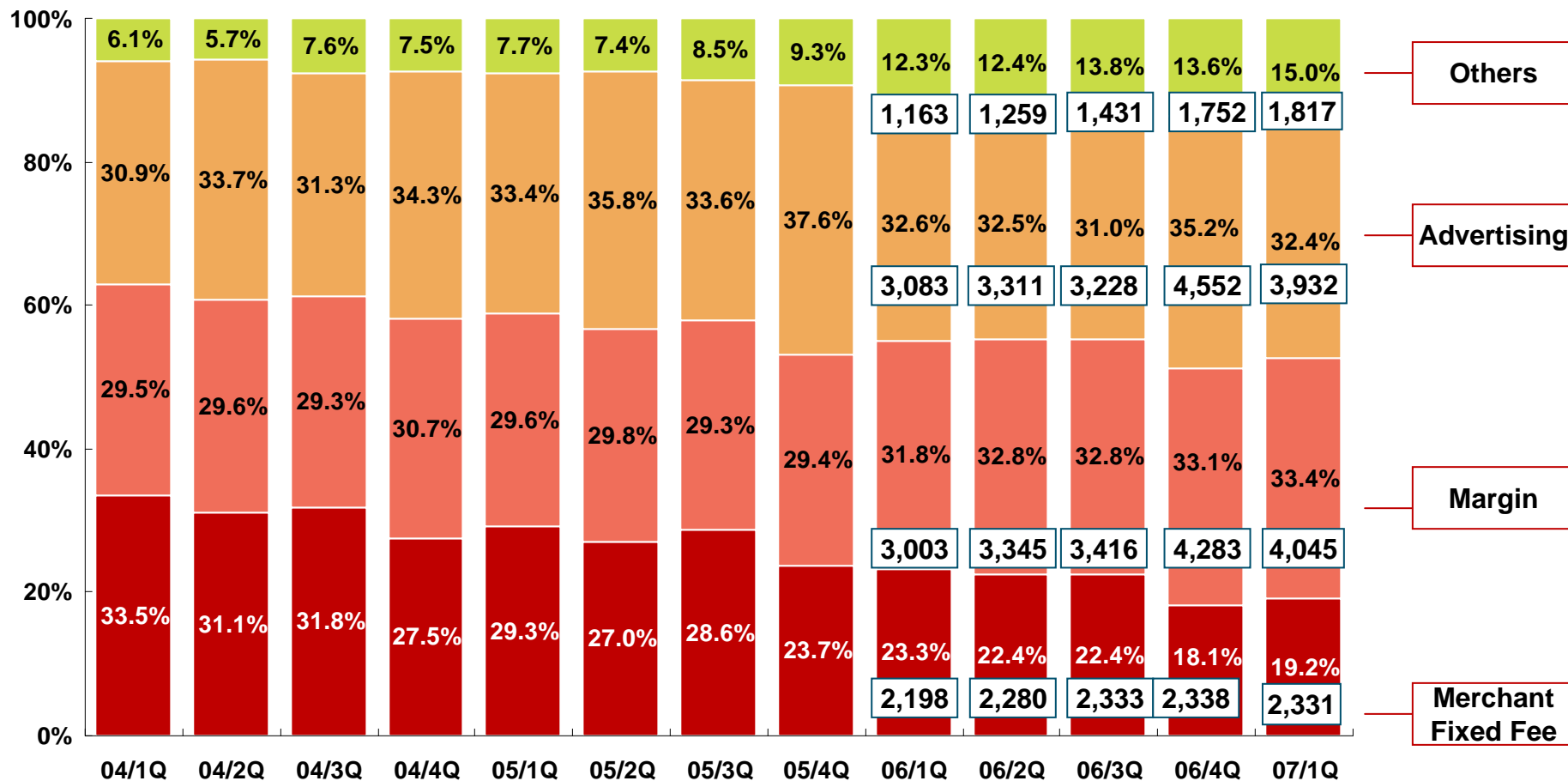
	Oct/06	Nov/06	Dec/06	Jan/07	Feb/07	Mar/07
Merchants Joining	<b>654</b>	<b>725</b>	<b>537</b>	<b>569</b>	<b>562</b>	<b>671</b>
Light, Premium light	54	69	54	43	57	75
GANBARE	532	582	439	473	429	515
Transition (from Others to GANBARE)	38	58	45	-	-	21
(from GANBARE to others)	-	-	-	1	26	-
Merchants Leaving	<b>441</b>	<b>352</b>	<b>396</b>	<b>365</b>	<b>318</b>	<b>217</b>
Light, Premium light	348	264	286	242	189	193
GANBARE	-	-	-	-	-	-
Total # of Merchants in Mall	<b>18,123</b>	<b>18,496</b>	<b>18,637</b>	<b>18,841</b>	<b>19,085</b>	<b>19,539</b>
Light, Premium light	5,443	5,248	5,016	4,817	4,685	4,567
GANBARE	3,118	3,758	4,242	4,714	5,117	5,653

\* Stores paying monthly fixed fee

# Non-Consolidated Revenue Breakdown (Excluding Portal and Media Business Results)



Healthy increase in advertising revenue and margin revenue at Rakuten Ichiba



□ = Million Yen

**3** -2 **KC Business**

- Introduction of a management system where each executive and employee feels more involved
  - ▶
    - Promotion of thorough Key Performance Indicator (KPI) management at KC morning meetings
    - Improve credit review system and scoring models
    - Concentrate and strengthen network of loan management and collection bases
    - Introduce original credit models based on Rakuten Ichiba use history
    - Introduce performance-based personnel system

---

- Shift to low-cost operations
  - ▶
    - Divide Sales Division into eight operating divisions to manage earnings based on each business (in process)
    - Clearly identify and distribute common costs across businesses at weekly budget meetings, including marketing and management and collection costs, to reduce costs

---

- Identified issues for future growth and respond on an operational level
  - ▶
    - Further increase accuracy of credit scoring model
    - Increase operational efficiency

■ **Performed fundamental business restructuring ahead of competitors (Reiteration)**



- Increased capital by 35 billion Yen in September 2006
- Concentrating resources on core business with the transfer of credit business in November 2006
- Rationalization of workforce, closure and merger of branch offices
  - Personnel reduced from 2,235 to 1,233 (as of March 31, 2007 compared with March 31, 2006)
  - Sales bases reduced from 67 to 6, collection branch offices from 16 to 3
- Response to changing business environment (Interest Rate Restriction Law and Money Lending Business Law) and related changes to methods for calculating accounting estimates

■ **Establishment of business model made possible by Rakuten Group**

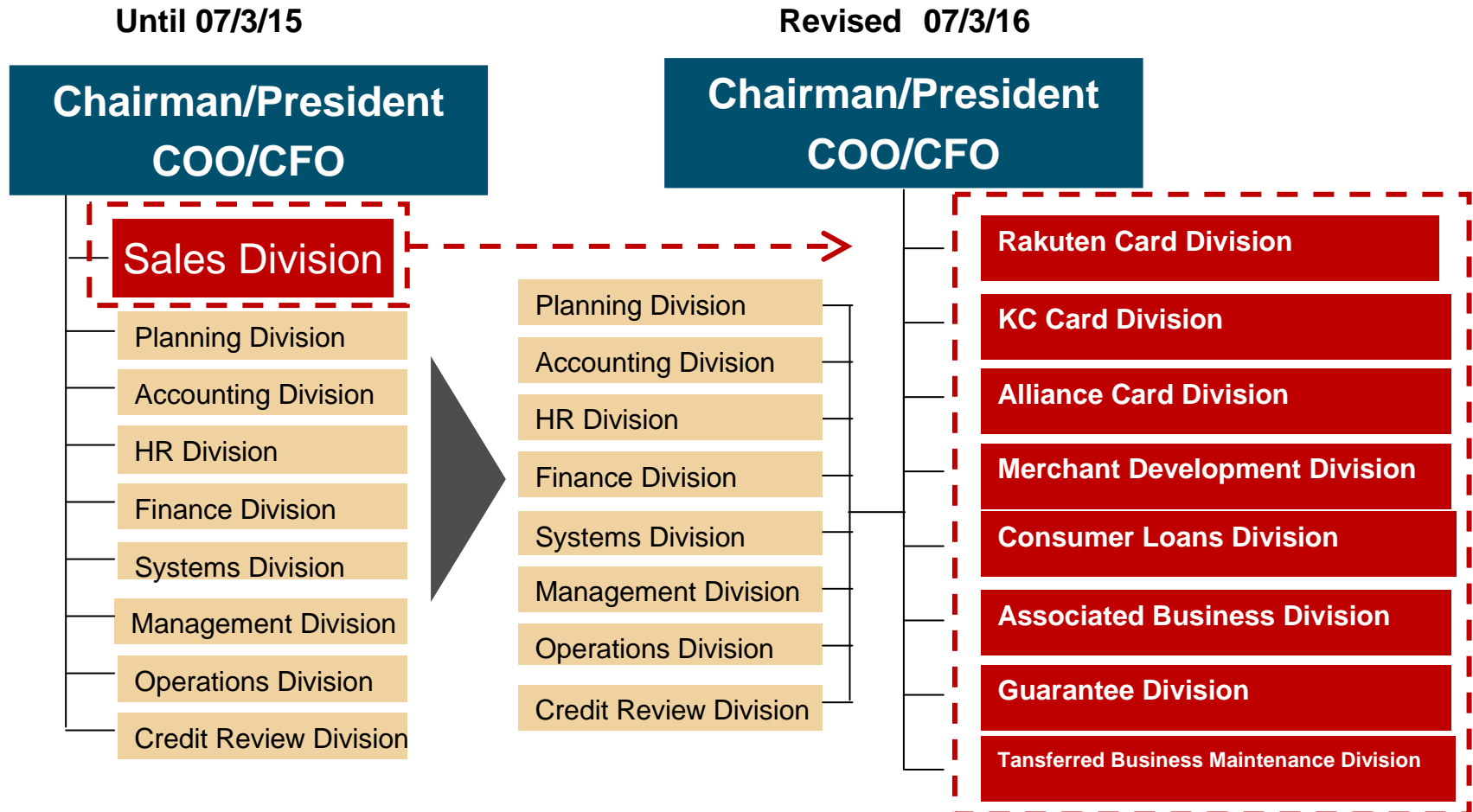


- Enhanced marketing centered on Rakuten Card
  - Strengthen capabilities to capture new customers
  - Promotion of revolving repayments
  - Issue premium card
- Acquiring service for merchants at Rakuten Ichiba

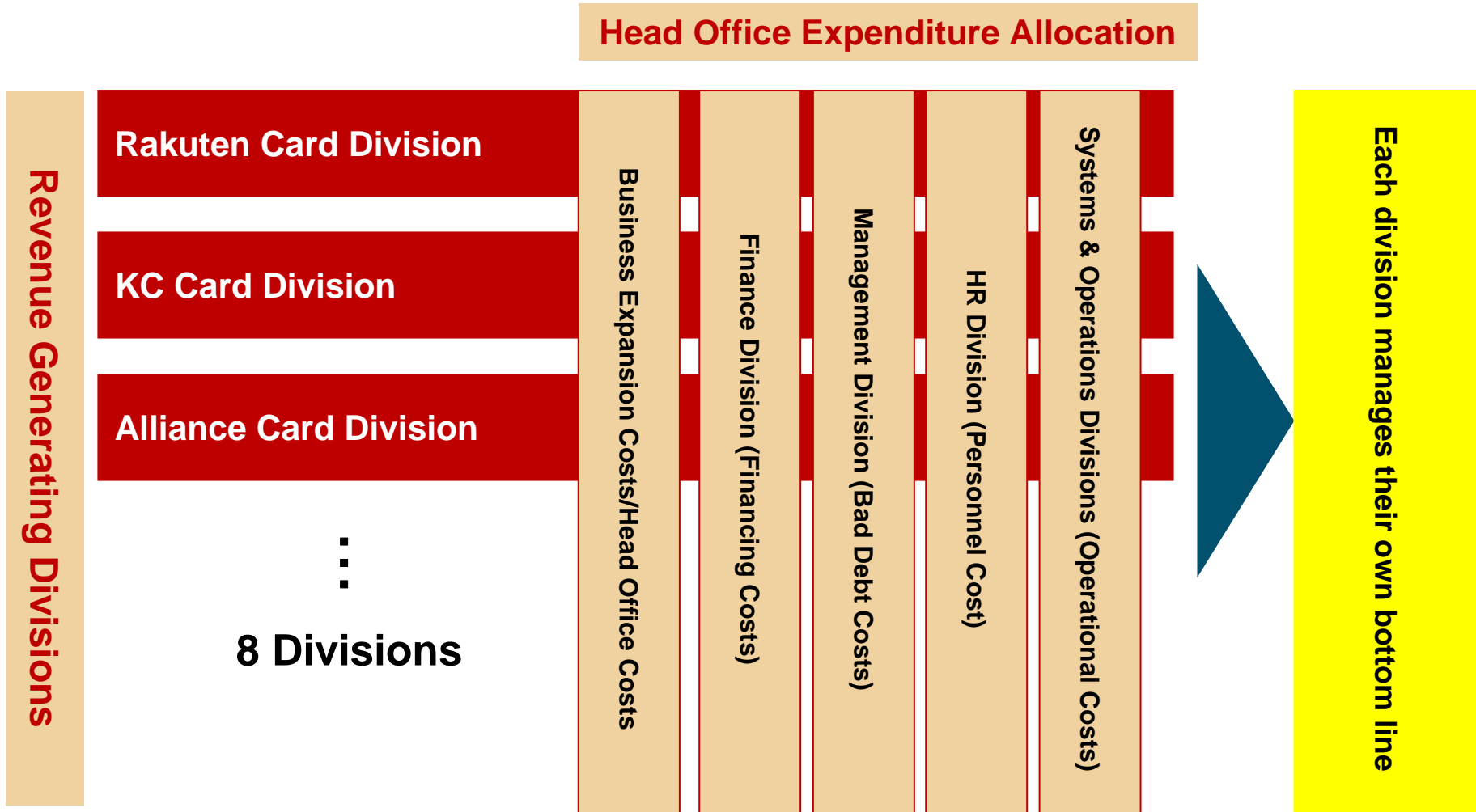
# Move to Eight Operating Divisions

Sales Division was divided into eight operating divisions.

Each of the eight divisions will be made accountable for a proportion of head office expenditure to clarify responsibility for earnings.



- Allocate head office expenses among eight profit centers to emphasize management of earnings

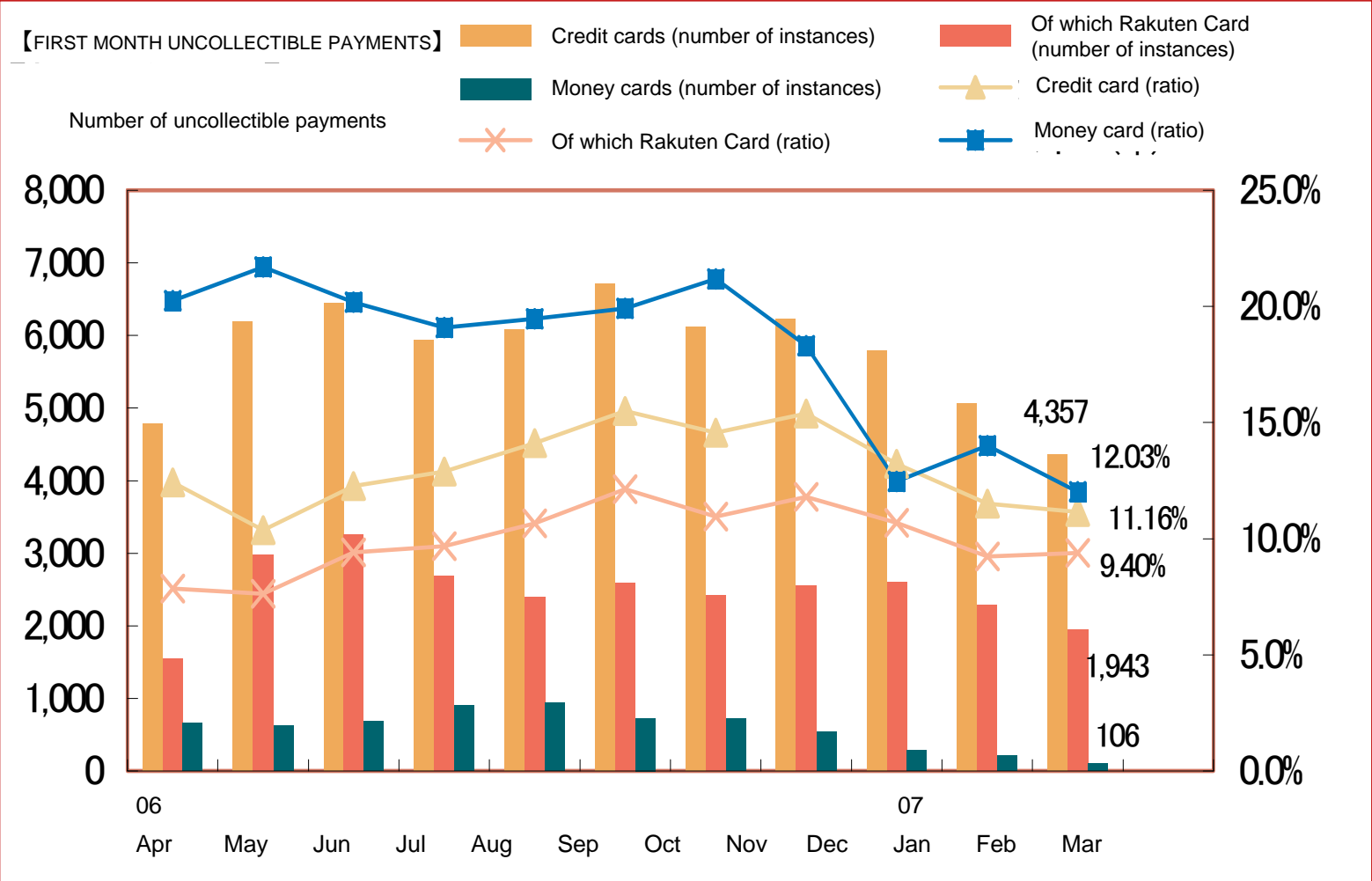


- Weekly morning meetings attended by Rakuten KC employees (from February 2007)
- Aim is to foster shared recognition of management issues to recovery

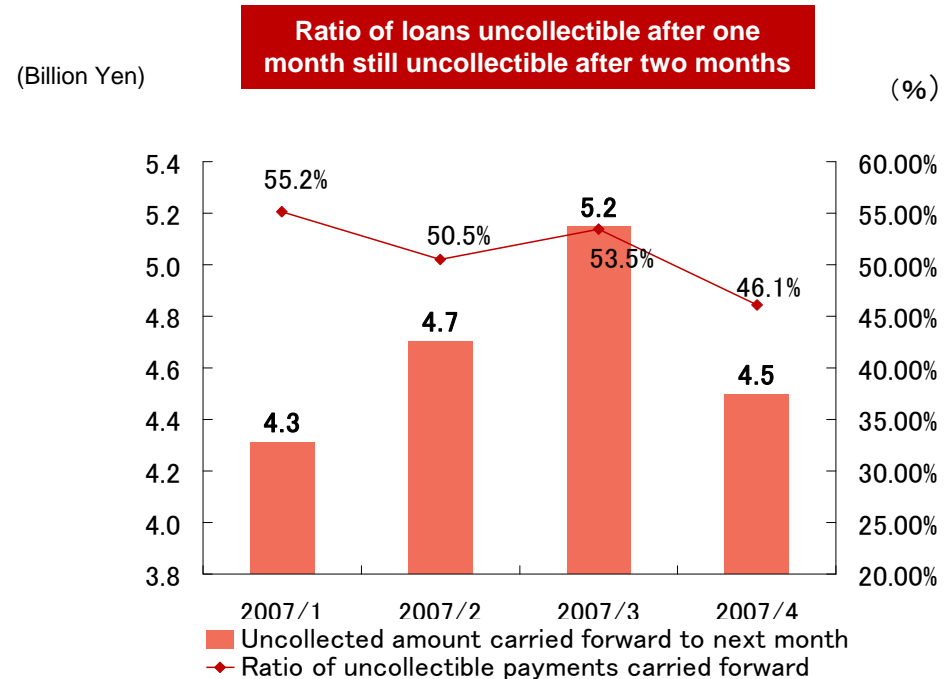
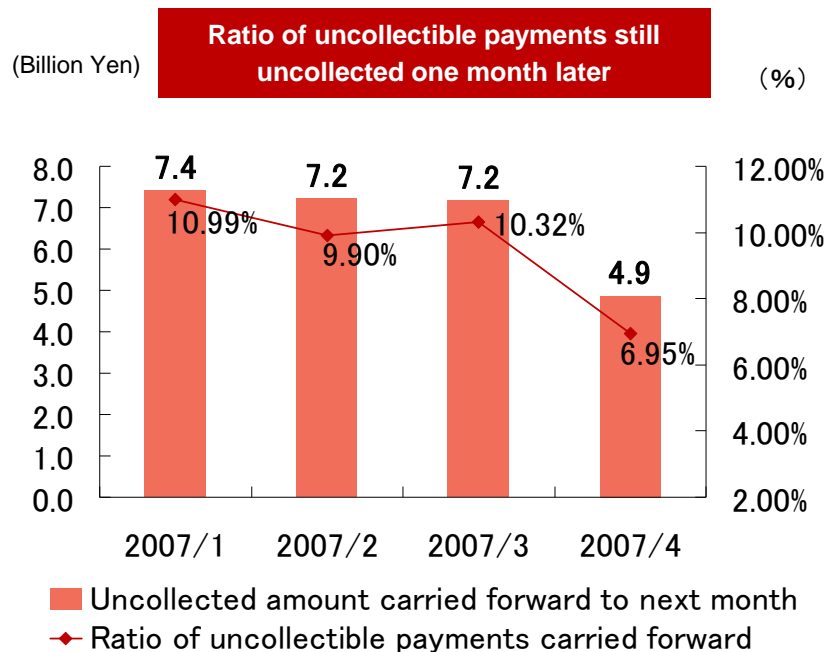




■ Stricter initial screening through a restructured scoring model has greatly reduced rate of uncollectible first payments



- Instances of outstanding uncollections of first payments reduced greatly by enhancing collection function at Customer Service Center (with personnel in charge of uncollectible first payments) and stricter credit conditions
- From March 27 integrated 16 regional management offices into 3
- Assign collection office based on eight operating division framework at the Customer Service Center and regional management offices



Notes:

- Ratio of uncollectible payments carried forward: Balances carried forward to next billing period/Initial balance
- Uncollectible payments: Balance of loans for which deduction of payment from account was not possible at time of collection. Graph shows proportion of those loans for which payment remains uncollectible one month later.

## Income Statement

(Billion Yen; amounts less than 1 billion yen have been rounded down)

	2006 (1-3) 1Q	2006 (10-12) 4Q	2007 (1-3) 1Q
<b>Revenues</b>	<b>21.0</b>	<b>15.6</b>	<b>14.7</b>
<b>Operating Expense</b>	<b>20.6</b>	<b>13.8</b>	<b>15.3</b>
SG & A	18.3	1.2	13.8
Interest Expense	2.3	1.7	1.7
<b>Operating Profit (Loss)</b>	<b>0.4</b>	<b>1.7</b>	<b>-0.6</b>
Non-Operating Profit	0.0	0.0	0.0
<b>Ordinary Profit (Loss)</b>	<b>0.3</b>	<b>1.7</b>	<b>-0.6</b>
Extraordinary Loss	0.8	-0.2	-1.3
<b>Earnings (Losses) Before Tax</b>	<b>1.2</b>	<b>1.5</b>	<b>-2.0</b>
Provision for income taxes	0.7	-5.3	0.8
<b>Net Income (Loss)</b>	<b>0.5</b>	<b>6.9</b>	<b>-2.8</b>

### Effect of Securitizing Loan Receivables

New securitization	3.7	-	0.2
Existing securitization	-1.3	-1.6	-1.4
Effect of securitization	2.3	-1.6	-1.2

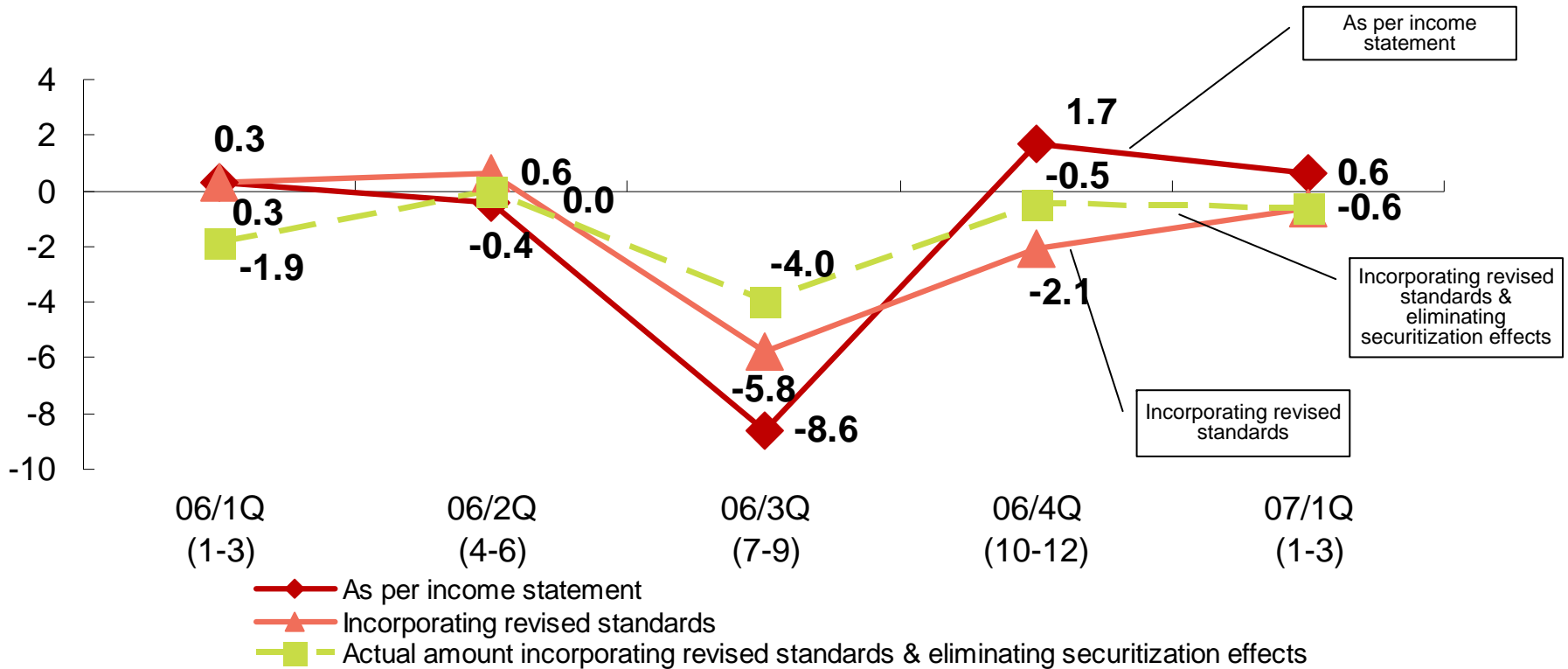
### Overview

- Revenues from card shopping were favorable, but both card cashing and card loan revenues dipped compared to the previous quarter due to stricter credit conditions
- Decreased revenues due to transfer of credit business in November 2006
- Significant reduction in general and personnel expenses
- There was a temporary decrease in bad debt-related expenses for the October–December 2006 period due to a reversal of allowance for bad debt
- Securitized ¥10 billion in Money Card loan receivables in March 2007

- Taking into account adjustments related to securitization and changes in standards for allowances for bad debt, performance is steadily improving

**Ordinary Profit**  
 (Retroactively applying revised standards relating to allowance for bad debt of December 2006 and eliminating effects of securitization)

(Billion Yen)



**Outstanding loans and allowances by category of debtor**

(Billion Yen)

Debtor category	Dec. 31, 2006	Mar. 31, 2007
Bankrupt	0.1	0.1
Bankruptcy likely	19.3	21.5
Bankruptcy possible	10.3	11.6
Caution required	7.0	8.1
No credit risk identified	330.0	316.5



**Allowance Ratio**



Allowance for bad debt	29.9	31.3
Bad debt allowance ratio <sup>1</sup>	8.03%	8.58%
Bad debt write-off ratio <sup>2</sup>	0.94%	0.82%

Allowance estimated according to level of risk for specific debtor category

1.Bad debt allowance ratio = Allowance for bad debt/Operating receivables

2.Bad debt write-off ratio = Bad debt written off for the quarter/Operating receivables

# Allowance for Interest Repayments and Allowance for Bad Debt

- From December 31, 2006, based on guidelines published by the Japanese Institute of Certified Public Accountants in October 2006, allowances for bad debt and interest repayments are recorded in an appropriate amount based on an estimate of the amount required

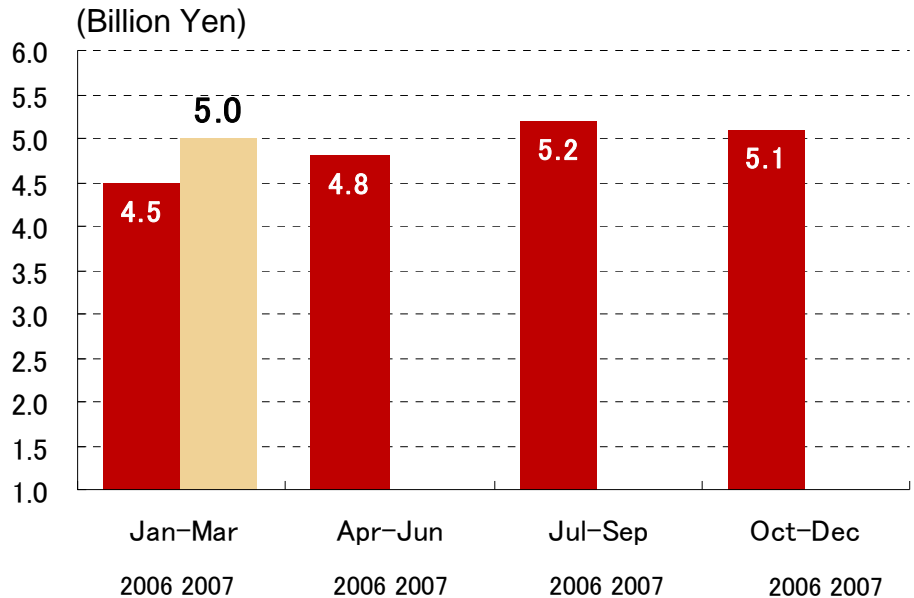
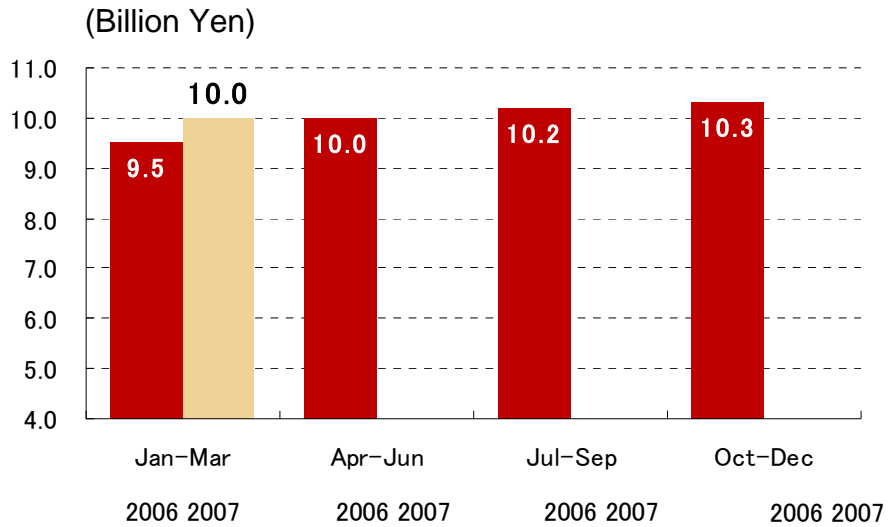
(Billion Yen)

Item	Comment	Dec. 31, 2006	Mar. 31, 2007
<b>Allowance for interest repayments</b>	'Cash Out' amount associated with request for repayment of overpaid interest	<b>3.5</b>	<b>4.1</b>
<b>Allowance for bad debt</b>	Loan appropriation amount* associated with request for repayment of overpaid interest	5.6	3.5
	Other allowances for bad debt	24.3	27.8
		<b>29.9</b>	<b>31.3</b>
<b>Allowance for interest repayments + allowance for bad debt</b>		<b>33.4</b>	<b>35.4</b>

\* March 2007 figures use a more detailed method of computing the portion of the allowance for bad debt of a single debtor that is the loan appropriation amount associated with request for repayment of overpaid interest and other allowances for bad debt

## Breakdown by Business

- Despite restricting loan balances with stricter credit conditions, Credit Card and Consumer Loans revenues both increased year on year
- The card shopping portion of Credit Card revenues for the January–March 2007 quarter were ¥2.2 billion, a significant increase of 62.1% year on year

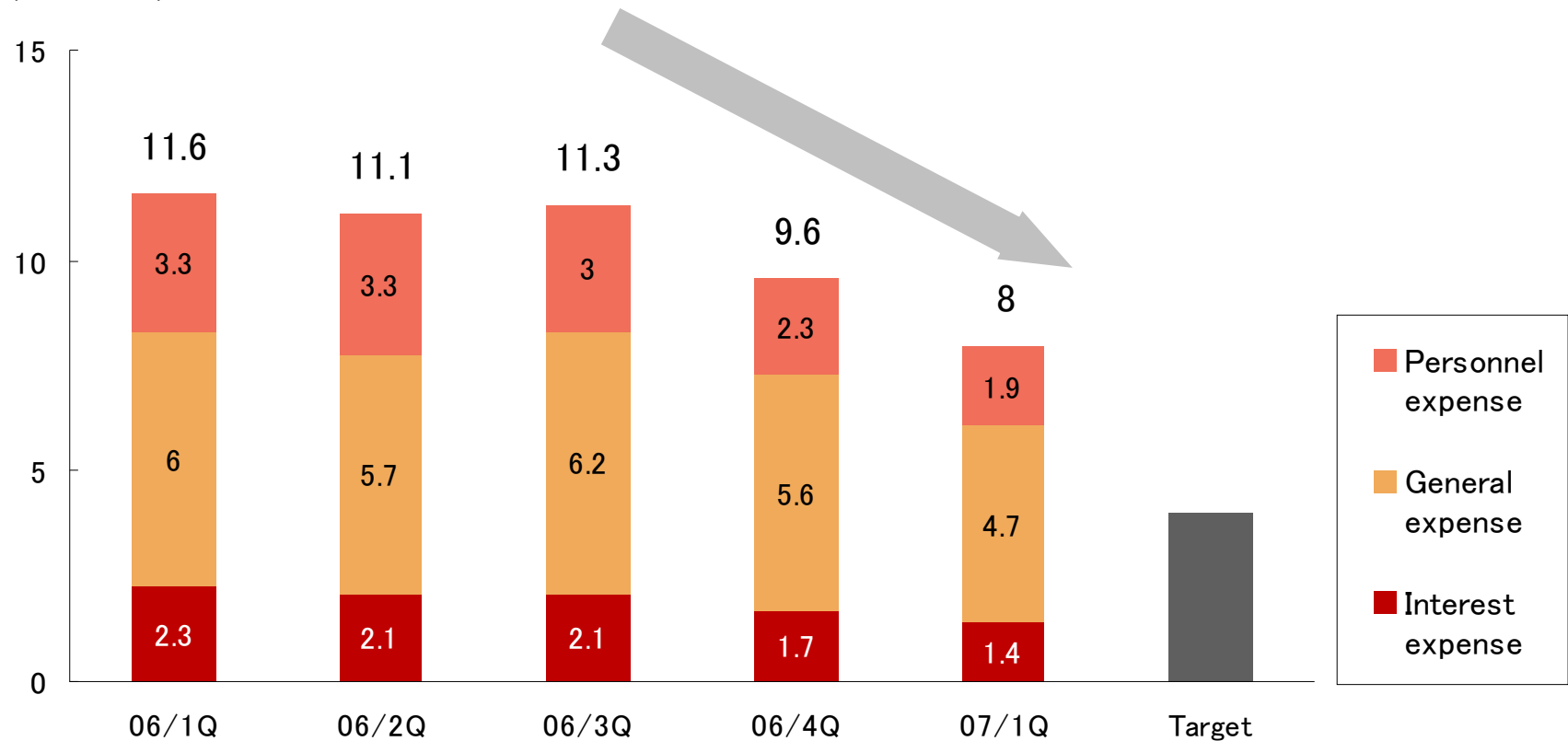


Note: Revenues included revenue from securitized loan

# Rakuten KC: Cost Reductions

- Operating expenses since 2006 4Q have been cut significantly, by approx. 30% year on year, following business restructuring
- We are cutting costs across the company; workforce reductions and branch offices closures implemented ahead of our rivals have produced noticeable cuts in personnel and general expenses

(Billion Yen)

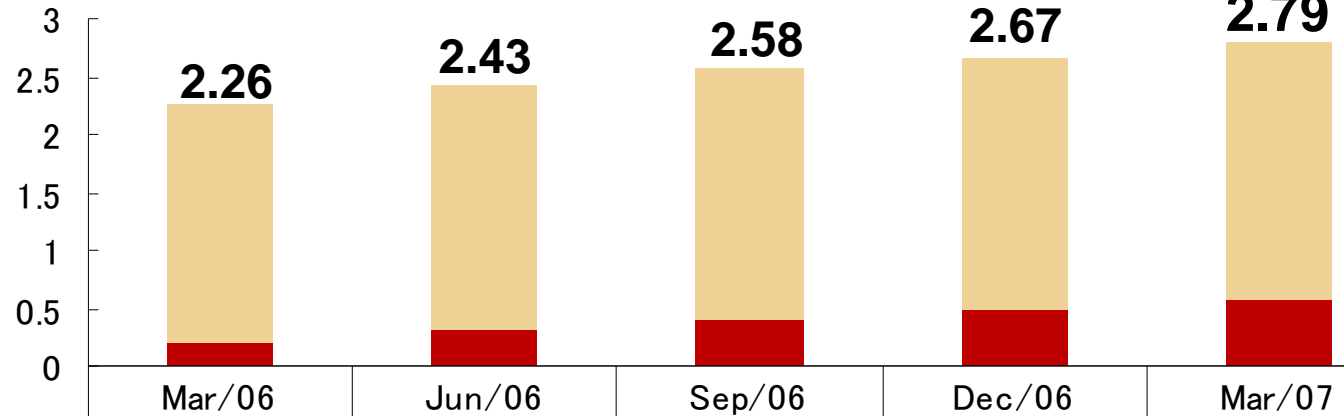


Number of employees	2,235	2,251	1,986	1,368	1,233
---------------------	-------	-------	-------	-------	-------



- There were 149,000 new cardholders in 2006 4Q, including 96,000 for Rakuten Card
- Active Rakuten Card cardholders exceeded 600,000 in April 2007

(Million)

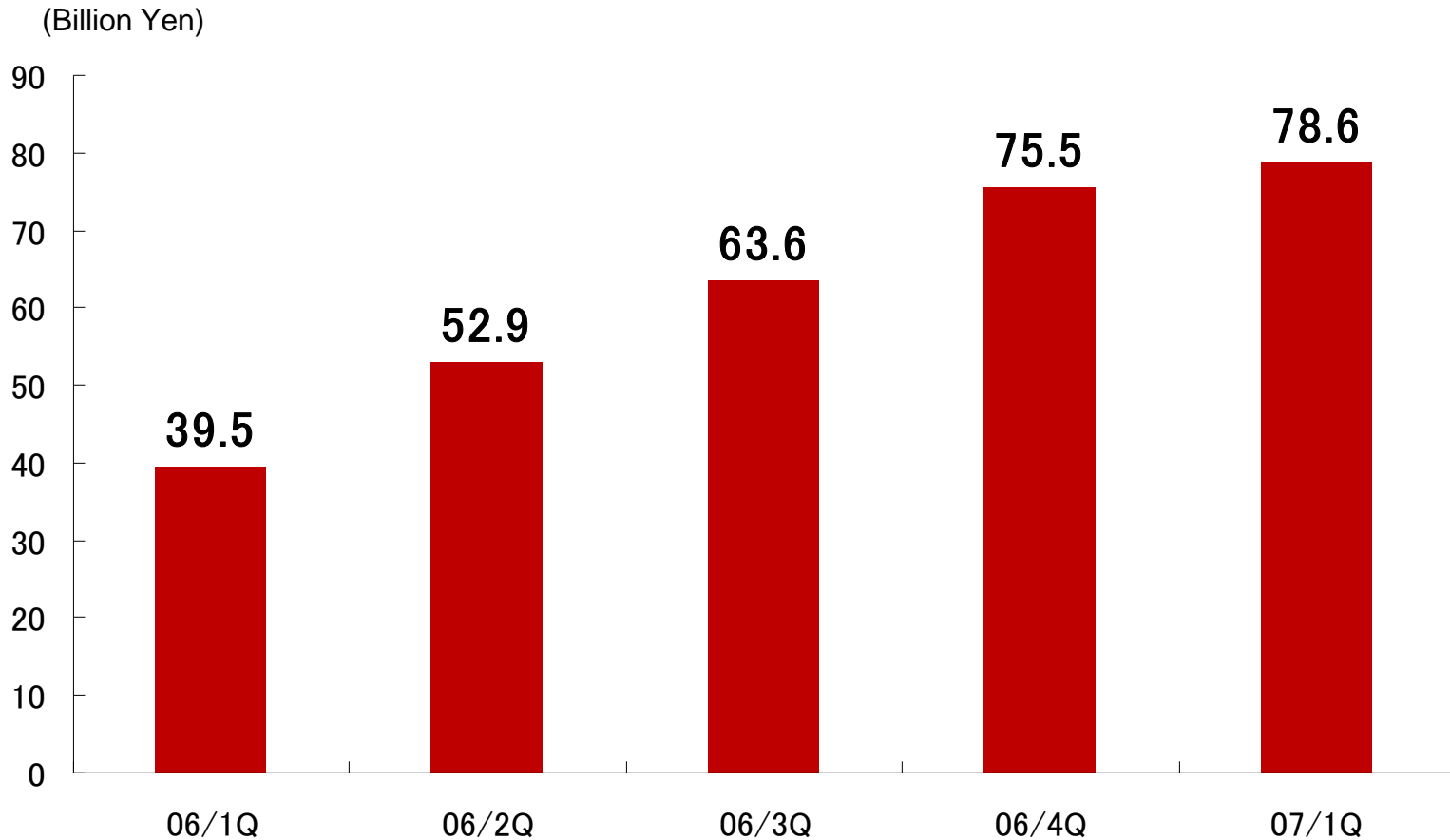


	Mar/06	Jun/06	Sep/06	Dec/06	Mar/07
■ Number of active cardholders (excluding Rakuten Card)	2.05	2.12	2.19	2.19	2.22
■ Number of active Rakuten Card cardholders	0.21	0.31	0.39	0.48	0.57

# Credit Card Shopping Transaction Volume



- Rakuten Card utilization rate was 71.8% as of March 31, 2007. This boosted overall card shopping turnover.



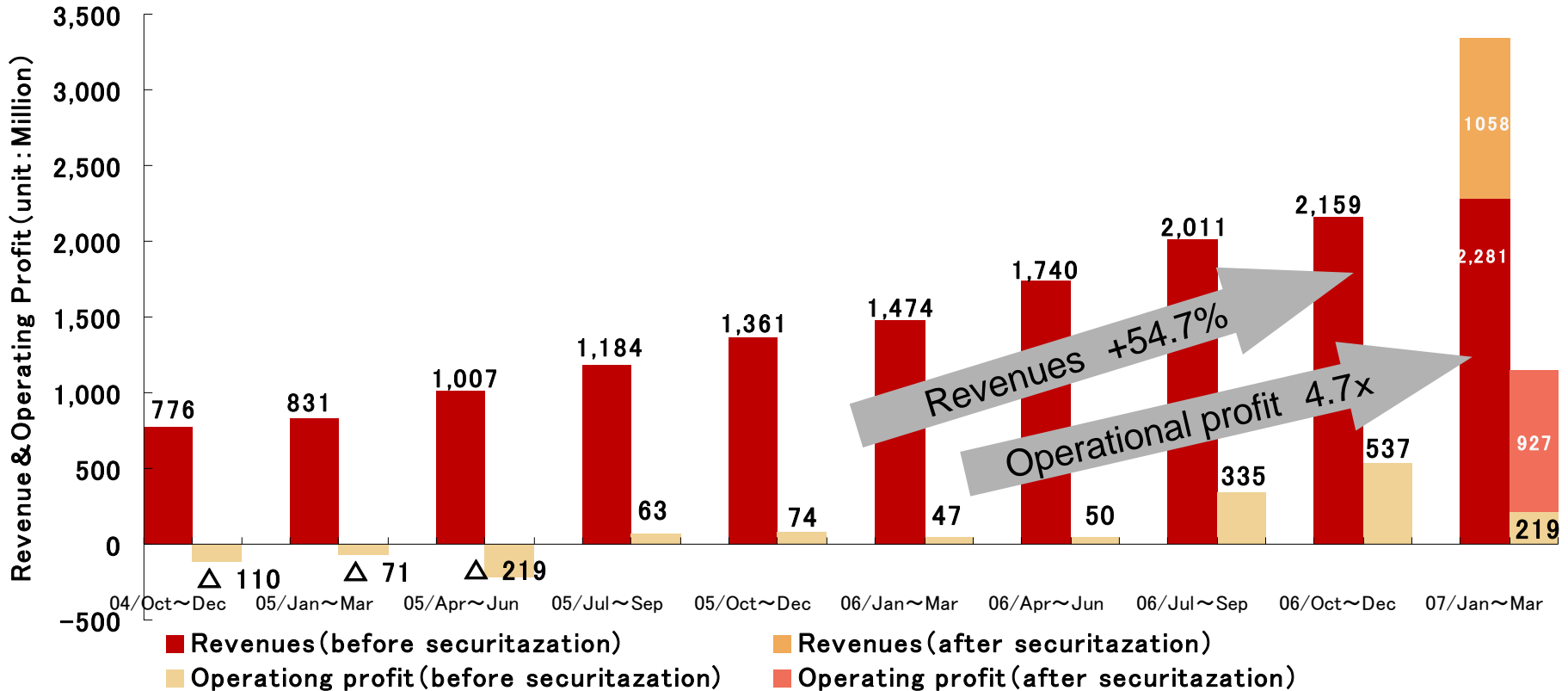
# **3** -3 Personal Finance Business (Rakuten Credit)

# Rakuten Credit: Revenues and Operating Profit Rakuten

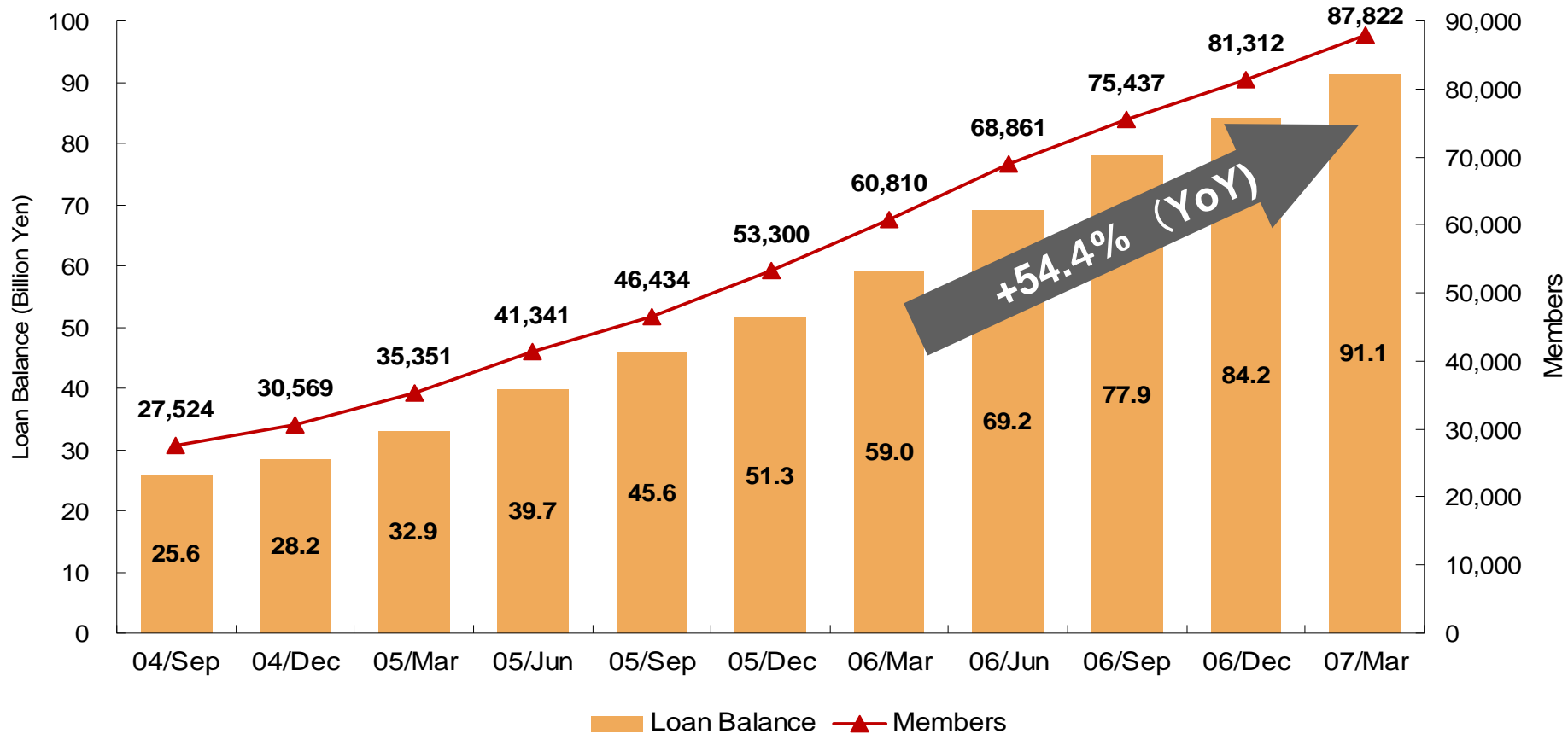
Revenue Growth +126.5% YoY, Operating Profit 24x YoY

Excluding securitization Revenue Growth +54.7% YoY, Operating Profit 4.7x YoY

(Operating Profit 07/1Q included in 1,058 million of Securitizing Loan Receivable Profit.  
Operation profit included in 972 million relating to Securitizing Loan Receivables)



Loans Receivable Balance Growth +54.4% YoY, Maintaining Rapid Growth  
(including in 25.63 billion of securitizing Loan Receivables )



# -4 Travel Business

■ Support for hotels and enhanced convenience for users rewarded by steady gains in gross transaction value



- Operating profit reached 1.29 billion Yen (+27.3% YoY)
- Operating profit ratio was 44.8%; high level of profitability maintained

■ Maintained high growth rate and profitability



- Gross booking value from reservations up +25.4% YoY
- Steady increase in number of contracted hotels and facilities

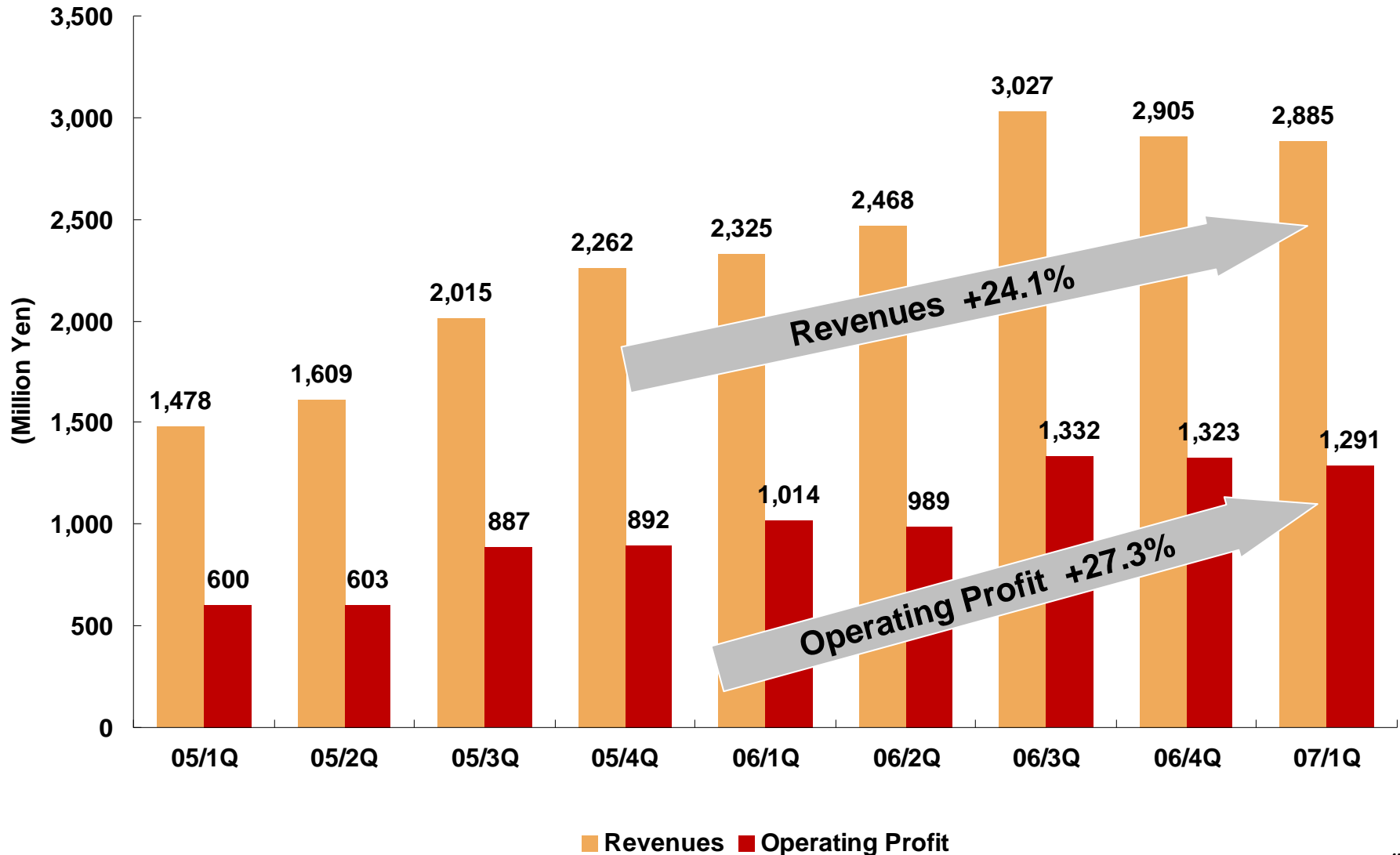
■ Number of hotel guests on a par with major travel agencies; full-scale overseas operations



- Number of hotel guests in Japan booked through Rakuten Travel exceeded 75% of number booked through JTB Corporation, Japan's largest travel agency
- Surplus in ANARaku Pack
- Established Guam-based affiliate

# Travel Business Revenues & Operating Profit Rakuten

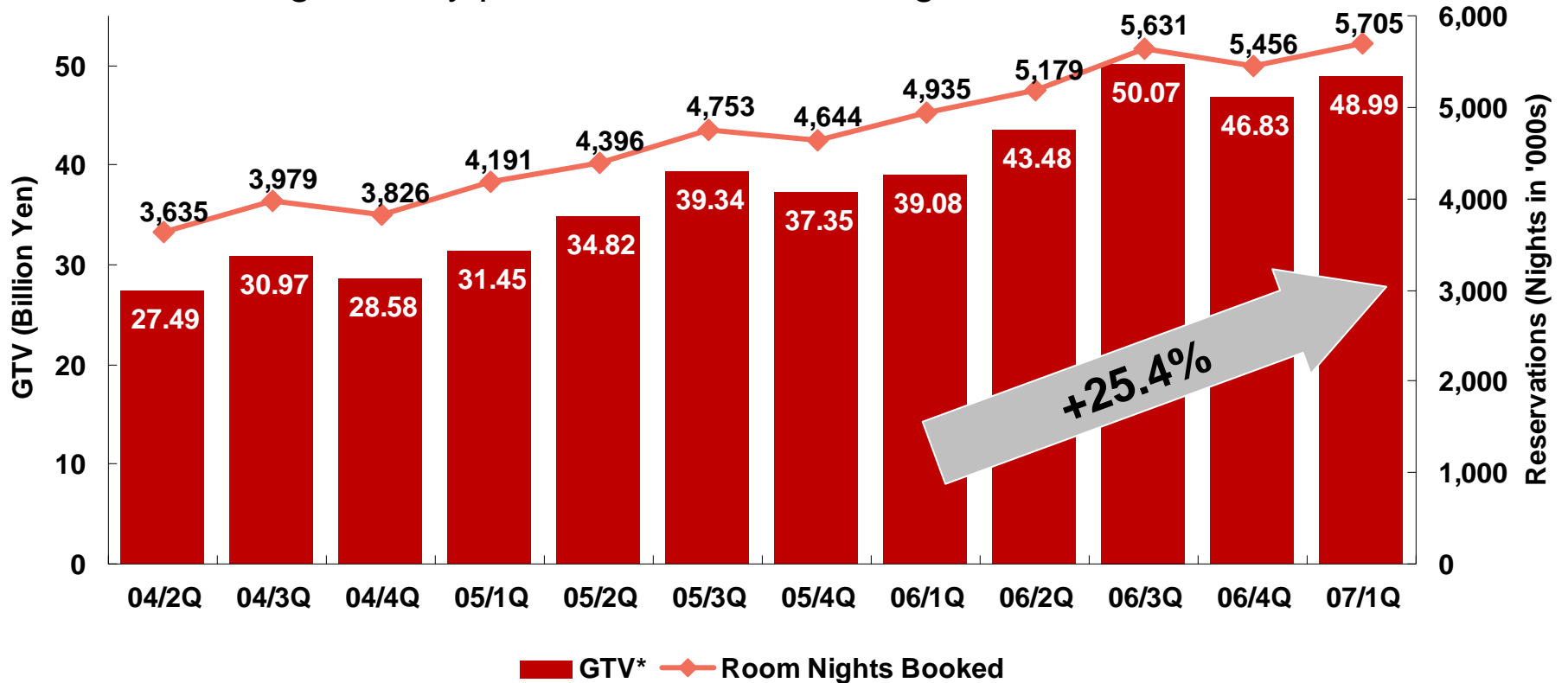
Revenues +24.1% (YoY), Operating Profit +27.3% (YoY), maintained high growth





# Travel Business Reservations

- New contracts promoted gross booking value, up +25.4% YoY
- High steady position in travel booking site



\* Gross Transaction Value at time of reservation (before cancellation, tax calculated)

\* Travel Business: MyTrip.net and Rakuten Travel combined

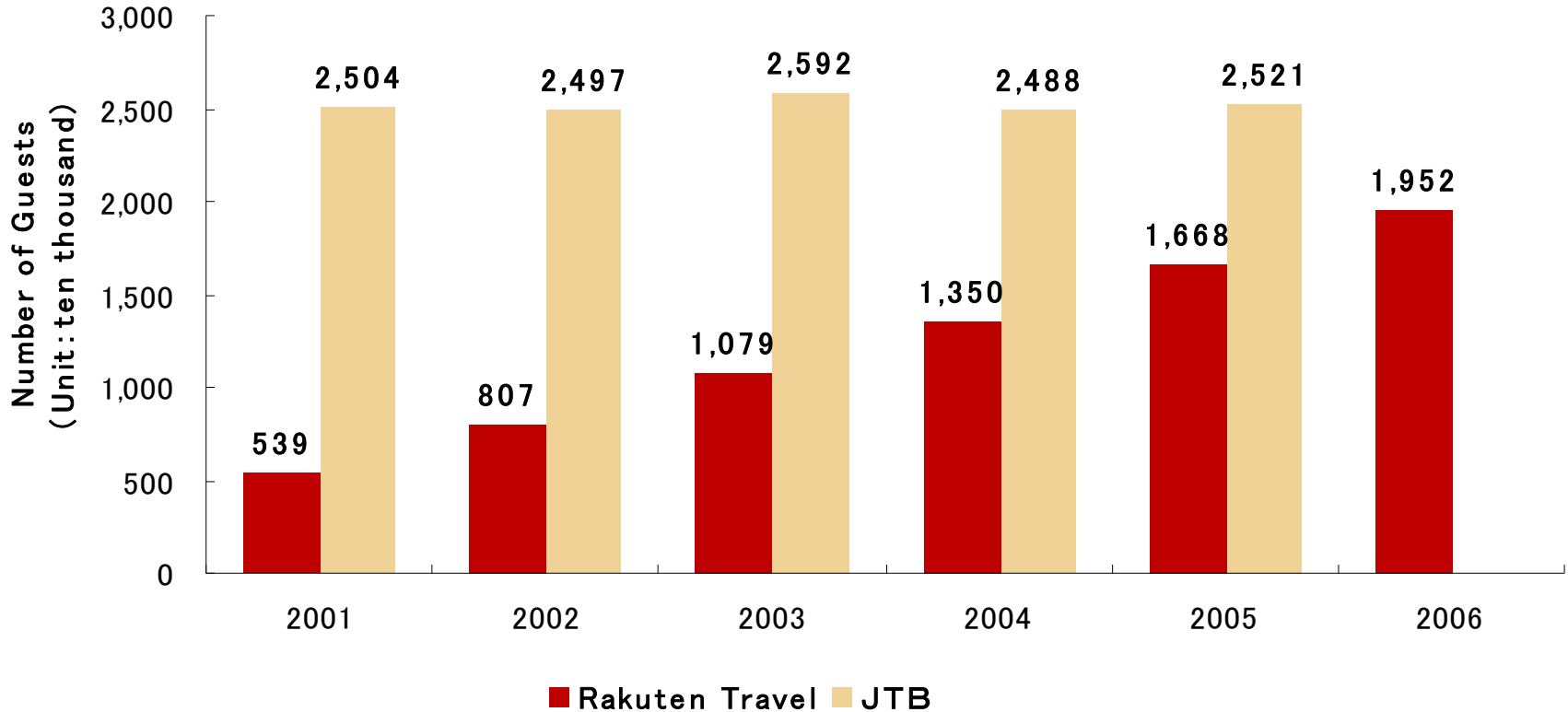
\* From 05/1Q, overseas hotels gross bookings, overseas air travel gross bookings, and overseas hotel reservations included

\* From 05/4Q, Rakuten Bus Services Inc. included

\* From 06/1Q, international dynamic packaging included

\* From 06/4Q, domestic dynamic packaging included

Number of hotel guests has increased up to 20 million rapidly,  
exceeded 75% of number booked through JTB

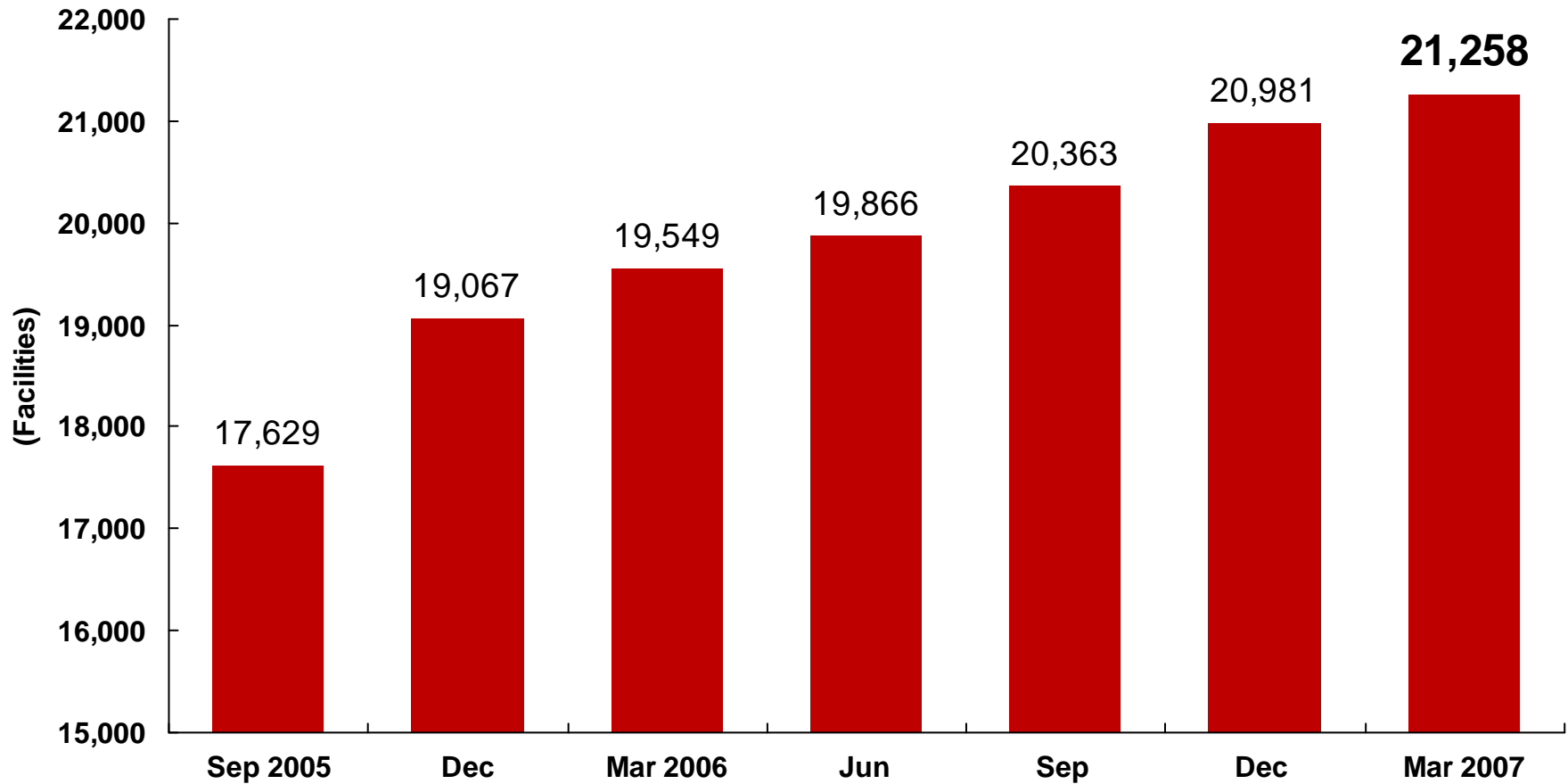


※ Actual performance for the full year from March 31 to April 1

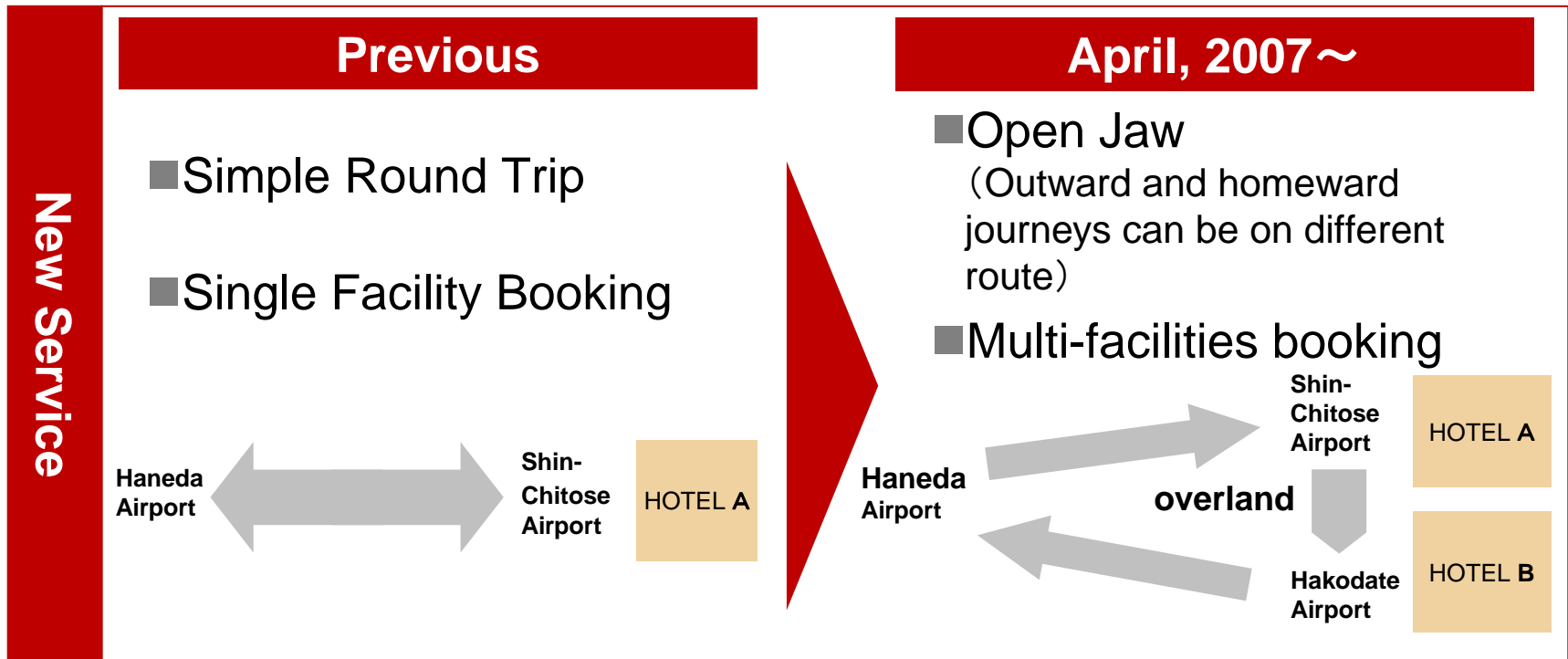
※ Projected number of hotel guests based on number of accommodation vouchers issued by JTB

( Source: JTB Accommodation Report 2006)

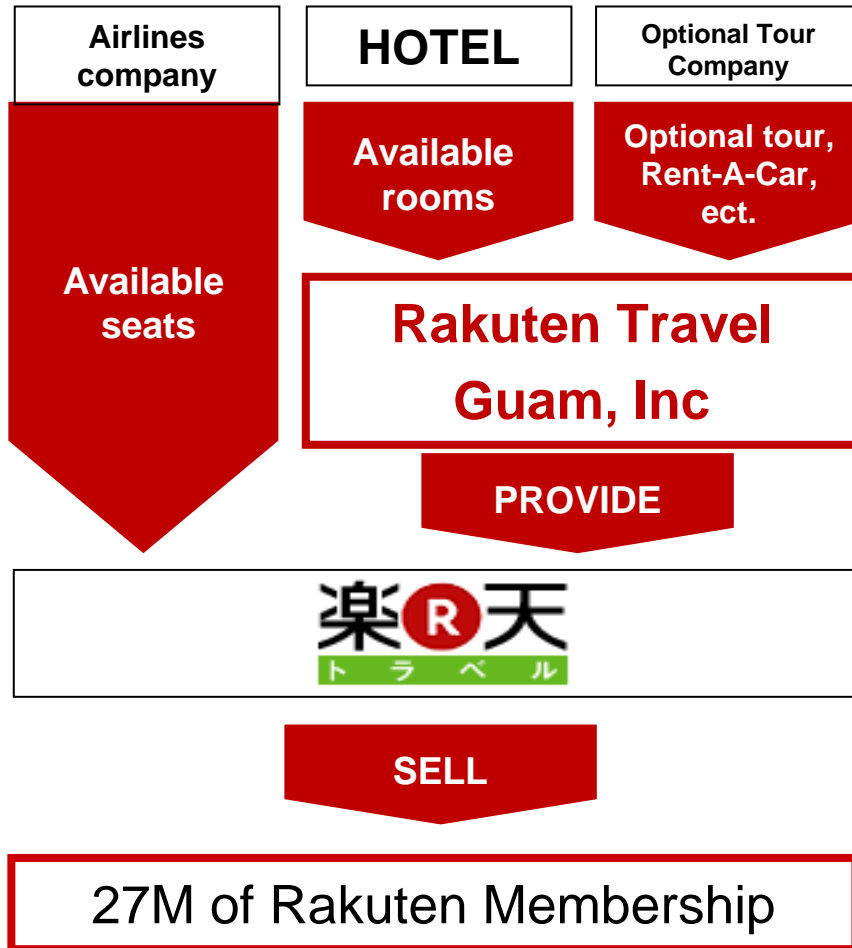
Number of Contracted Domestic Hotels and Facilities Achieved 21,000



- Archived profitable 5 months after “ ANARaku Pack” service
- Started new service; Open Jaw from Apr. 2007



Stepping forward in full-scale penetration in Guam  
as a major international strategic area



## Purpose

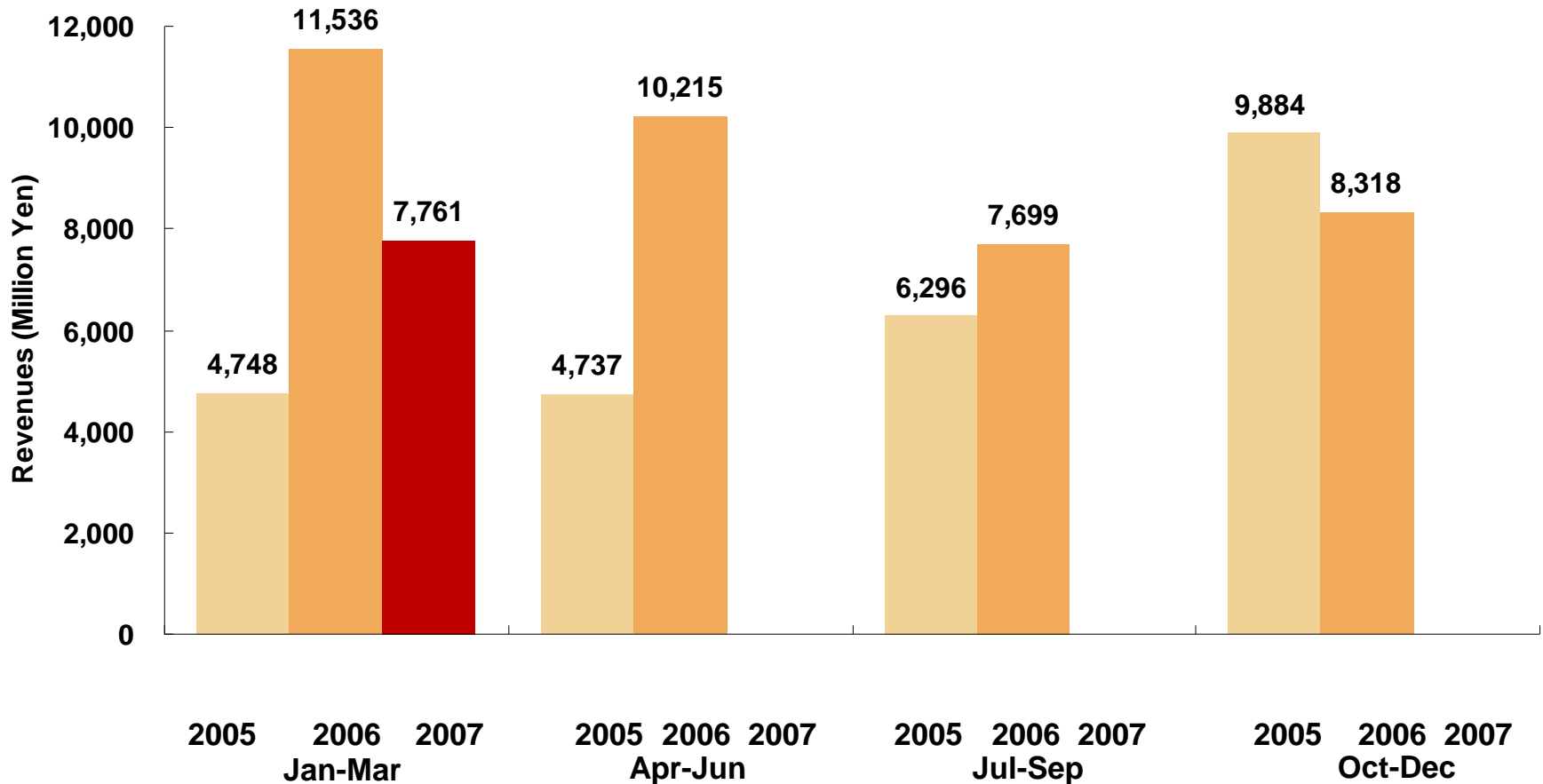
- Advantages over stocking rooms in costs
- Sale of optional tour on-site (profit increase)

## Details of the new company

- Company Name :  
Rakuten Travel Guam, Inc
- Date of Establishment: March, 2007
- Capital : \$200,000
- Location : Tumon in Guam
- Board Member : Representative Director  
Kouji Okatake

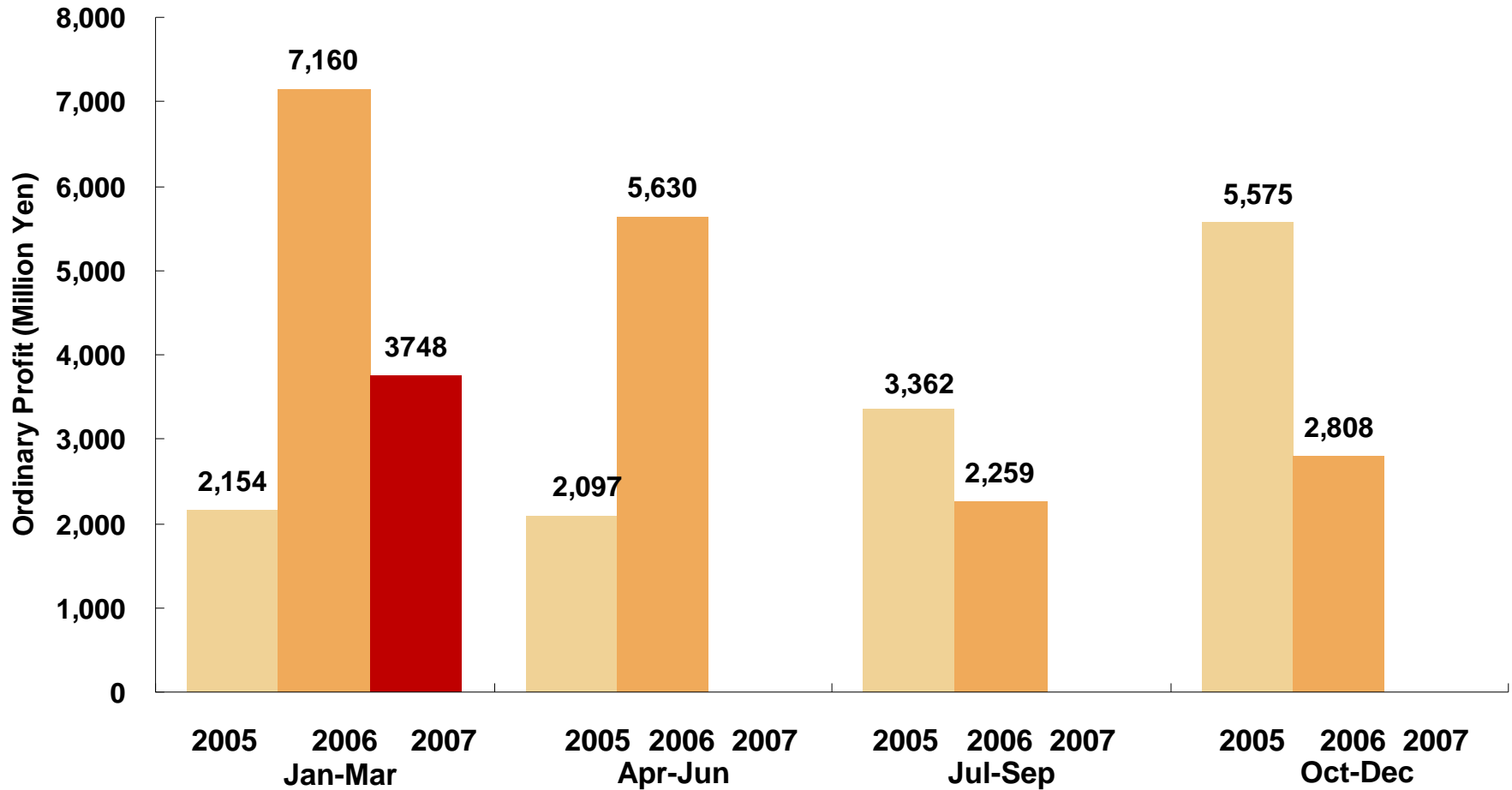
## 4 -5 Securities Business

Revenues decrease due to slowing Japanese stock market  
 -32.7% YoY, -6.7.% QoQ



\* Source: based on information on companies' websites

Ordinary Profit -47.7% YoY



\* Source: based on information on companies' websites



## Financial Overview for Jan-Mar 2007 (YoY)

(Million Yen)

	Rakuten Securities		E*Trade		Matsui		kabu.com		MBH	
Revenues	7,761	-32.7%	15,100	-23.0%	12,066	-33.8%	5,475	-24.8%	8,657	-27.8%
(Net Interest)	1,753	-7.0%	3,563	+9.1%	3,339	-11.7%	1,271	+15.3%	1,194	-28.3%
Net Revenues	7,063	-35.9%	13,861	-25.6%	11,243	-35.8%	5,163	-24.4%	7,978	-31.7%
SG&A	5,586	+15.9%	7,333	-9.4%	4,520	-20.4%	2,267	-5.5%	3,779	+3.2%
Ordinary Profit	3,748	-47.7%	6,358	-39.7%	6,742	-43.2%	2,867	-34.0%	4,300	-46.4%
Net Profit	2,019	-47.0%	3,646	-41.7%	3,999	-38.3%	1,416	-71.8%	2,409	-46.2%

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

## Financial Overview for the Fiscal Year ended Mar 2007 (YoY)

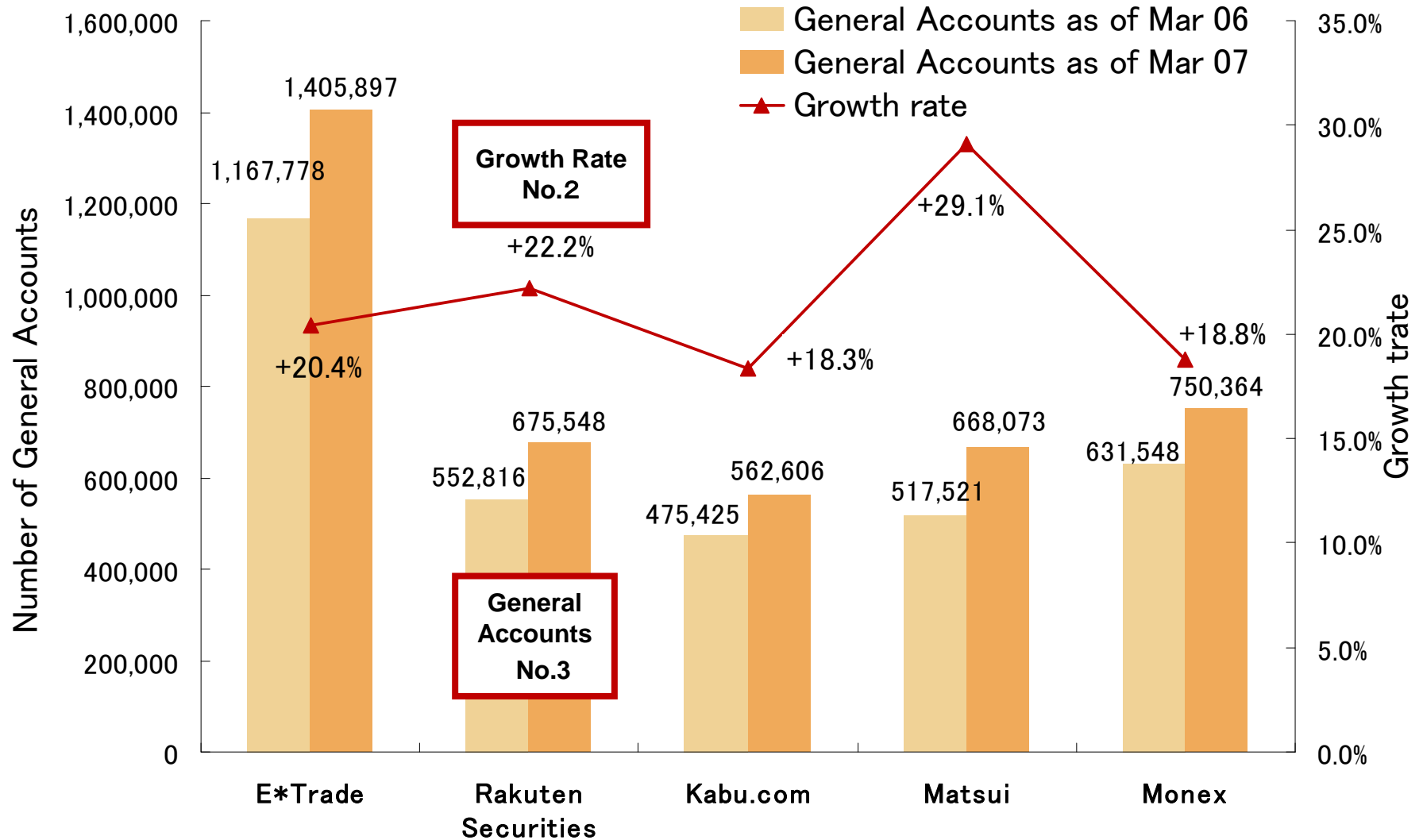
(Million Yen)

	Rakuten Securities		E*Trade		Matsui		kabu.com		MBH	
Revenues	33,994	+4.7%	57,412	-4.7%	43,691	-23.4%	20,946	-1.7%	33,244	-15.2%
(Net Interest)	6,583	+29.3%	13,396	+43.5%	13,844	+16.2%	4,703	+56.5%	5,294	-0.7%
Net Revenues	31,596	+3.8%	53,296	-5.4%	40,708	-24.8%	19,791	-0.5%	31,099	-17.8%
SG&A	20,905	+52.0%	28,753	+9.3%	18,160	+6.6%	8,740	+23.2%	14,540	+15.1%
Ordinary Profit	14,446	-20.6%	24,571	-18.3%	22,720	-38.7%	11,017	-13.1%	16,688	-33.1%
Net Profit	6,910	-32.9%	13,811	-18.6%	13,444	-34.9%	6,088	-37.5%	9,534	-30.0%

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

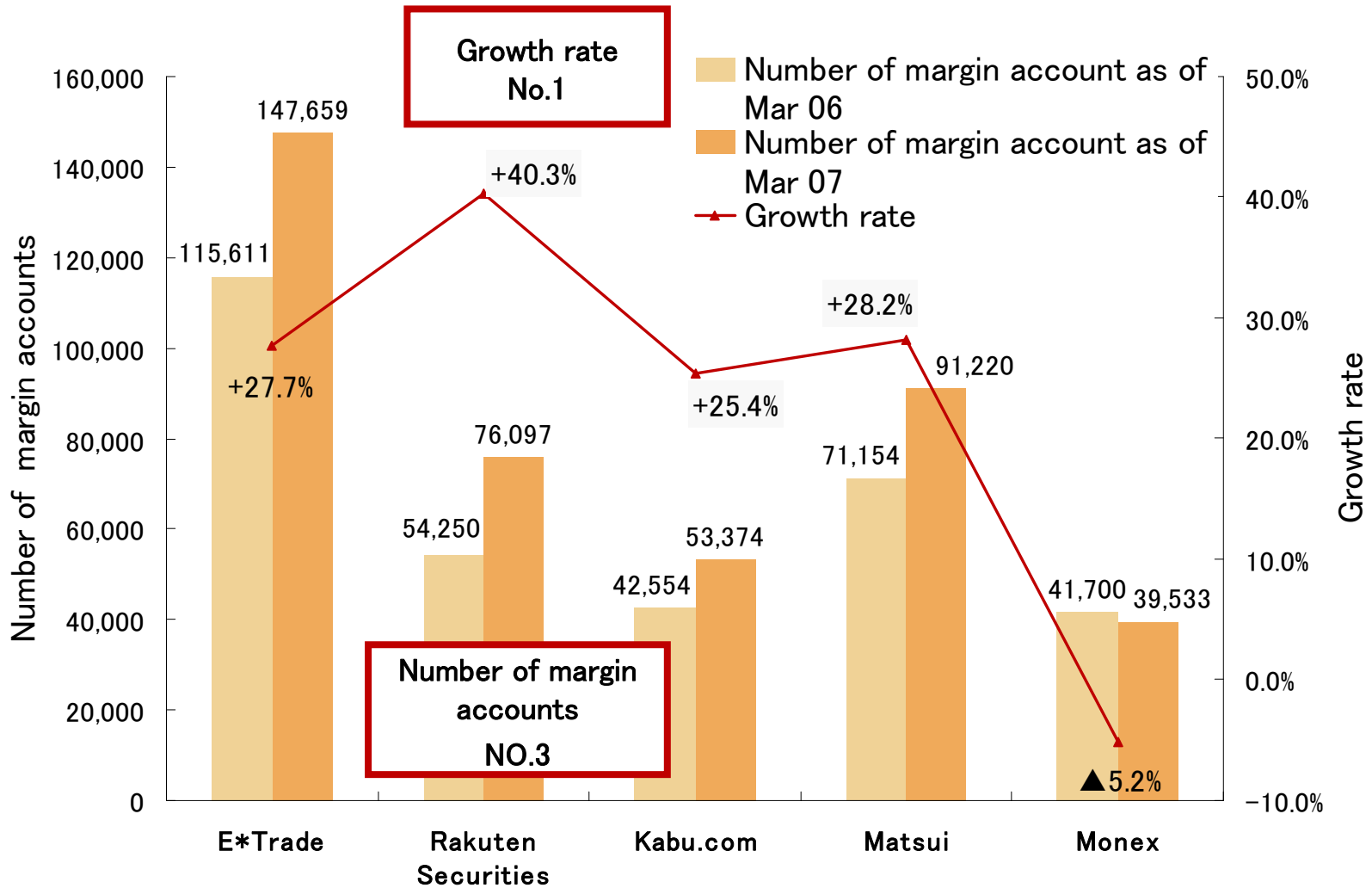
\* Comparison of consolidated results

# Rakuten Securities Number of General Accounts



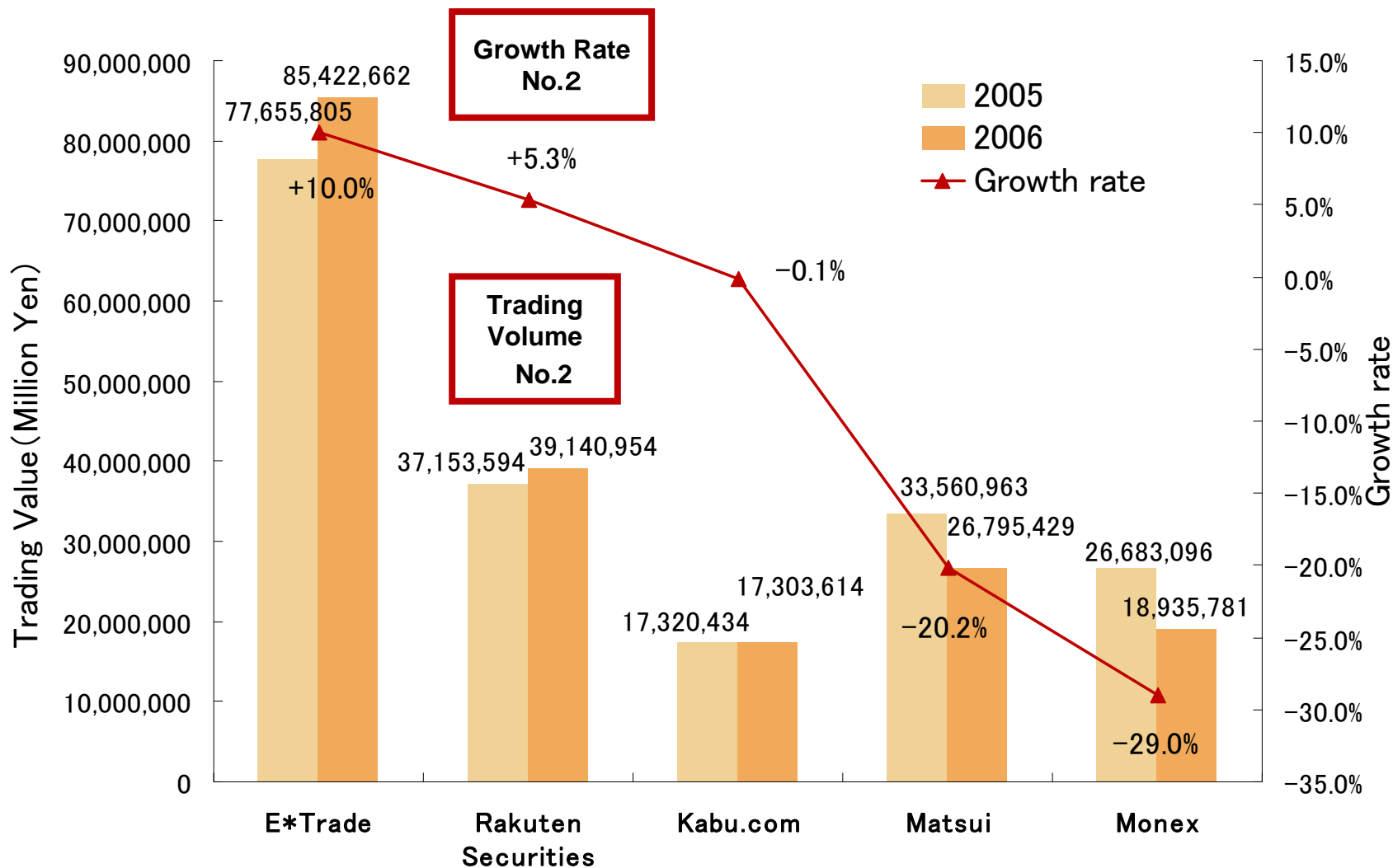
\* Source: based on information on companies' websites

# Rakuten Securities Number of Margin Accounts



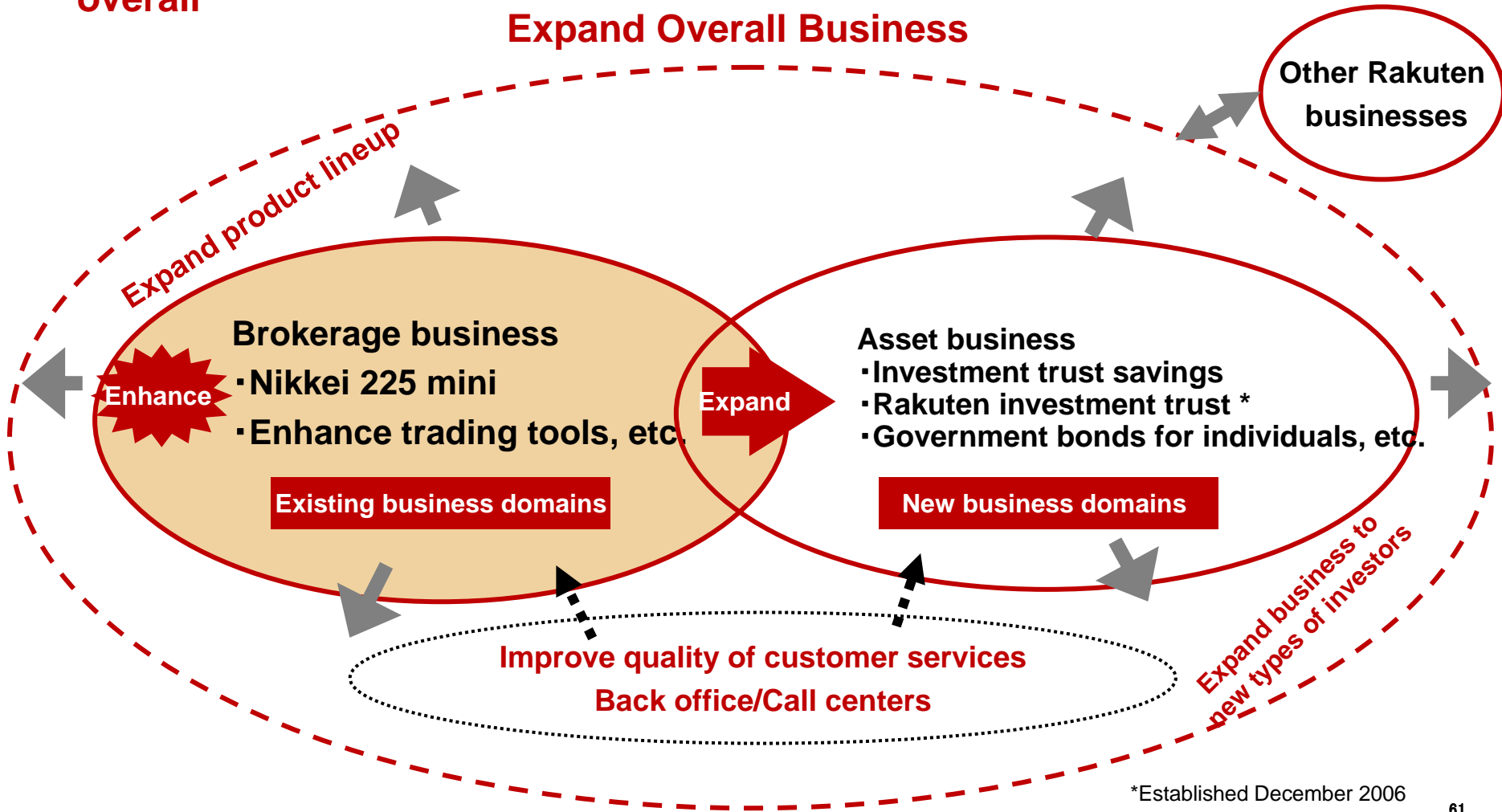
\* Source: based on information on companies' websites

# Rakuten Securities; Trading Value



\* Source: based on information on companies' websites

- Enhancing brokerage business and aggressively expanding asset business to maximize Rakuten Group synergies and expand the company's business overall



## 4 -6 Infoseek Business

Simultaneous questionnaires to Infoseek users and recommendations of products from Rakuten Ichiba merchants

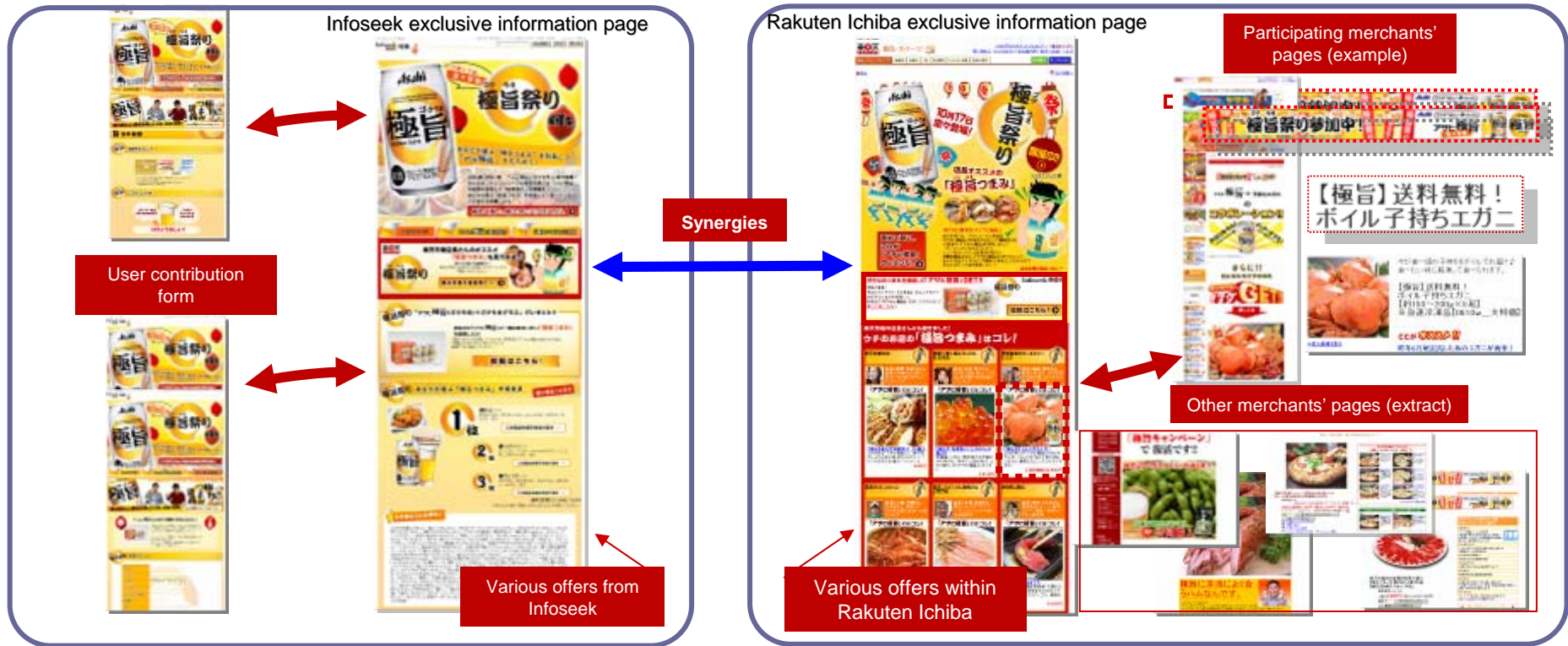
Example: Beer Campaign

Infoseek 楽天

Portal Site

楽天  
ICHIBA

Shopping Mall





# Examples of Advertising Using Rakuten Group's Media Mix (2) Rakuten

Advertising using multimedia tie-ups appealing to latent user base making use of Rakuten Super Points

Example: Cosmetic Campaign

Infoseek tie-up page

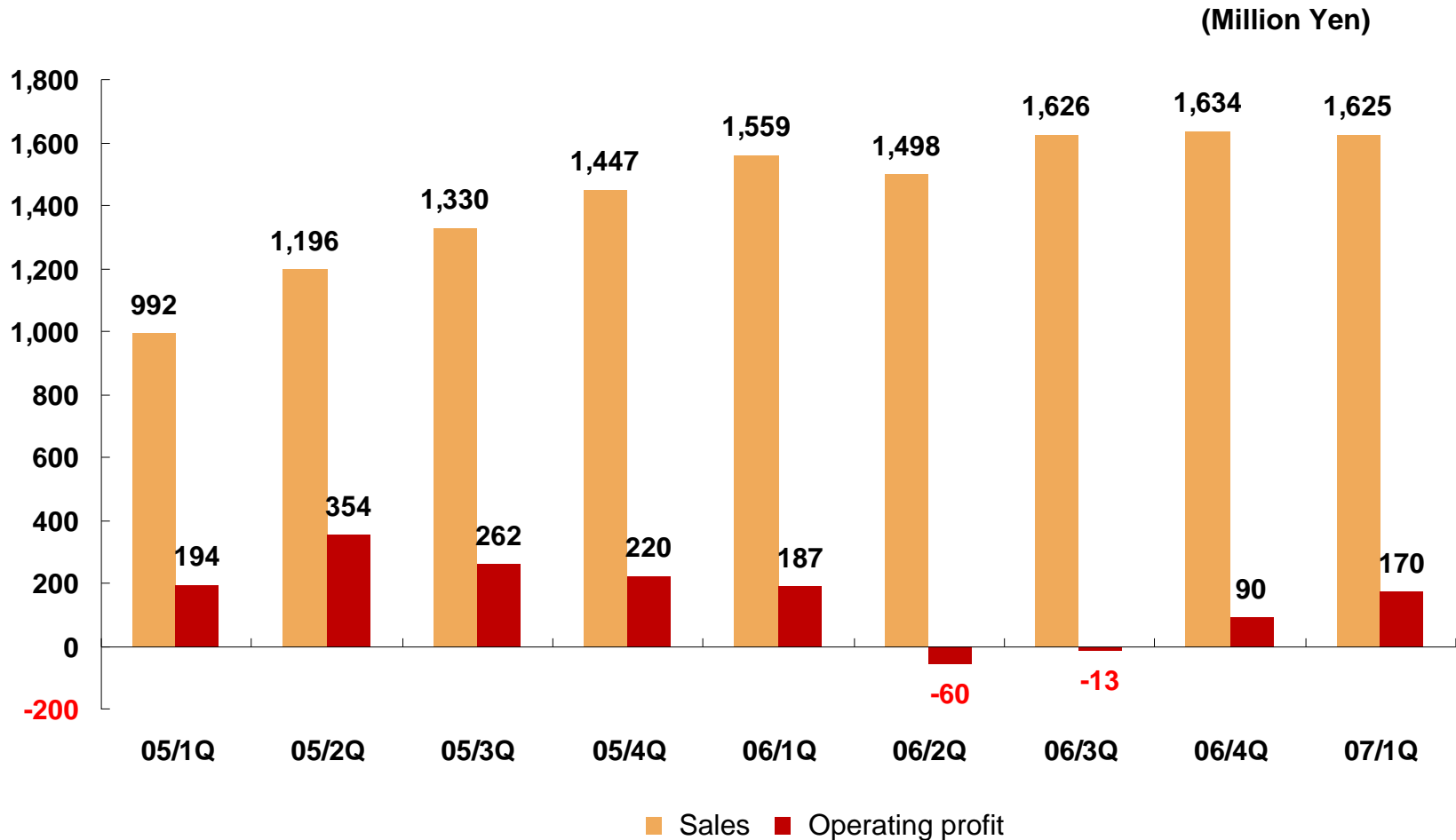
Web discussion

Rakuten blogs



# Infoseek Business Unit, Advertising Business Unit, etc.: Sales and Operating Profit

■ Pursuit of Group synergies in advertising business leading to recovery and profitability



\*Difference with Portal & Media Business in segment information to consolidated financial statements is accounted for by Target, Inc., College Students' Portal Community, Inc., Rakuten Research, Inc. and the blog business. Internet TV and publishing businesses of Rakuten, Inc

# 4 -7 Professional Sports Business

High expectations for new capabilities, season ticket sales and advertising sales both good

(Million Yen)

Non-consolidated (Rakuten Baseball, Inc.)	06/1Q	07/1Q	YoY Change (%)
Sales	612	884	+44%
Operating expenses	1,629	1,774	+9%
Operating loss	-1,017	-890	-

Consolidated (Including Rakuten Sports Properties, Inc.)	06/1Q	07/1Q	YoY Change (%)
Sales	750	1,013	+35%
Operating expenses	1,799	1,919	+7%
Operating loss	-1,049	-906	-

 Appendix

# 07/1Q Consolidated Financial Results (YoY)



(Billion Yen)

	Revenues	YoY	Operating Profit	YoY	Operating Profit Margin	EBITDA	YoY	EBITDA Margin
<b>E-Commerce Business</b>	<b>17.31</b>	<b>+36.1%</b>	<b>4.45</b>	<b>+4.4%</b>	<b>25.8%</b>	<b>5.90</b>	<b>+8.0%</b>	<b>34.1%</b>
<b>Credit and Payment Business</b>	<b>18.05</b>	<b>- 19.9%</b>	<b>- 0.34</b>	<b>-</b>	<b>- 1.9%</b>	<b>0.48</b>	<b>-133.0%</b>	<b>2.7%</b>
<b>Portal and Media Business</b>	<b>3.66</b>	<b>+12.6%</b>	<b>0.20</b>	<b>-53.7%</b>	<b>5.5%</b>	<b>0.35</b>	<b>-26.8%</b>	<b>9.8%</b>
<b>Travel Business</b>	<b>2.88</b>	<b>+24.1%</b>	<b>1.29</b>	<b>+27.3%</b>	<b>44.8%</b>	<b>1.63</b>	<b>+31.1%</b>	<b>56.8%</b>
<b>Securities Business</b>	<b>7.92</b>	<b>- 33.7%</b>	<b>1.35</b>	<b>-78.3%</b>	<b>17.1%</b>	<b>2.88</b>	<b>-54.5%</b>	<b>36.5%</b>
<b>Professional Sports Business</b>	<b>0.96</b>	<b>+36.9%</b>	<b>- 0.89</b>	<b>-</b>	<b>- 92.9%</b>	<b>- 0.7</b>	<b>-</b>	<b>-73.8%</b>
<b>Internal Elimination</b>	<b>- 2.37</b>	<b>-</b>	<b>0.10</b>	<b>-</b>	<b>- 4.6%</b>	<b>0.27</b>	<b>-</b>	<b>-</b>
<b>Consolidated</b>	<b>48.43</b>	<b>- 7.2%</b>	<b>6.16</b>	<b>-43.3%</b>	<b>12.7%</b>	<b>10.82</b>	<b>-4.6%</b>	<b>22.4%</b>

\* EBITDA=Ordinary profit + Interest expense + Depreciation and Amortization + Amortization of Consolidation Adjustment Account – Effect of securitizing loan receivables

# Q4/06 Consolidated Financial Results (QoQ) Rakuten

(Billion Yen)

	Revenues	QoQ	Operating Profit	QoQ	Operating Profit Margin	EBITDA	QoQ	EBITDA Margin
E-Commerce Business	17.31	-6.2%	4.45	-28.6%	25.8%	5.90	-25.1%	34.1%
Credit and Payment Business	18.05	+1.5%	- 0.34	-	- 1.9%	0.48	-90.0%	2.7%
Portal and Media Business	3.66	+5.2%	0.20	+16.3%	5.5%	0.35	+5.3%	9.8%
Travel Business	2.88	-0.7%	1.29	-2.4%	44.8%	1.63	-1.4%	56.8%
Securities Business	7.92	-6.5%	1.35	-40.0%	17.1%	2.88	+0.1%	36.5%
Professional Sports Business	0.96	-14.1%	- 0.89	-	- 92.9%	- 0.7	-	-73.8%
Internal Elimination	- 2.37	-	0.10	-	-	0.27	-	-
<b>Consolidated</b>	<b>48.43</b>	<b>-3.4%</b>	<b>6.16</b>	<b>-46.3%</b>	<b>12.7%</b>	<b>10.82</b>	<b>-35.1%</b>	<b>22.4%</b>

\* EBITDA=Ordinary profit + Interest expense + Depreciation and Amortization + Amortization of Consolidation Adjustment Account – Effect of securitizing loan receivables

# Breakdown of Amortization of Consolidation Adjustment Account

## Included in SG&A

(Million Yen)

	05/4Q	06/1Q	06/2Q	06/3Q	06/4Q	07/1Q	Companies
E-Commerce Business	-	528	527	527	527	527	Linkshare
Credit and Payment Business	171	168	168	168	234	234	Rakuten KC Group
Portal and Media Business	12	16	16	17	17	17	Rakuten research
Travel Business	0	7	7	7	10	10	Rakuten Bus service
Securities Business	1	1	1	1	56	56	Rakuten Realty Management Rakuten Strategic Partners
Professional Sports Business	-	-	-	-	-	-	
Consolidated	714	722	721	721	845	845	



# Rakuten, Inc. 07/1Q

## Non-consolidated Balance Sheet · Income Statement



### Balance Sheet

(Million Yen)

	Fiscal 2007 First Quarter (As of March 31, 2007)	
	Amount	Ratio of compositions
(ASSET)		
I CURRENT ASSETS	45,685	12.4%
1. Cash and cash equivalents	21,730	
2. Account receivable	11,558	
3. Other current asset	12,512	
Allowances for bad debt	-115	
II FIXED ASSETS	321,697	87.6%
1. Tangible fixed assets	6,394	
2. Intangible fixed assets	7,478	
3. Investment and other assets	307,824	
(Allowance for bad debt)	-136	
(Allowance for investment loss)	-842	
<b>TOTAL ASSET</b>	<b>367,383</b>	<b>100.0%</b>
(LIABILITY)		
I CURRENT LIABILITIES	59,748	16.3%
1. Account payable	209	
2. Short-term borrowings	36,461	
3. Accrued expenses	4,336	
4. Accrued income taxes	90	
5. Advanced received	3,012	
6. Reserve for the point program	3,683	
7. Other current liabilities	11,953	
II LONG-TERM LIABILITIES	60,606	16.5%
<b>TOTAL LIABILITIES</b>	<b>120,354</b>	<b>32.8%</b>
(NET ASSET)		
I SHAREHOLDERS' EQUITY	245,894	66.9%
1. Common stock	107,337	29.2%
2. Capital surplus	113,982	31.0%
3. Retained earnings	24,587	6.7%
4. Treasury stock	-11	△ 0.0%
II VALUATION AND TRANSLATION ADJUSTMENTS	1,091	0.3%
Net unrealized holding gain on investment securities	1,091	0.3%
III STOCK OPTIONS	42	0.0%
<b>TOTAL NET ASSET</b>	<b>247,028</b>	<b>67.2%</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>367,383</b>	<b>100.0%</b>

### Income Statement

(Million Yen)

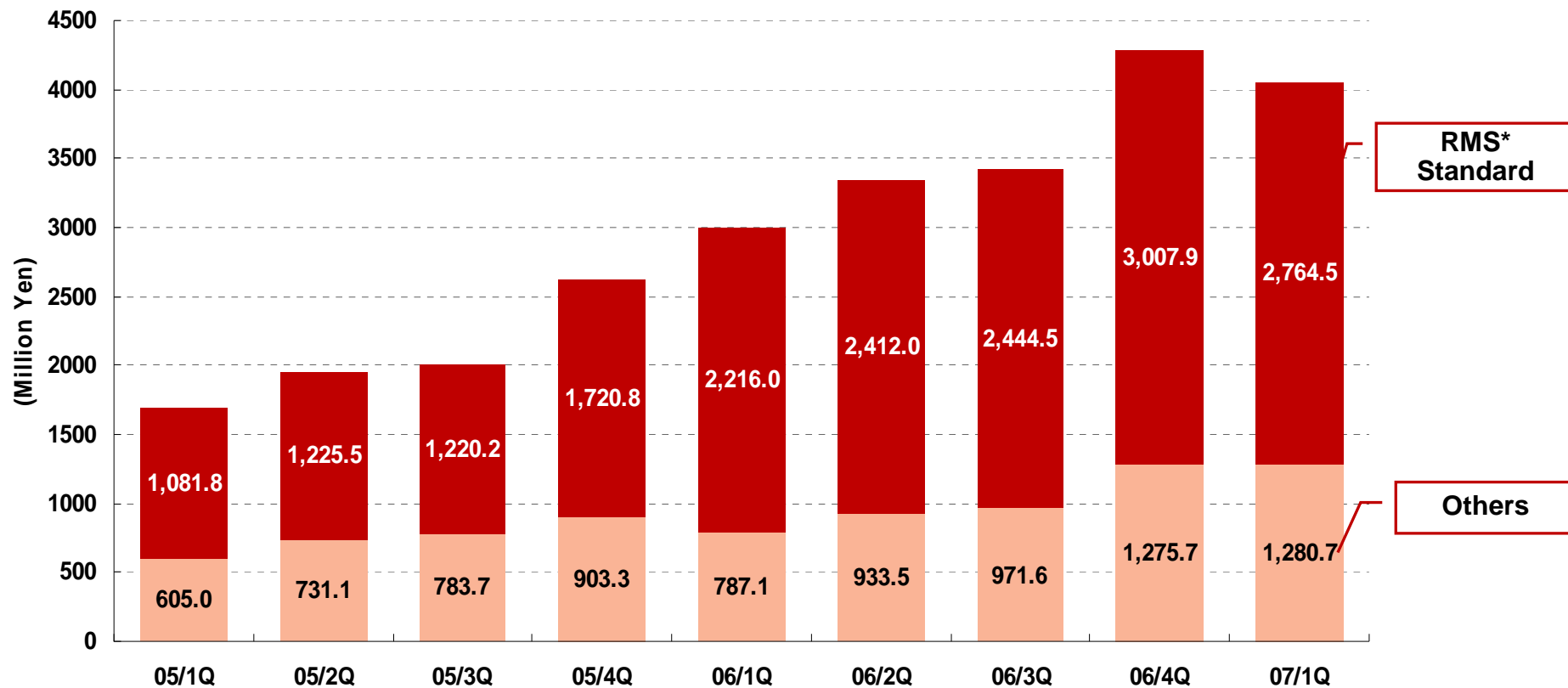
	Fiscal 2007 First Quarter January 1, 2007 to March 31, 2007		Fiscal 2006 First Quarter January 1, 2006 to March 31, 2006	
	Amount	Percentage	Amount	Percentage
I Net sales	13,669	100.0%	11,319	100.0%
II Cost of sales	502	3.7%	192	1.7%
Gross profit	13,167	96.3%	11,126	98.3%
III Selling, general and administrative expenses	7,593	55.6%	6,623	58.5%
1. Personnel	2,011	14.7%	1,450	12.8%
2. Advertising and sales promotion	1,929	14.1%	1,521	13.4%
3. Depreciation and amortization	843	6.2%	531	4.7%
4. Communication and maintenance	1,010	7.4%	666	5.9%
5. Outsourcing	2,210	16.2%	1,783	15.8%
6. Other	-412	-3.0%	670	5.9%
Operating income	5,573	40.8%	4,503	39.8%
IV Non-operating income	2,118	15.5%	2,651	23.4%
V Non-operating expense	327	2.4%	810	7.2%
Ordinary income	7,364	53.9%	6,343	56.0%
VI Special gains	130	1.0%	41	0.4%
Net income before income taxes	7,234	52.9%	6,302	55.7%
Corporate, inhabitants' and enterprise taxes	2,526	18.5%	1,399	12.4%
Net income	4,707	34.4%	4,903	43.3%

(Million Yen)

	2006				2007
	1Q	2Q	3Q	4Q	1Q
<b>Revenues</b>	9,441	10,187	10,400	12,918	12,126
<b>Operating Expenses</b>	4,835	6,126	6,507	6,341	6,653
<b>Operating Profit</b>	4,605	4,061	3,892	6,577	5,473
<b>Operating Margin</b>	48.8%	39.9%	37.4%	50.9%	45.1%

\* Rakuten Inc, excludes Portal & Media Business Company

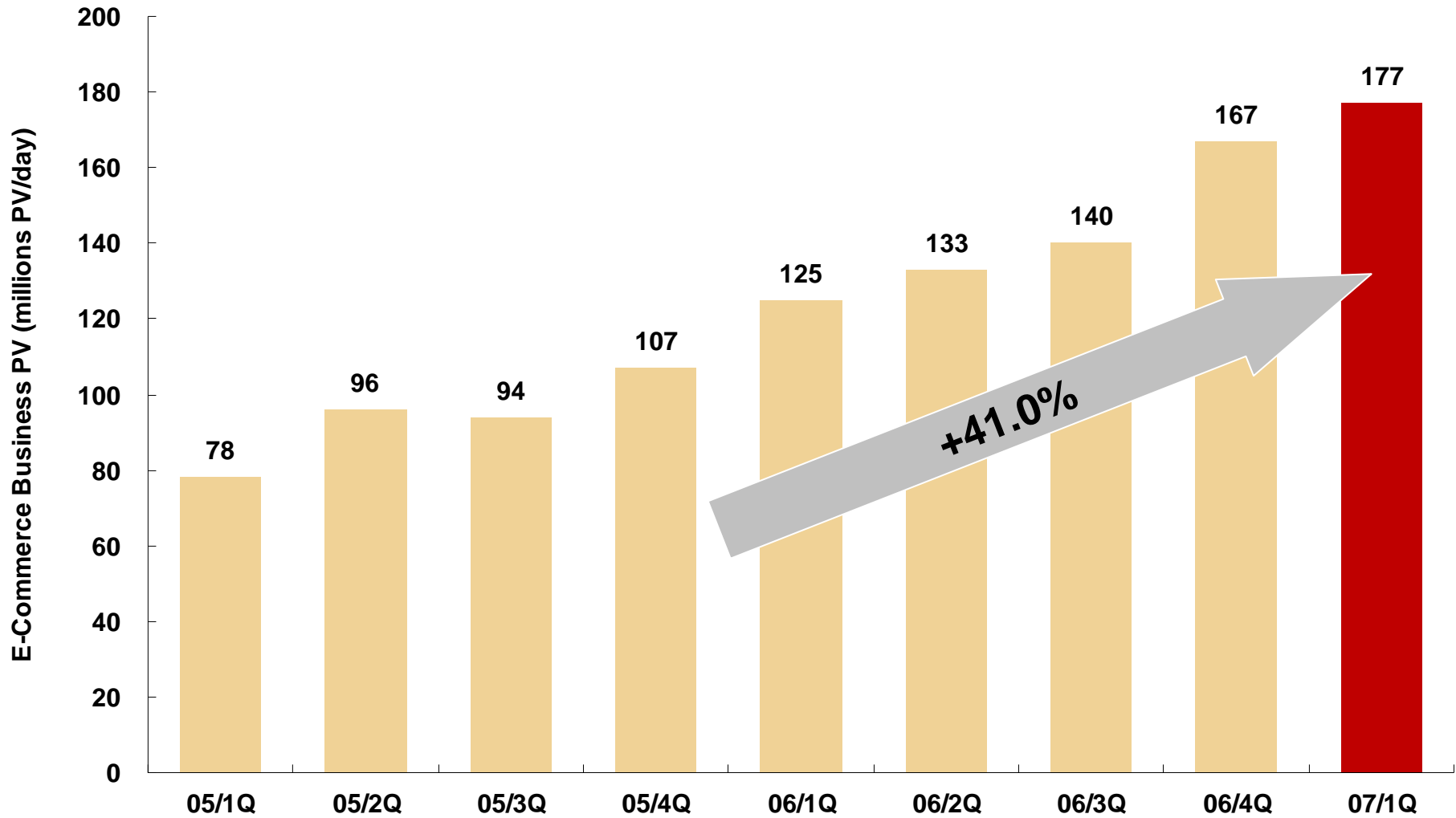
\*Gaps between "Rakuten Ichiba Business", page 22 and above are E-commerce businesses operated by Rakuten, Inc for Golf, Finewine, Auto and Dining.



\* From February 2005, charge to GMS below than 1 million sales per merchant started only for newly opened merchants since February 2005

\* From January 2006, charge to GMS below then 1 million sales per merchant started for all merchants

# PVs of E-Commerce Business



# LinkShare Corporation: 1Q Results

Pro forma (Excluding cost related to acquisition and retention bonus)



	05/4Q	06/1Q	06/1Q	06/3Q	06/4Q	07/1Q	
	Million US\$	Million US\$	Million US\$	Million US\$	Million US\$	Million US\$	Million Yen
<b>Net Sales</b>	14.1	12.1	12.1	11.4	15.6	13.0	1,534
<b>Operating Profit</b>	5.9	4.0	3.7	3.1	7.1	3.7	444
<b>Exchange Rate (1US\$)</b>	¥118.07	¥117.47	¥117.47	¥117.90	¥119.11	¥118.05	

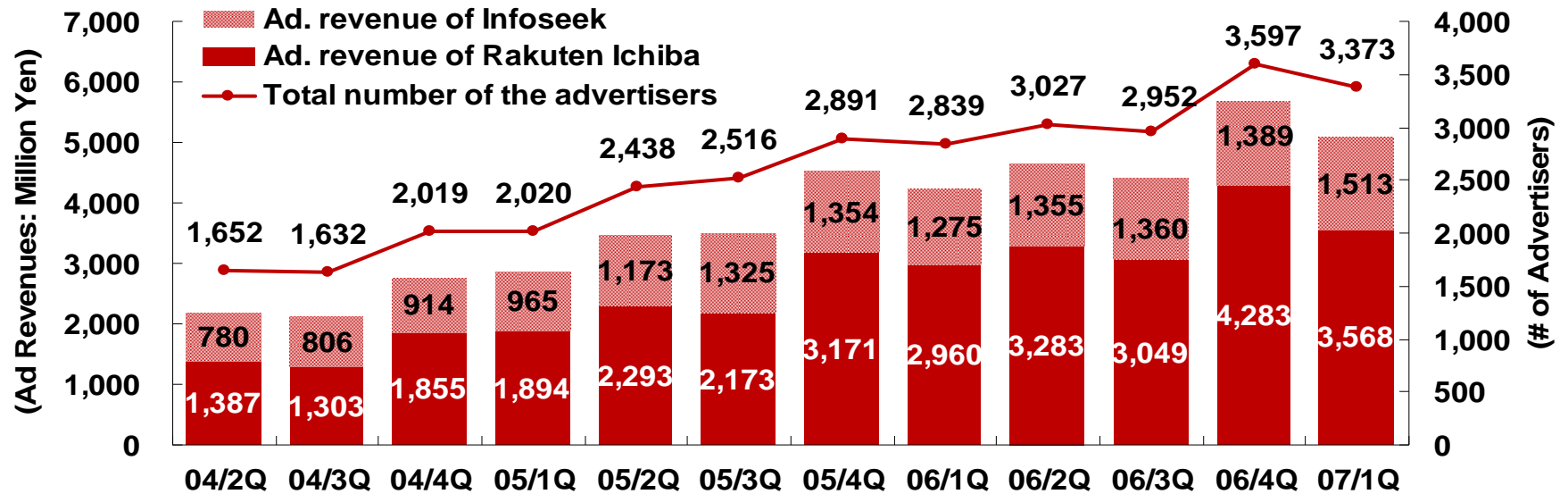
\*Consolidation from 4Q 2005

\*Pro forma (Excluding cost related to acquisition and retention bonus)

\*Excluding LinkShare Japan

# Group Advertising Revenues

07/1Q Advertising Revenues 5.0 Billion Yen, Growth +20.0% YoY



Rakuten Ichiba	1,387	1,303	1,855	1,894	2,293	2,173	3,171	2,960	3,283	3,049	4,283	3,568
Infoseek etc.	780	806	914	965	1,173	1,325	1,354	1,275	1,355	1,360	1,389	1,513
Total	2,167	2,110	2,770	2,859	3,467	3,498	4,525	4,236	4,638	4,410	5,673	5,081
Rakuten Ichiba	1,246	1,213	1,569	1,593	1,992	1,993	2,355	2,264	2,482	2,439	3,059	2,878
Infoseek etc.	406	419	450	427	446	523	536	575	545	513	538	495
Total	1,652	1,632	2,019	2,020	2,438	2,516	2,891	2,839	3,027	2,952	3,597	3,373

\*1 Excludes internal group sales \*2 Monthly average within each quarter

\*3 Until 06/1Q, the sum of Revenues from Infoseek and Ynot, from 06/2Q, including revenues of other Rakuten Group advertising

# Capital Expenditures

(Billion Yen)

		2006				2007
		1Q	2Q	3Q	4Q	1Q
Non-consolidated	Hardware	0.22	0.59	1.01	1.41	<b>0.2</b>
	Software	0.40	0.54	0.58	2.34	<b>0.56</b>
	<b>Total</b>	0.62	1.13	1.60	3.75	<b>0.77</b>
Consolidated	Hardware	0.97	0.69	1.51	1.95	<b>0.63</b>
	Software	0.94	1.08	0.93	3.32	<b>1.98</b>
	<b>Total</b>	1.92	1.78	2.45	5.28	<b>2.61</b>

\*Operating Base

\*Excluding Professional Sports and Realty funds

Property	Dec, 2006
Yahoo!	87.3
Rakuten	57.7
Microsoft	55.9
NTT	51.3
GMO	49.7
Nifty	45.7
NEC	45.2

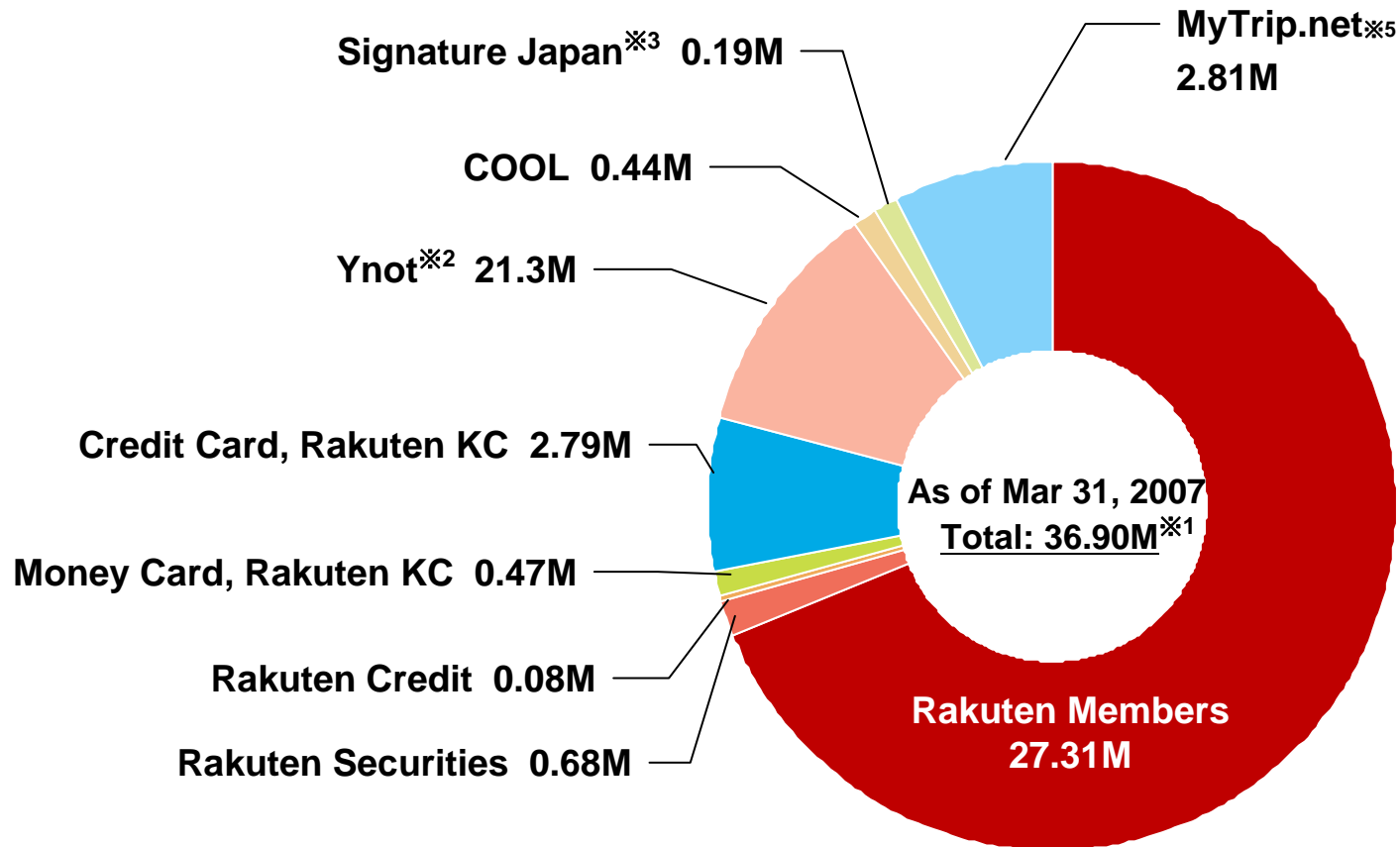
Property	Mar, 2007
Yahoo!	87.3
Rakuten	56.1
Microsoft	54.7
NTT	54.0
Google	50.0
GMO	48.0
Nifty Nifty	46.1



Source: NetRatings Home Panel

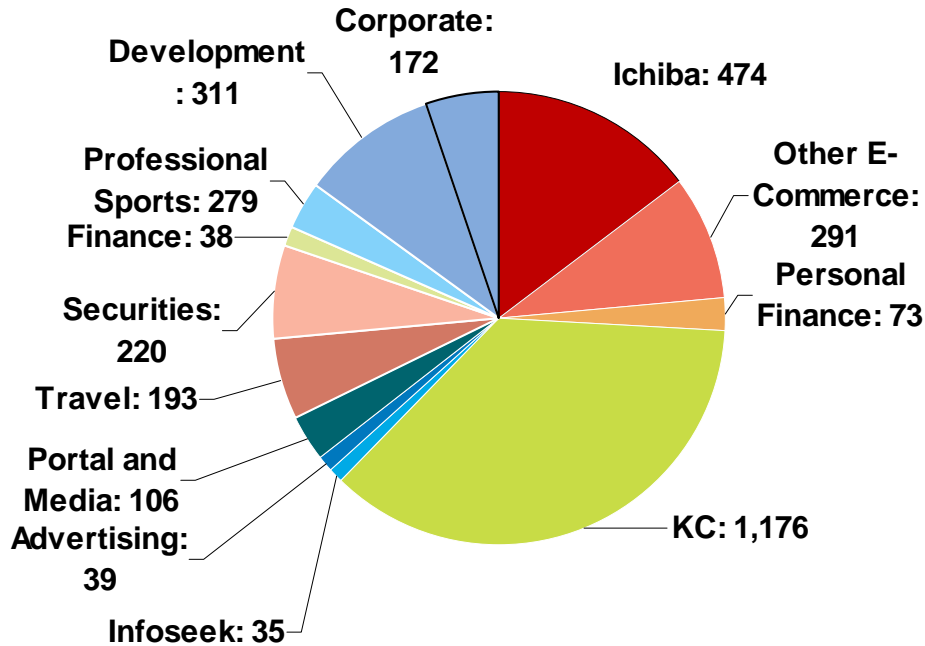


# Group Membership

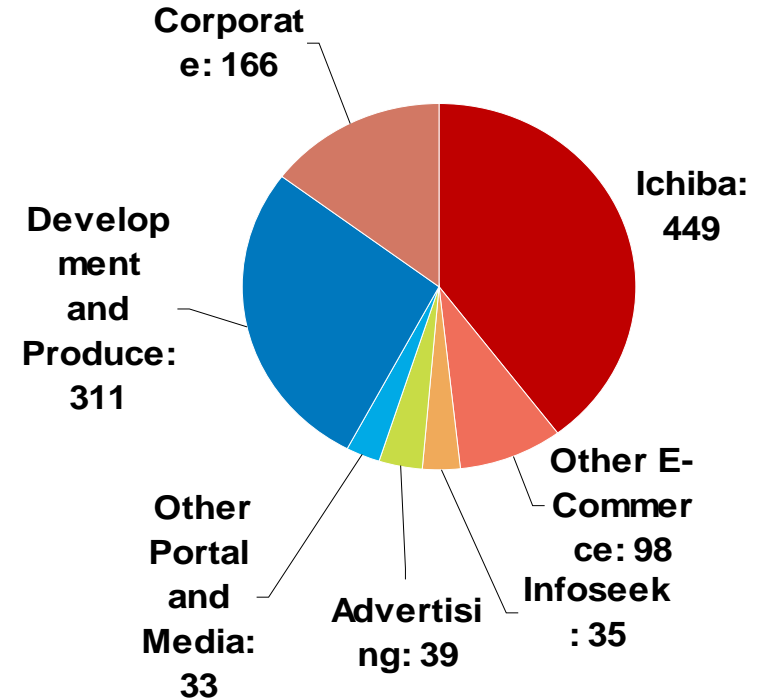


- \*1 Figures include duplication among services
- \*2 Includes members from co-branded services
- \*3 Includes automatic registration to service
- \*4 GORA members and Rakuten members merge
- \*5 MyTrip.net excludes members converted to Rakuten ID
- \*6 Ynot excluded members converted to Rakuten ID
- \*7 Infoseek members and Rakuten members merge
- \*8 Financial related business added from 2006/4Q

## Rakuten Group: 3,242



## Rakuten, Inc.: 1,131 (Non-consolidated)



\* As of Mar 31, 2007

\* Excluding directors, auditors and part-time workers

# Appendix: Rakuten KC

## Balance Sheet (Mar 31, 2007)

(Billion Yen; Amounts Less Than ¥0.1 Billion Omitted)

<b>CURRENT ASSETS</b>	<b>306.3</b>	<b>CURRENT LIABILITIES</b>	<b>220.2</b>
Cash and cash equivalents	54.0	Accounts payable; guarantee contracts	4.9
Installment accounts receivable	151.8	Short-term borrowings	166.8
Accounts receivable, guarantee contracts	4.9	Other current liabilities	48.5
Beneficial interest in securitized assets	81.6	<b>FIXED LIABILITIES</b>	<b>113.4</b>
Other current assets	43.5	Long-term borrowing	108.5
Allowances for bad debt	-29.7	Allowance for interest repayment	4.1
		Other current fixed liabilities	0.7
		<b>TOTAL LIABILITIES</b>	<b>333.6</b>
<b>FIXED ASSETS</b>	<b>44.8</b>	<b>EQUITY</b>	<b>17.5</b>
Tangible fixed assets	16.0	Common stock	3.0
Land and buildings	14.8	Capital surplus	51.3
Other tangible fixed assets	1.1	Retained earnings	-20.7
Intangible fixed assets	2.8	Accumulated deficit	-16.0
Investment and other assets	27.6	<b>Valuation and translation adjustments</b>	<b>0.0</b>
Allowances for bad debt	-1.6	<b>TOTAL NET ASSETS</b>	<b>17.4</b>
<b>TOTAL ASSETS</b>	<b>351.1</b>	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>351.1</b>

\*Total securitized loan receivables: 177.6 billion yen

# Rakuten KC: Transaction Volume and Revenues

Composition of Transaction Volume

(Million Yen)

	06/1Q	06/2Q	06/3Q	06/3Q	06/4Q	07/1Q		
						Results	% of total	YoY change
General services	43,509	56,971	67,406	67,406	79,731	80,940	67.7%	86.0%
Card shopping	39,588	52,972	63,632	63,632	75,546	78,698	65.8%	98.8%
Other	3,921	3,999	3,774	3,774	4,185	2,243	1.9%	- 42.8%
Financing	44,902	50,922	52,357	52,357	44,586	33,986	28.4%	- 24.3%
Card cash advances	30,234	28,894	28,913	28,913	26,318	20,990	17.5%	- 30.6%
Loan card	14,660	22,028	23,444	23,444	18,268	12,996	10.9%	- 11.3%
Other financing	8	0	0	0	0	0	0.0%	- 100.0%
Installment	16,632	13,527	25,882	25,882	5,618	11	0.0%	- 99.9%
Credit guarantee	51,243	37,020	19,297	19,297	8,074	2,858	2.4%	- 94.4%
Other	3,751	3,396	2,686	2,686	1,876	1,820	1.5%	- 51.5%
Total transaction volume	160,037	161,836	167,628	167,628	139,885	119,616	100.0%	- 25.3%

Composition of Revenues

(Million Yen)

	06/1Q	06/2Q	06/3Q	06/3Q	06/4Q	07/1Q		
						Results	% of total	YoY change
General services	1,560	1,837	2,051	2,051	2,349	2,390	15.0%	53.2%
Card shopping	1,390	1,667	1,886	1,886	2,179	2,252	14.2%	62.0%
Other	170	170	164	164	170	138	0.9%	- 18.8%
Financing	12,368	12,857	12,948	12,948	12,987	12,415	78.0%	0.4%
	(14,743)	(13,540)	(11,158)	(11,158)	(11,398)	(11,210)		- 24.0%
Card cash advance	8,005	8,234	7,995	7,995	8,032	7,603	47.8%	- 5.0%
	(9,477)	(8,744)	(6,648)	(6,648)	(6,835)	(6,538)		- 31.0%
Loan card	4,293	4,560	4,896	4,896	4,902	4,751	29.9%	10.7%
	(5,197)	(4,733)	(4,453)	(4,453)	(4,509)	(4,610)		- 11.3%
Other financing	70	64	57	57	53	61	0.4%	- 12.9%
Installment	1,642	1,465	1,493	1,493	480	1	0.0%	- 99.9%
	(1,606)	(1,434)	(1,467)	(1,467)	(472)	(001)		- 99.9%
Credit guarantee	2,077	1,239	662	662	420	280	1.8%	- 86.5%
Other	888	829	842	842	846	727	4.6%	- 18.1%
Financing revenues	163	215	264	264	173	100	0.6%	- 38.7%
Total revenues	18,696	18,441	18,260	18,260	17,256	15,913	100.0%	- 14.9%
	(21,036)	(19,094)	(16,444)	(16,444)	(15,658)	(14,708)		- 30.1%

Note: Revenues include adjustments for current market value of securitization

# Rakuten KC: Expenses, Loan Receivables & Membership



## SG&A and General Expenses

### Operating Expenses

(Million Yen)

	06/1Q	06/2Q	06/3Q	06/4Q	07/1Q		
					Results	% of total	YoY change
Personnel cost	3,320	3,381	3,069	2,379	1,900	12.4%	- 42.8%
General expenses	5,489	5,749	6,216	5,657	4,776	31.2%	- 13.0%
Interest expenses	2,322	2,198	2,148	1,797	1,494	9.8%	- 35.7%
Bad debt-related expenses	8,928	7,595	12,962	3,887	6,051	39.5%	- 32.2%
Interest repayment expenses	567	646	689	144	1,090	7.1%	-
<b>Total operating expenses</b>	<b>20,626</b>	<b>19,569</b>	<b>25,084</b>	<b>13,864</b>	<b>15,312</b>	<b>100.0%</b>	<b>- 25.8%</b>

## Balance of Loan Receivables

	06/1Q	06/2Q	06/3Q	06/4Q	07/1Q		
					Results	% of total	YoY change
General services	47,414	54,617	55,733	62,198	60,825	15.0%	28.3%
Card shopping	40,349	47,653	49,087	55,376	54,927	13.5%	36.1%
Other	7,065	6,964	6,646	6,822	5,898	1.5%	- 16.5%
Financing	244,724	259,151	271,703	273,830	269,673	66.5%	10.2%
Card cash advances (securitized)	121,410 (85,273)	125,924 (98,091)	129,015 (95,646)	128,451 (90,589)	126,117 (92,437)	31.1% 22.8%	3.9% 8.4%
Loan card (securitized)	90,759 (70,466)	99,781 (81,464)	108,487 (81,964)	110,941 (79,371)	109,482 (85,186)	27.0% 21.0%	20.6% 20.9%
Other financing	32,555	33,446	34,201	34,438	34,074	8.4%	4.7%
Installment (securitized)	115,366 (17,554)	112,808 (14,495)	121,471 (8,787)	1,158	1,166	0.3%	- 99.0%
Credit guarantee (off-balance guarantees)	402,845 (214,343)	389,609 (217,724)	356,445 (196,450)	51,197 (46,144)	50,013 (45,100)	12.3% 11.1%	- 87.6% - 79.0%
Other	37,303	34,342	31,134	27,530	24,052	5.9%	- 35.5%
<b>Total operating receivables</b>	<b>847,652</b>	<b>850,527</b>	<b>836,486</b>	<b>415,913</b>	<b>405,729</b>	<b>100.0%</b>	<b>- 52.1%</b>
(as presented on balance sheet)	422,713	404,411	422,505	172,279	158,954	39.2%	- 62.4%

## Number of Current Cardholders

	06/1Q	06/2Q	06/3Q	06/4Q	07/1Q	
					Results	YoY change
Credit Card	2.25	2.43	2.58	2.67	2.79	24.0%
(Rakuten Card)	0.21	0.31	0.39	0.48	0.57	171.4%
Loan Card	0.49	0.50	0.50	0.47	0.47	-4.1%

## Balance Sheet (Mar 31, 2007)

(Billion Yen; Amounts Less Than ¥0.1 Billion Omitted)

<b>CURRENT ASSETS</b>	<b>74.5</b>	<b>CURRENT LIABILITIES</b>	<b>25.2</b>
Cash and cash equivalents	2.3	Short-term borrowings	23.3
Loan receivables	64.1	Other current liabilities	1.9
Beneficial interest in securitized assets	7.8		
Other current assets	-0.8	<b>FIXED LIABILITIES</b>	<b>45.0</b>
Allowances for bad debt	-0.6	Long-term borrowing	45.0
		Other current fixed liabilities	0
		<b>TOTAL LIABILITIES</b>	<b>70.2</b>
		<b>EQUITY</b>	<b>6.3</b>
<b>FIXED ASSETS</b>	<b>2.2</b>	Capital stock	4.4
Tangible fixed assets	0	Capital surplus	3.4
Intangible fixed assets	0.5	Accumulated deficit	-1.5
Investment and other assets	1.6	Treasury stock	0
		Valuation and translation adjustments	0.1
		<b>TOTA NET ASSETS</b>	<b>6.4</b>
<b>TOTAL ASSETS</b>	<b>76.7</b>	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>76.7</b>

### Effect of Securitization of Loan Receivables to Operating Profit in Credit and Payment Business

(Billion Yen)

	06/Jan-Mar	06/Oct-Dec	07/Jan-Mar
Rakuten KC Effect of new securitization of new loan receivable	3.7	-	0.2
Rakuten KC Effect of past securitization of loan receivable	-1.3	-1.6	-1.4
Rakuten Credit Effect of new securitization of loan receivable	-	-	0.9
Rakuten Credit Effect of past securitization of loan receivable	-	-	-
Credit and Payment Effect of securitizing of loan receivable (Total)	2.3	-1.6	-0.3
Rakuten KC Difference by gap of fiscal year	-	0.5	-0.5



楽天