

Fiscal Year 2009 Second Quarter Financial Results

August 7th, 2009
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.

1 FY2009 Second Quarter Results and Strategy

2 Operating Results of Key Businesses

1. Rakuten Ichiba Business
2. Travel Business
3. Credit Card Business
4. Banking Business
5. Securities Business
6. Professional Sports Business
7. Telecommunication Business

3 Balance Sheets

Appendix

1

FY2009 Second Quarter Results and Strategy

1. Sales of Internet services showed strong growth despite a volatile economy, increased by +27.2% (YoY basis, total of E-Commerce, Travel and Portal Media businesses)
2. Achieved profit in Banking Segment, promptly realized management reforms after consolidation
3. Recovery in the ordinary profit of Rakuten Securities Holdings by +33.1%
4. Consolidated Ordinary Income up +27.8% by improvement of cost culture
5. 09/Q2 Net income expanded by +138.7% as a result of increased EBT and tax assets

Summary of Consolidated Results FY2009 Q2 Rakuten

(Billion Yen)

	08/Q2	09/Q2 (Apr-Jun 2009)			
	Apr-Jun '08	Incl. eBANK G ^{*1}	YoY	Excluding eBANK G. ^{*1}	YoY
Sales	62.2	73.4	+17.9%	66.5	+6.8%
Operating Income	11.0	13.6	+23.1%	13.0	+18.4%
Ordinary Income	10.4	13.2	+27.8%	12.7	+22.8%
EBITDA ^{*2}	15.9	19.2	+20.5%	18.6	+17.3%
Net Income	5.4	12.8	+138.7%	12.4	+130.3%

*1:eBANK Group, newly consolidated from Q1 2009. eBANKG=Banking Business Segment at Rakuten Group – Rakuten Credit results (see page 36)

*2:EBITDA=Ordinary Profit +Interest expense + Depreciation + Amortization of goodwill-Effect of securitizing loan receivables

Summary of Consolidated Results FY2009 Q2 by Business



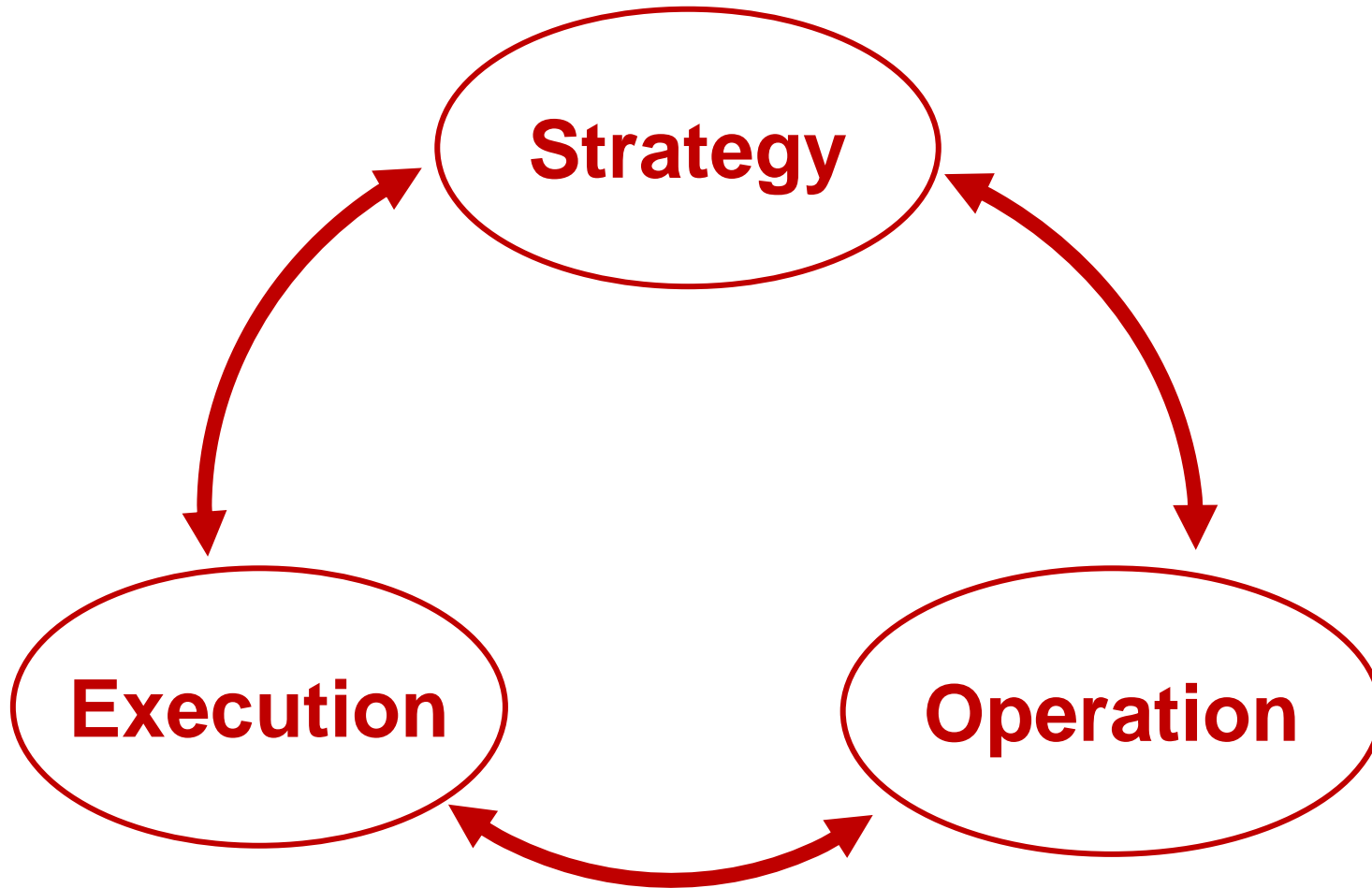
(Billion Yen)

Category	Business Segment	2008/Q2 (Apr-Jun 2008)			2009/Q2 (Apr-Jun 2009)				
		Sales	OP	OPM	Sales	YoY	OP	YoY	OPM
Internet Services	E-Commerce Travel Portal and Media *1	29.5	6.8	23.3%	37.5	+27.2%	10.2	+49.5%	27.4%
Internet Finance	Credit Card*2 Banking *2.3 Securities	22.7	3.6	16.1%	29.2	+28.4%	2.8	-22.0%	9.8%
Others	Telecommunication Professional Sports	11.9	0.5	4.9%	9.5	-20.2%	0.3	-33.1%	4.1%
Corporate Internal eliminations		-1.9	-0.0	-	-2.9	-	0.0	-	-
Consolidated		62.2	11.0	17.7%	73.4	+17.9%	13.6	+23.1%	18.5%

*1: Started consolidation with O-net in Q4 2008, ShowTime in Q2 2009

*2: Credit and Payment business divided into Credit Card Business and Banking Business from Q1 2009

*3: Started consolidation with eBANK in Q1 2009





- Further investment in new services and future opportunities
- Continued efforts in overseas operations

International Shipping Service : Shipment to Overseas Users from Rakuten Ichiba



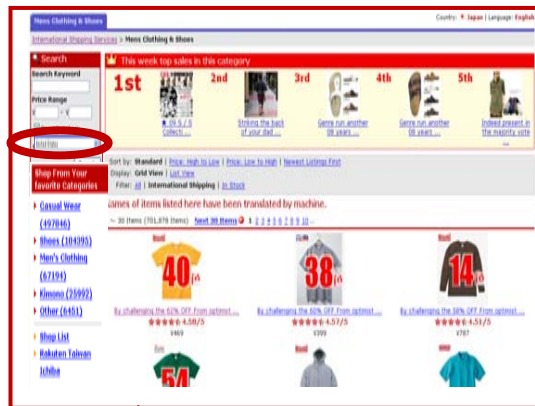
- Favorable gross merchandise sales trend with improved search functions and strengthened of sales team

Improved search functions :
e.g. Search results sorted by
deliverable countries / regions

Strong GMS have been made since
strengthening sales team in early
2009



New look of web
tool for merchants



Deliverable
countries can
be selected
by merchants


List of deliverable
items will be shown
by countries/regions
for users

GMS for International Shipping Services
New Team





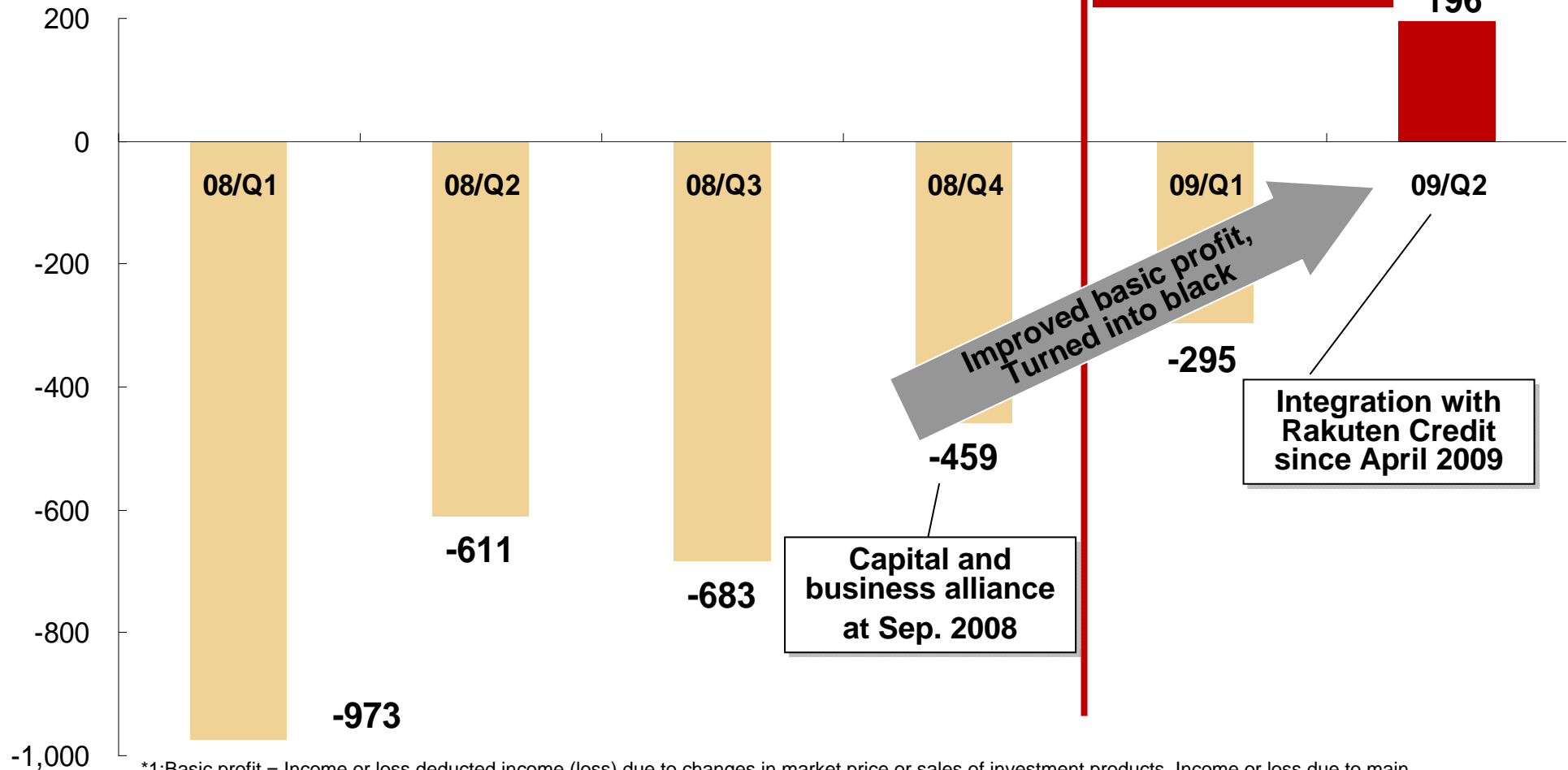
Execution

- 
- Achieved profit in eBANK
 - GMS growth momentum maintained
 - Increased group membership and Cross-use ratio

■ Improved “basic profit” of eBANK since consolidated.

Turned into the black in 09/Q2

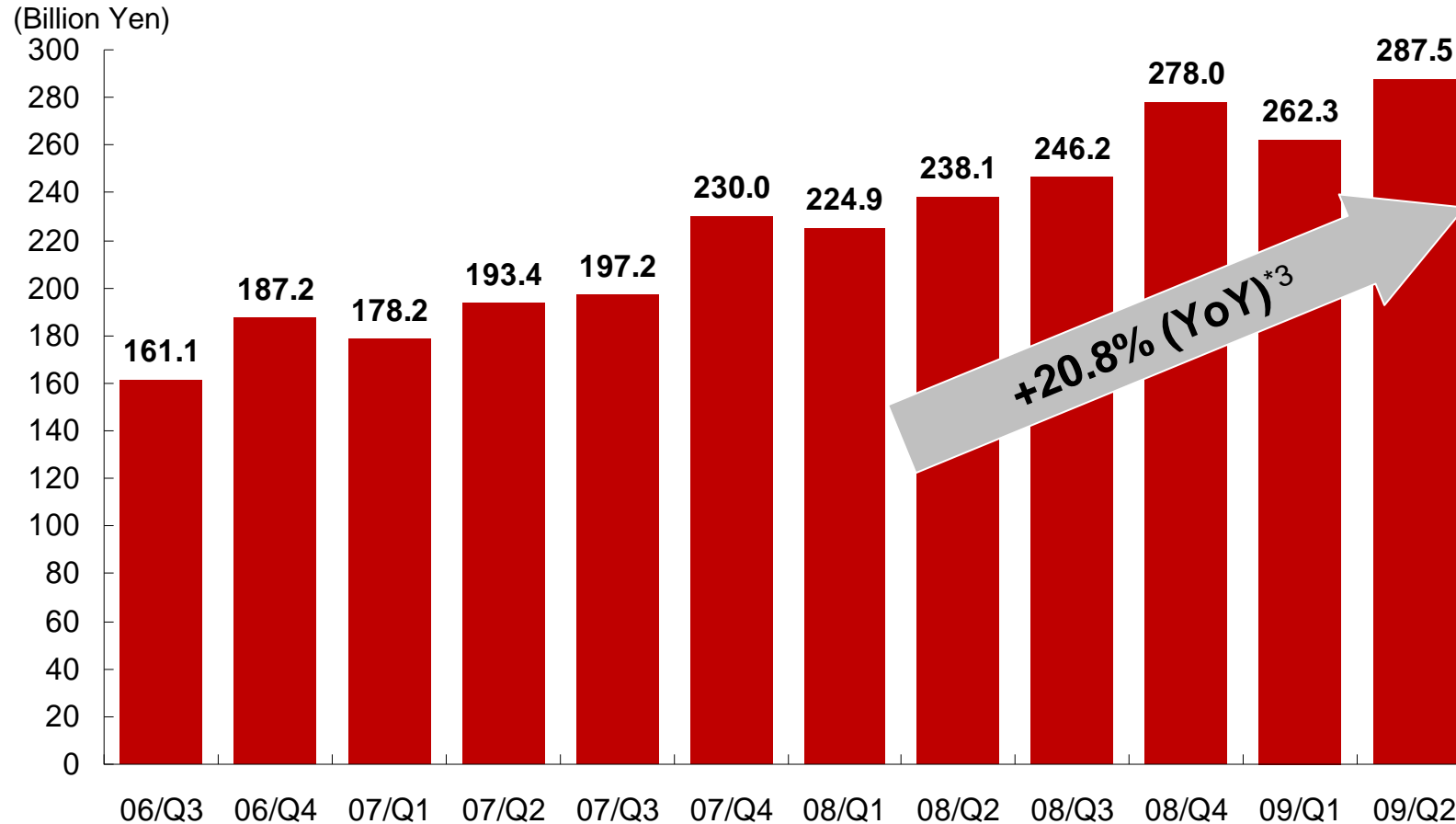
(Million Yen)



*1: Basic profit = Income or loss deducted income (loss) due to changes in market price or sales of investment products. Income or loss due to main business of eBANK excluded temporary evaluation gain (loss) such as investment.

*2: 275 million yen of basic profit from loan business included in basic balance in 09/Q2 (see page 36)

- Maintained GMS growth momentum, a key indicator of top line
- Domestic E-Commerce^{*1} + Rakuten Travel GTV^{*2} grew by +20.8% (YoY)



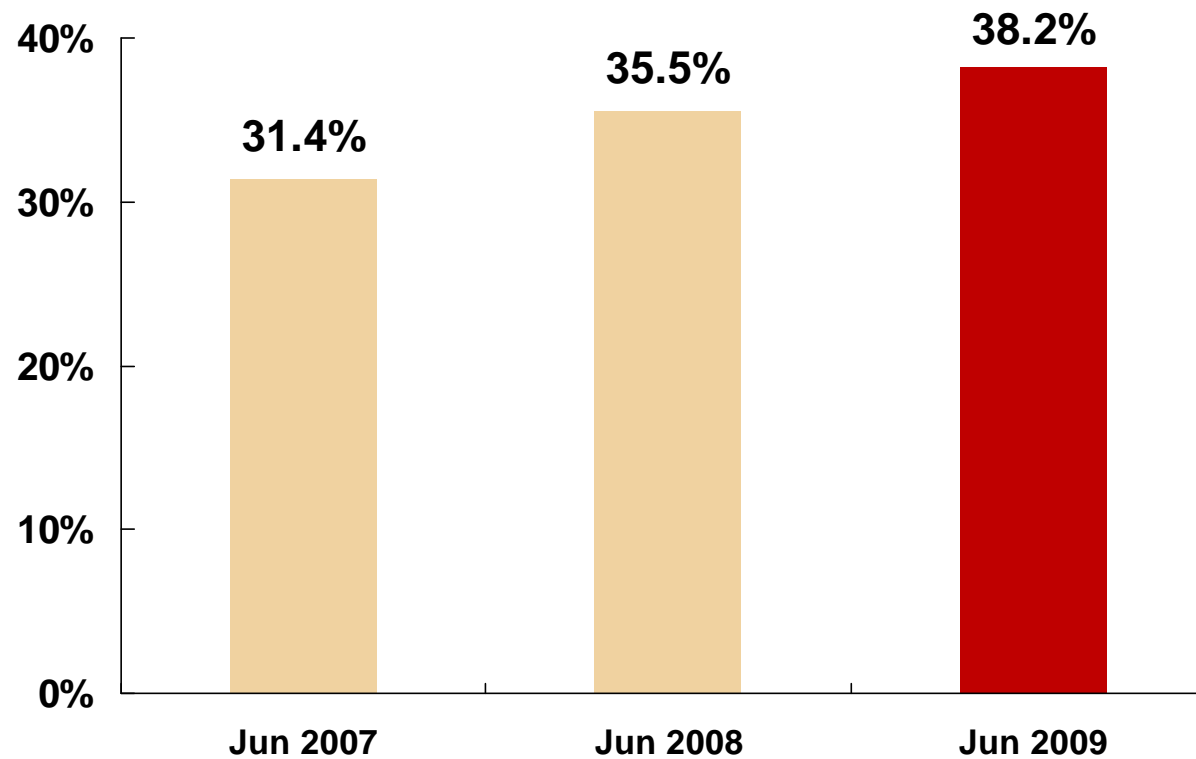
*1 Domestic E-Commerce = Mall (fixed-price, Group Buy), Mobile, Auction (incl. flea market), Books, GORA, Business, Download, Ticket

*2 Travel (Booking base) = GMS (before cancellation, converted into prices without tax) at the booking stage

= Domestic / International hotel room booking, International tickets, Domestic bus, Domestic/ International DP, Rental car service

- Personalization and point program strategy were successful
- Strong cross-use with travel service

Multiple Services Utilization Ratio



* Purchasing ratio of Rakuten members who have utilized other Rakuten services during the past 12 months of the listed month.

* Applicable services are limited to those which can earn Rakuten Super Points



Operation

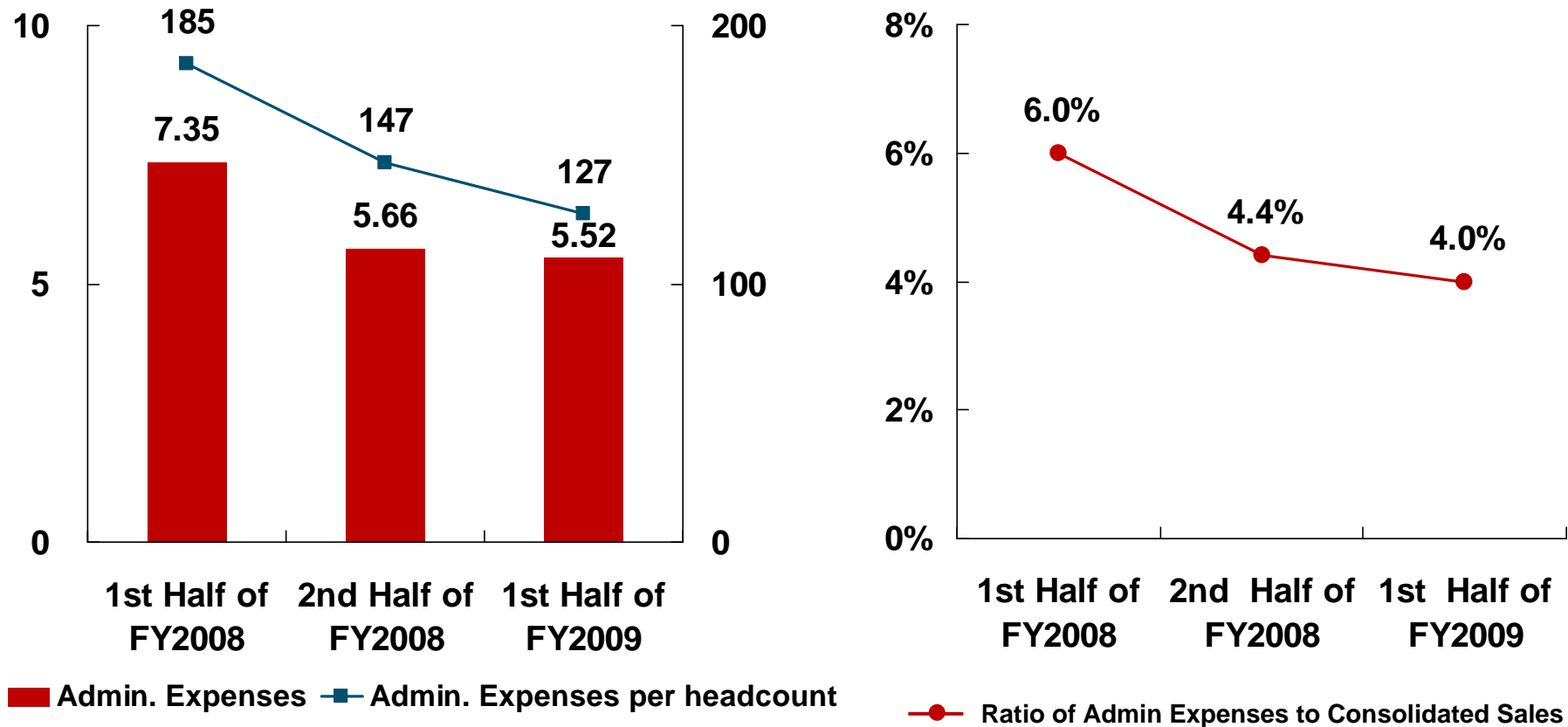
- Ongoing effort with Project V2
(cost cutting initiative)
- Streamline operation by
reduction of administrative cost
(cost of the corporate staff
departments)

■ Achieved lean operation with improved administrative efficiencies

Admin. Expenses*
in Billion Yen

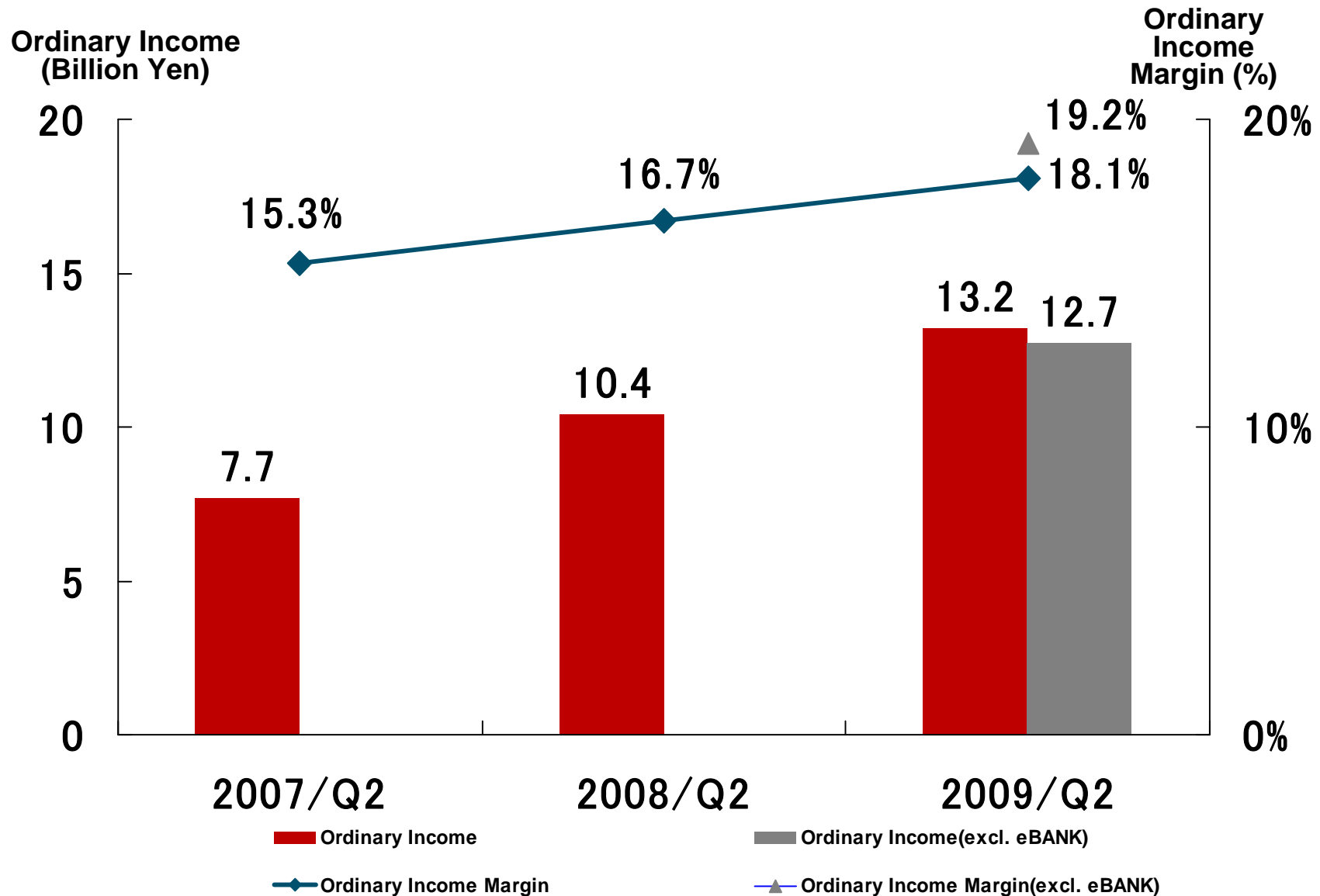
Admin. Expenses
per headcount
in Thousand Yen

Ratio of Admin Expenses
to Consolidated Sales



*Cost of the corporate staff departments

Both Ordinary Income and Margin Increased (Q2 of Previous Years Compared)



2 Operating Results of Key Businesses

1. Rakuten Ichiba Business
2. Travel Business
3. Credit Card Business
4. Banking Business
5. Securities Business
6. Professional Sports Business
7. Telecommunication Business

2 -1 Rakuten Ichiba Business

■ Sales and operating income still growing



- Growth continued for GMS (+22.4%)
- Sales growth +20.9% (YoY), operating income growth +39.3 % (YoY)

■ Increased number of merchants in various category



- Number of merchants 28,969
- Success in acquiring famous shops strategy
- Alliance with Tokyu Store for online supermarket business

■ Increase of unique buyers

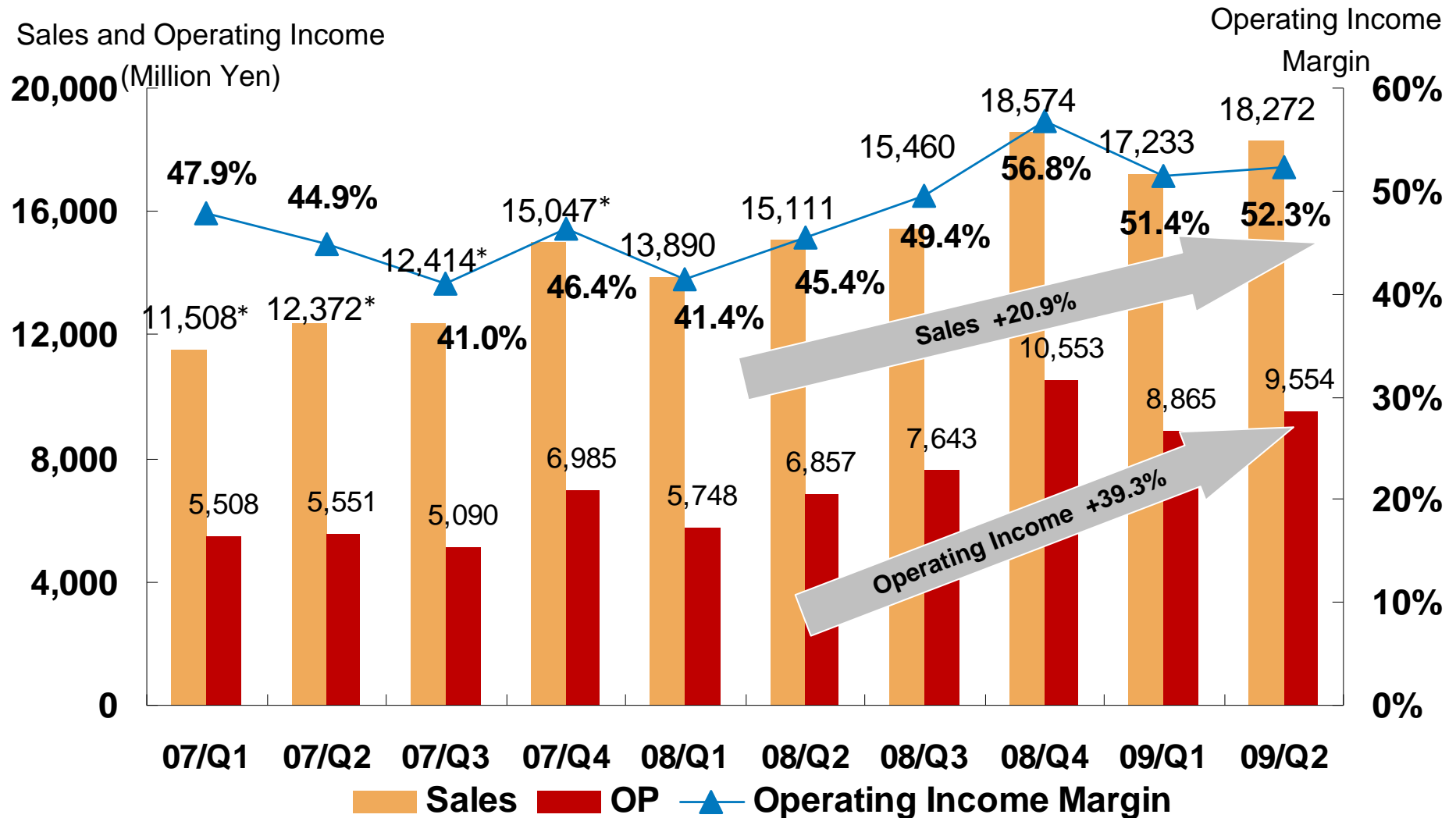


- Number of unique buyers up by+22.0% (YoY), lead GMS growth
- Improved new member ratio
- Healthy growth of mobile GMS by improvement of search function and usability

Rakuten Ichiba Quarterly Results



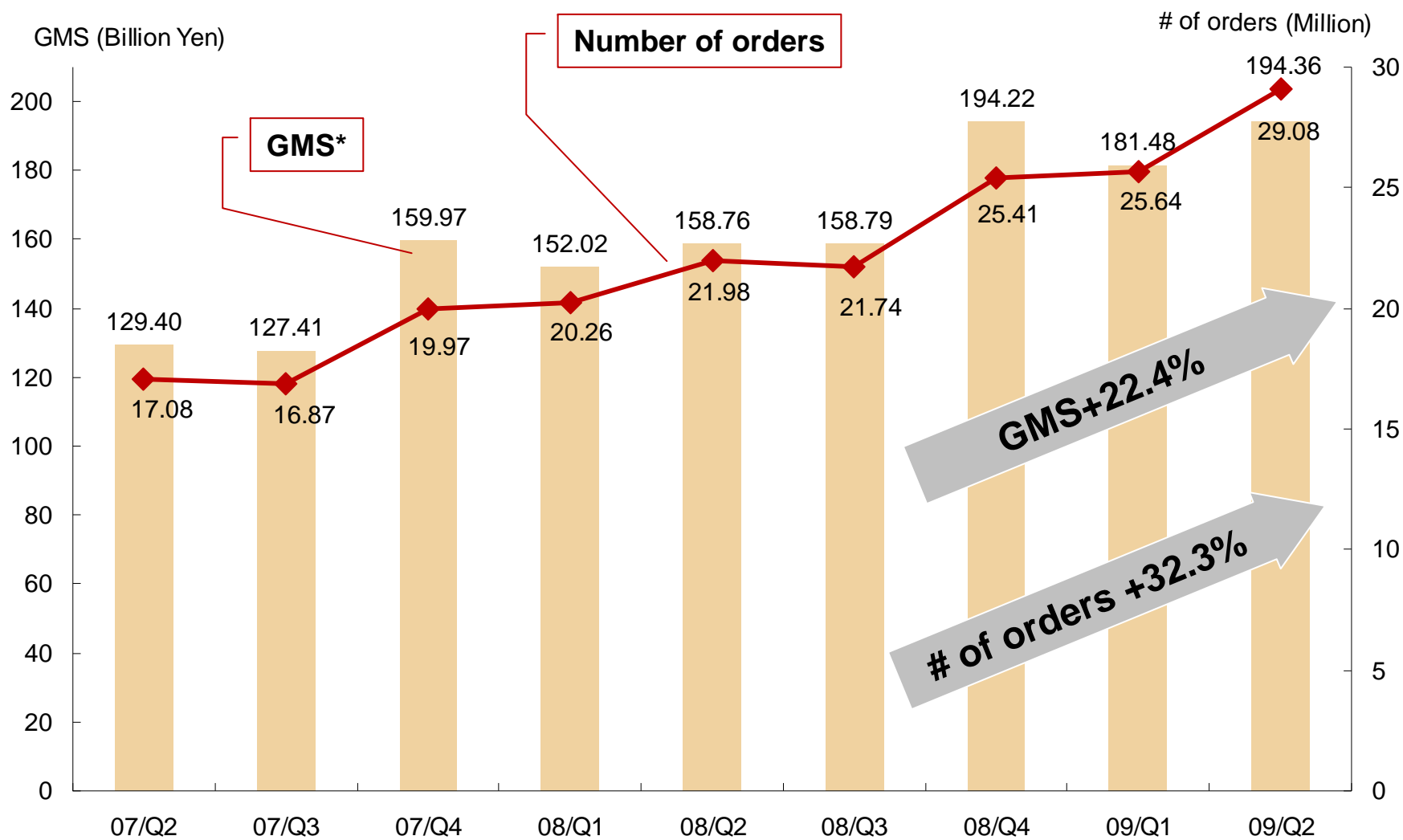
■ Sales growth +20.9% (YoY), operating income growth +39.3% (YoY)



* Original base which before Sales adjustment due to bookings change for internal transaction of Group Ads

GMS*¹ (Rakuten Ichiba and Rakuten Books) Rakuten

■ **GMS for Rakuten Ichiba & Rakuten Books maintains growth by + 22.4% (YoY)**



*1 GMS = Mall (Fixed-price, Group Buy), Mobile (Fixed-price, Group Buy) and Rakuten Books

Rakuten Ichiba Buyer Metrics*1



- Growth continued for unique buyers (+22.0% YoY)
- Average # of quarterly transactions per buyer reached 3.51

	2007/Q2	2007/Q3	2007/Q4	2008/Q1	2008/Q2	2008/Q3	2008/Q4	2009/Q1	2009/Q2
Unique buyers (Thousands)*2	5,140	5,180	5,810	5,950	6,330	6,370	7,030	7,170	7,720
# of Transactions (Thousands)	16,140	15,800	18,690	18,850	20,780	20,650	24,190	24,050	27,110
Average # of Transactions per Buyer	3.14	3.05	3.22	3.17	3.28	3.24	3.44	3.35	3.51
Average price of per Transactions	¥7,814	¥7,822	¥8,298	¥7,804	¥7,443	¥7,509	¥7,844	¥7,346	¥6,970
Quarterly GMS Per Buyer *3	¥24,527	¥23,827	¥26,687	¥24,726	¥24,413	¥24,327	¥26,969	¥24,637	¥24,449

*1 Based on e-mail address: Fixed-Price and Group Buy introduced in Rakuten Ichiba and mobile

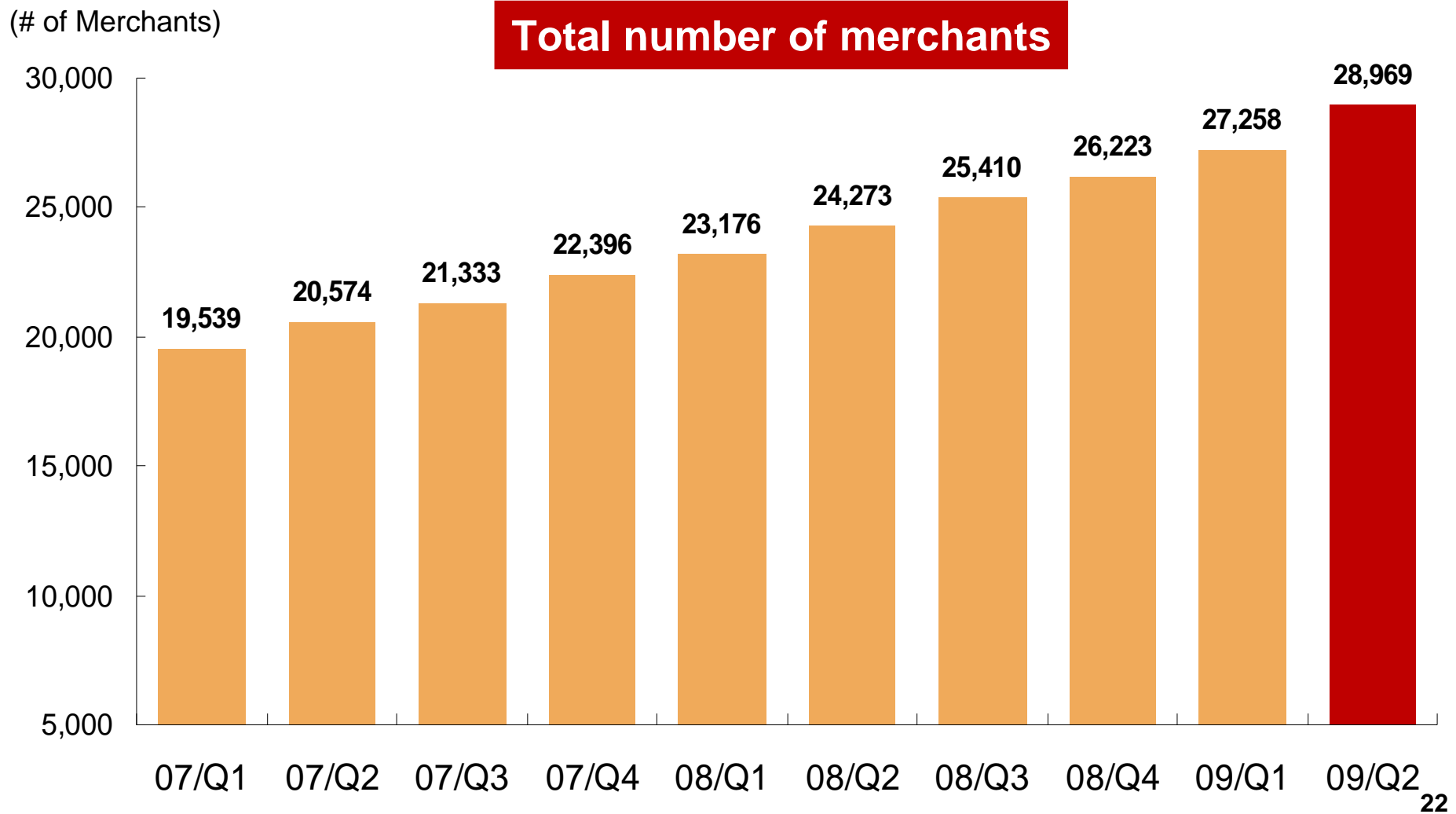
*2 Unique Buyers: Number of buyers sorted by e-mail address with purchasing records during the listed 3 month period.

*3 Quarterly GMS Per Buyer = GMS (Rakuten Ichiba) / Unique Buyers

Number of Merchants



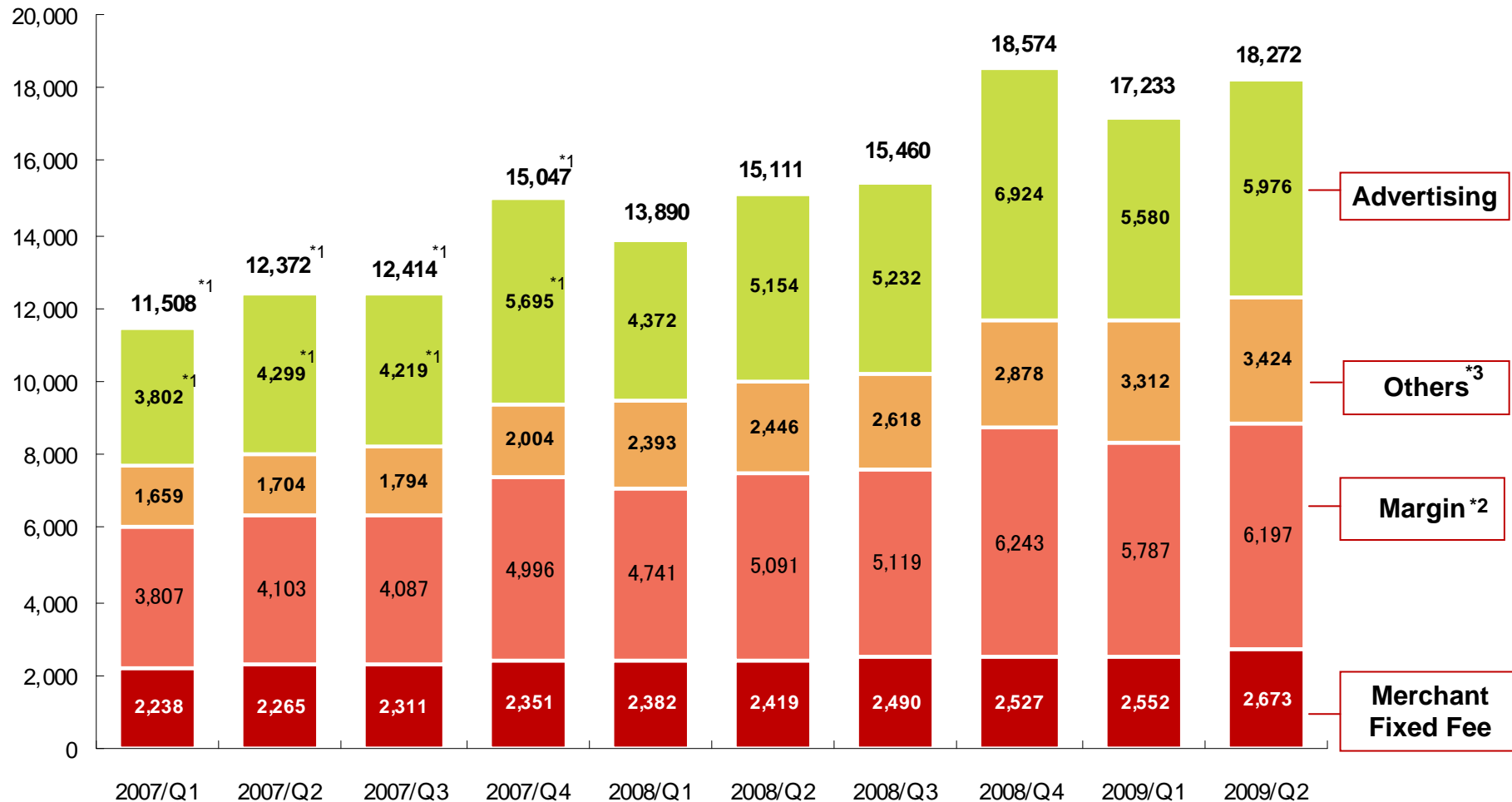
■ Continuous growth of total number of merchants; +19.3%



Rakuten Ichiba Sales Breakdown



(Million Yen)



*1 Sales before adjustment due to bookings change for internal transaction of Group Ads

*2 Less contribution due to the integration of Rakuten Books (08/Q1 -140M, 08/Q2 -130M, 08/Q3 -110M, 08/Q4 -130M, 09/Q1 -140M, 09/Q2 -160M)

*3 Fine Wine Business, Stuffed Animal Business and Greeting Card Business integrated into Rakuten Ichiba in 08/Q1

Focus on Online Supermarket Business: Alliance with Tokyu Store



Tokyu store opens online store at Rakuten online supermarket site (starts from Oct.)

- ◆ **Delivery area** :Tokyu Denen-toshi line Kanagawa prefecture area, expand stores and items in the future
- ◆ **Items** :fresh produce (fruit and vegi, fish, meat), prepared food, alcohol, common food, living ware etc, 4200 items

<Rakuten group's online supermarket business : shokutaku.jp>



<Tokyu online supermarket Top page>



2 -2 Travel Business

■ Dramatic increase in operating income



■ Operating income increased (+22.6% YoY) by growth in revenue and cost control

■ Recovery of growth in the gross transaction volume

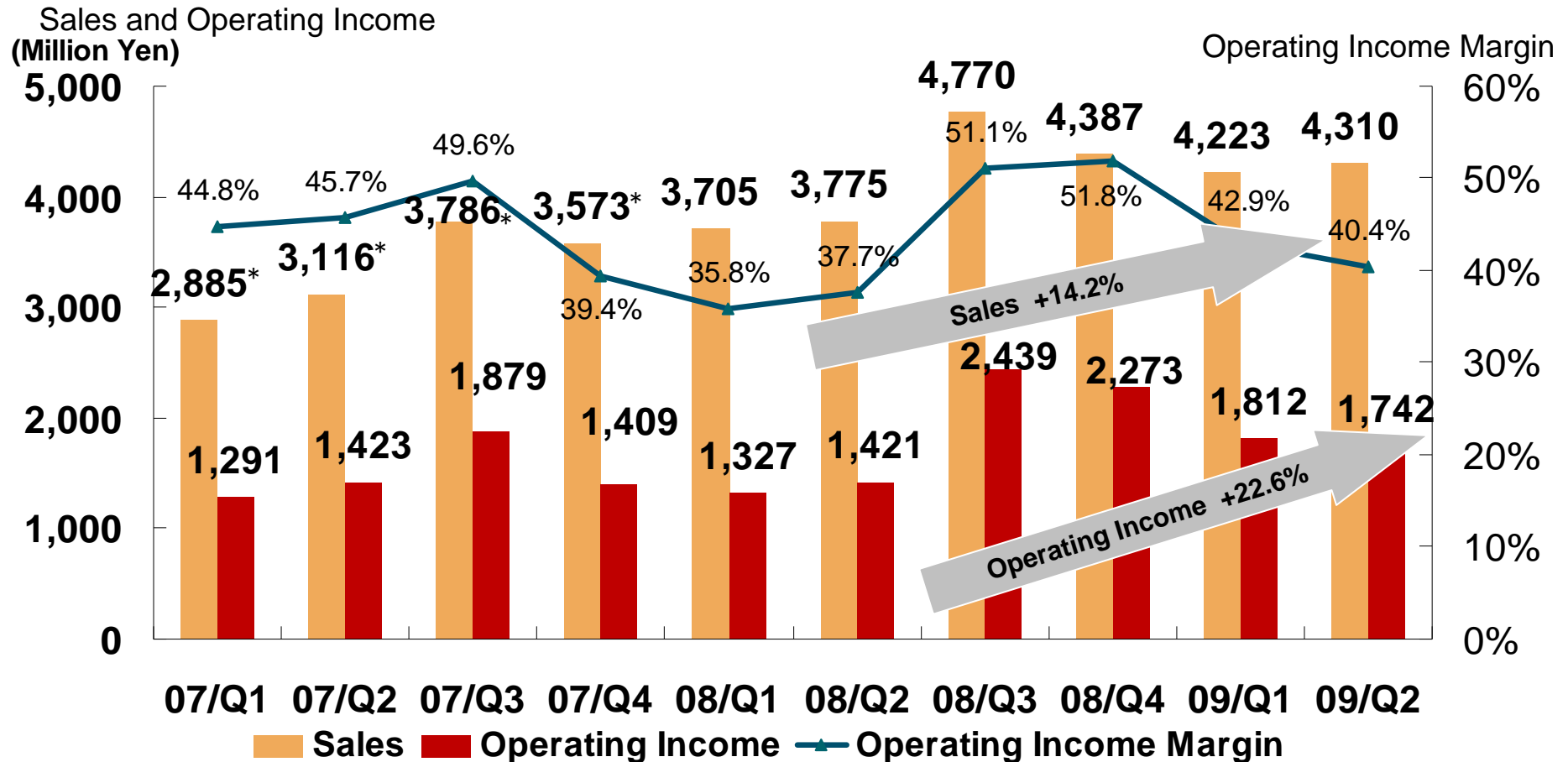
■ Improved Growth Booking Transaction Volume +16.7% (QoQ +6.2pts)

■ Favorable reservation trend for May Holiday and summer holiday

Rakuten Travel Quarterly Results



- Sales continued to grow by +14.2% (YoY)
- Significant operating income improvement marking +22.6% (YoY)

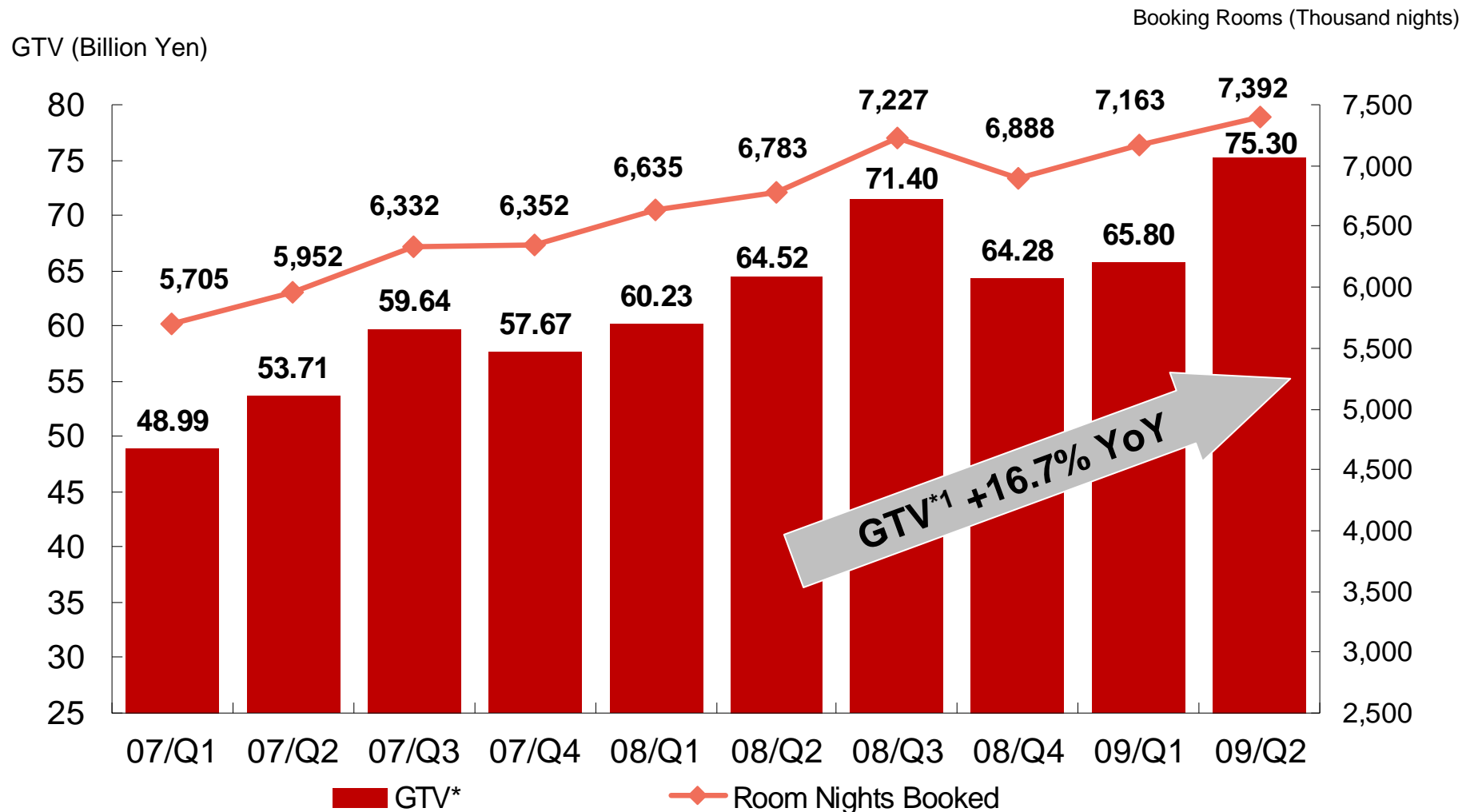


*Original base which before sales adjustment due to internal bookings change for Group Ads

Travel Business Gross Booking Transaction Volume



■ Continuous increase in leisure demand led to higher Travel GTV*¹ (+16.7% YoY)



*1 Travel GTV = Booking base
= Domestic / International hotel room booking, International tickets, Domestic/ International DP, Domestic bus, Rental car service

2 -3 Credit Card Business

■ Steady growth in Rakuten Card operation



- Acceleration of customer acquisition with leverage of group member base
- Continuous growth in shopping revolving balance +81.1% (YoY)

■ Improvement in collecting operation



- Continuously succeeded in debt-collection decreasing total debt amount despite increased number of users
- Establishment of an operation to manage 30+ days delinquent loan level at around 3 billion yen

■ Measures for improving profitability



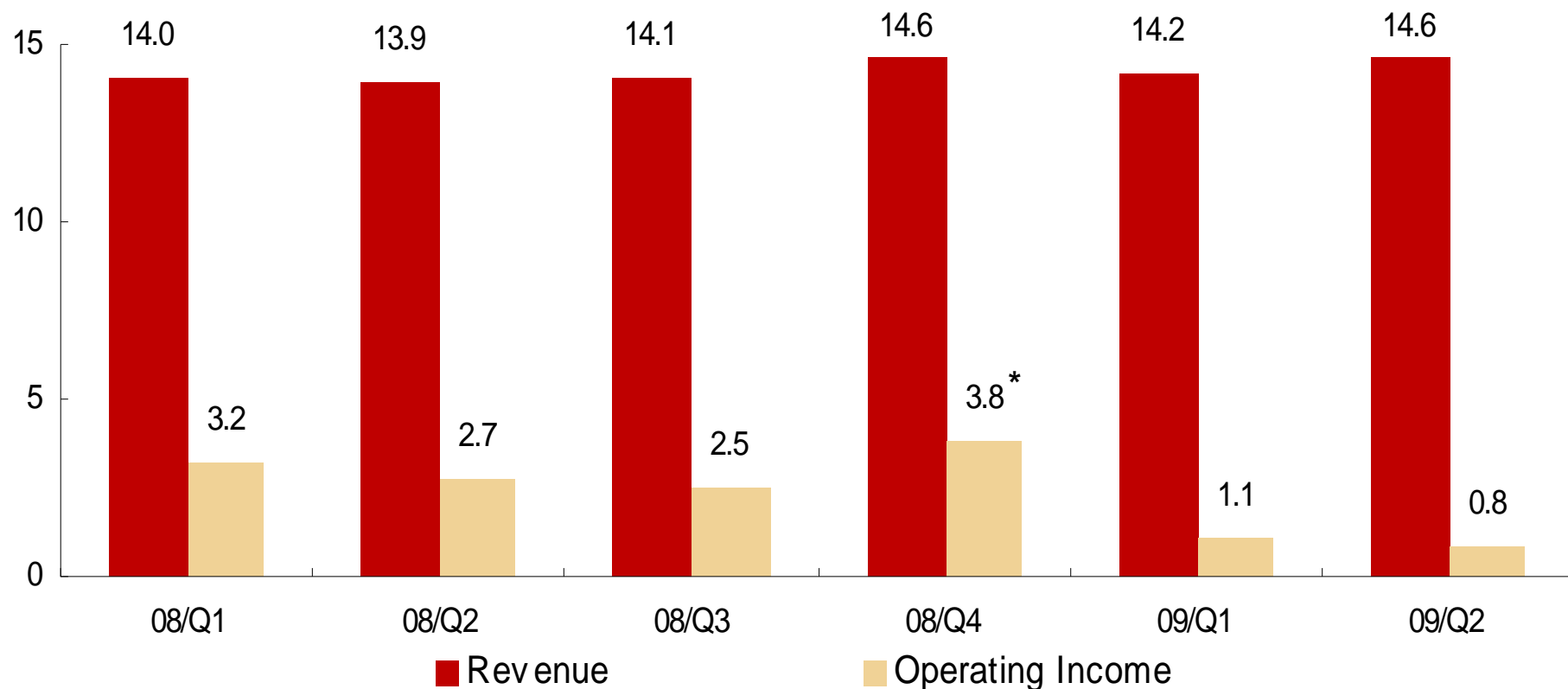
- Further acceleration of card holders
- Issue of Credit Card integrated with eBANK ATM card
- Enhancement of premium member services
- Focus on expanding shopping revolving balance
- Responding to revised Money-lending law and Installment law

Rakuten KC Sales and Operating Income



- Revenue from shopping transactions made up for declining revenue from cashing.
- Sustain profit regardless of the increasing cost from the growth of Rakuten Card members and overall economic downturns

(Billion Yen)

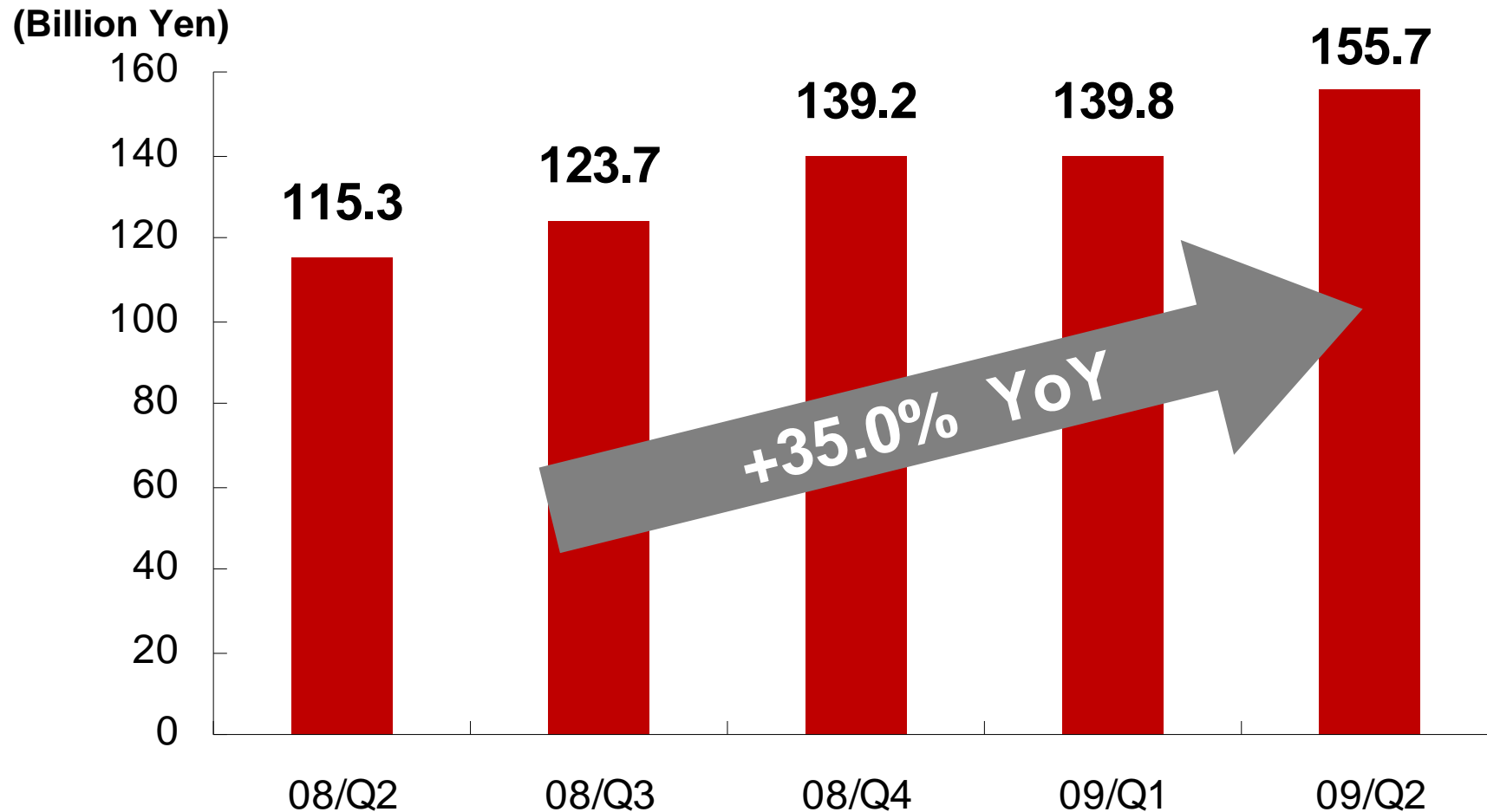


* 2008/Q4 Operating income includes one-time effects of ¥600 million from decrease of expenses for doubtful accounts by selling loan receivables

Rakuten KC Credit Card Shopping Transaction Volume



- Transaction Volume grew by +35.0% (YoY) reflecting the success of synergies with the Rakuten Group

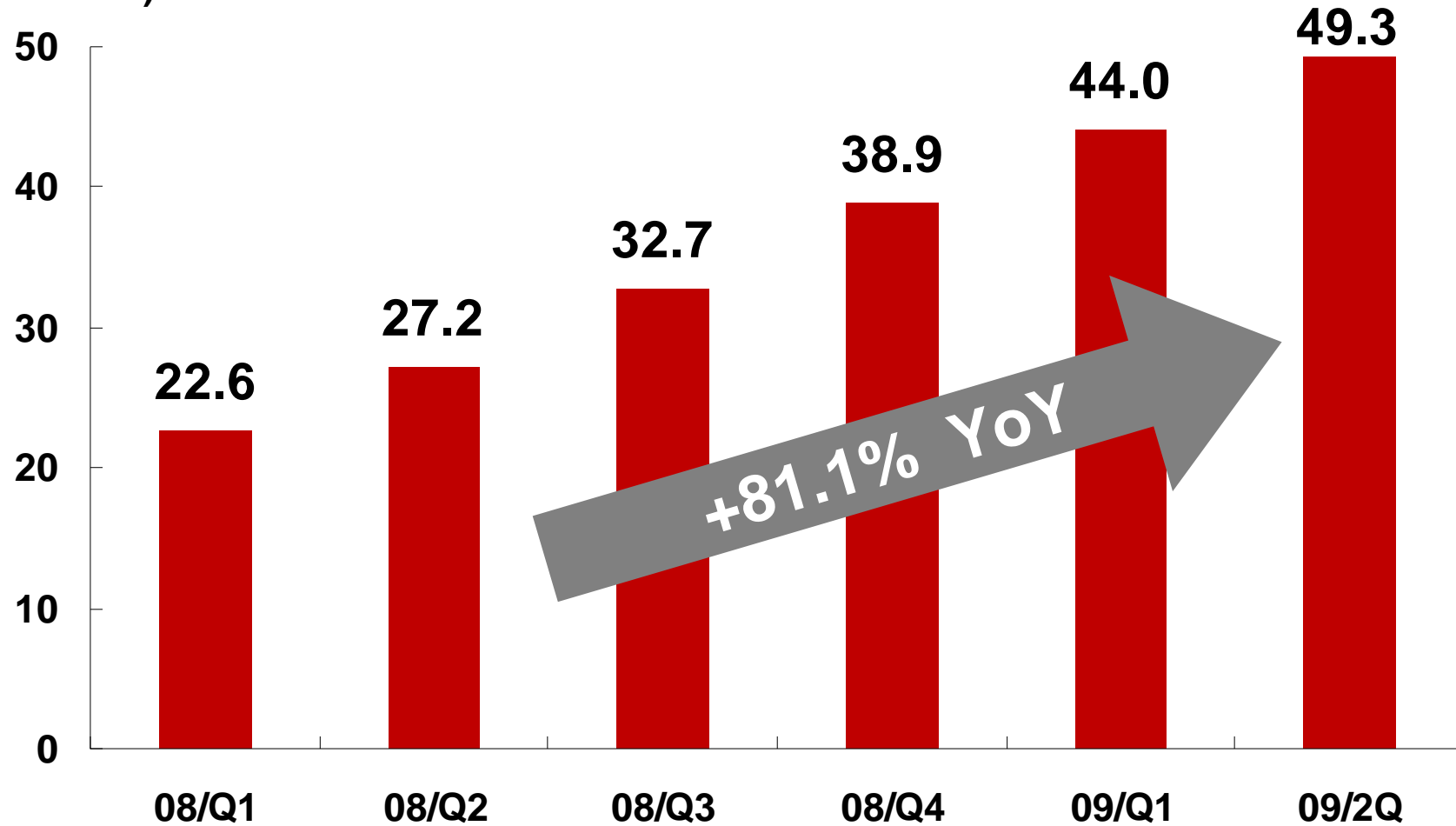


Rakuten KC Shopping Revolving Balance



■ Successfully grew by +81.1% (YoY)

(Billion Yen)



2 -4 Banking Business

■ Integration of Rakuten Credit's loan business completed



- Integrated Rakuten Credit's loan business to eBANK
- Accompanied with integration, Rakuten Credit repaid all debts from outside financial institution
- Rakuten's ownership in eBANK rose to 69.2%

■ Business operation showed favorable growth and basic profit* met break even



- Ended profitable in basic profit, ordinary profit and net income (eBANK consolidated)
- Banking segment (Rakuten consolidated) also results in profit
- Further improvement expected by change in ATM transaction fees (effective on Aug 1st)

■ Projects aimed for group synergy now in progress



- Credit card integrated with ATM card issued by alliance with Rakuten KC (started to accept applications from Jul 22nd)
- Rakuten Bank settlement system to start from the middle of August
- Real time payment service installed in Rakuten Auction (service started from Jun 1st)

*:Basic income = Income or loss deducted Income (loss) due to changes in market price or sales of investment products. Income or loss due to main business of eBANK instead if temporary income (loss) such as investment.

eBANK Profit and Loss



■ Dramatically improved both ordinary profit of eBANK and operating income (Rakuten consolidated base)

■ Total basic profit also became profitable

→ Consolidated since 09/Q2

(Million Yen)	08/Q1	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2
Settlement	1,250	1,397	1,241	1,248	1,523	1,222
Card	-89	-188	-121	-72	56	21
Financial products	349	426	485	587	455	484
Others	100	87	4	28	16	-8
1. Income (loss) from commission	1,610	1,724	1,609	1,793	2,051	1,720
2. Income (loss) from investment	878	665	731	732	673	966
3. Operating expenses	3,462	3,001	3,024	2,985	3,020	2,766
Basic profit ^{*1} (exc. loan)	-973	-611	-683	-459	-295	-79
Basic profit (loan)	-	-	-	-	-	275
Total basic profit (A)	-973	-611	-683	-459	-295	196
Non-basic profit ^{*2} (B)	-9,957	-1,660	-19,810	-12,509	1,432	-164
Ordinary profit (A+B)	-10,931	-2,272	-20,493	-12,969	1,136	31
Consolidated adjustments^{*3}	-	-	-	-	-2,009 ^{*4}	487 ^{*5}
Operating income (Rakuten consolidated)	-	-	-	-	-872	519

*1:Basic profit = Income or loss deducted Income (loss) due to changes in market price or sales of investment products. Income or loss due to main business of eBANK instead if temporary income (loss) such as investment

*2:Non-basic profit = Income or loss due to changes in market price or sales of investment products

*3:eBANK performance at Rakuten Group. Amount deducting Rakuten credit operating income from operating income of Banking Segment of Rakuten Consolidated in 09/Q1

*4:09/Q1Consolidated adjustments=Amortization of goodwill -170M, one-time adjustment -930M, Transfer to extraordinary loss at Rakuten Group from other ordinary expenses at banking -380M, adjustment due to difference in book value of securities 1,280M

*5:09/Q2Consolidated adjustments=Amortization of goodwill -300M, adjustment due to difference in book value of securities 370M, Internal elimination and other adjustments 420M

2 -5 Securities Business

■ Profit secured by the recovery of the stock market



- Ordinary income of 1.8 billion yen, Ordinary income margin of 29%, secured
- Revenue from FX transaction fee decreased. However, securities commissions increased (QoQ)

■ Further enhancement of global and asset products



- Expansion of revenue sources by aggressively adding foreign ETF, trust funds, and foreign bonds.

Rakuten Securities HD Industry Comparison (FY2009 Q2 YoY)



- Unlike the competitors ordinary income of Rakuten Securities by +33%
- Large improvement of ordinary income margin through Project V (cost cutting initiative)

(Million Yen, %(YoY))

	Rakuten Securities HD				SBI Securities	Matsui	kabu.com	Monex				
			Rakuten Securities (Non-Consolidated)									
Operating Revenue	6,181	-0%	6,043	-3%	12,401	+1%	6,837	-15%	4,296	-5%	5,835	-19%
SG&A	4,046	-3%	3,687	-9%	7,720	-1%	3,522	-6%	2,250	-3%	3,460	-7%
Ordinary Income	1,804	+35%	2,000	+33%	3,853	+12%	2,980	-20%	1,535	-18%	1,470	-32%
Ordinary Income Margin	29%	+8P	33%	+9P	31%	+3P	44%	-2P	36%	-5P	25%	-5P
Net Income	1,386	-12%	1,654	-3%	2,292	-12%	2,117	-6%	1,057	-16%	1,194	-47%

Source: Company financial report on stand alone basis excluding Matsui. For SBI Securities and Monex, numbers are calculated based on financial report.

Rakuten Securities Revision of Transaction Fees for Japanese Stock Trading



- Maximizing investment opportunities of our customers by reducing their transaction costs
- For the 'One Shot Course' we managed to reduce the commission fees to the lowest level in the industry (Applicable from 3rd of August 2009)

One Shot Course		
Trading volume per transaction	Previous Fee	Revised Fee
Up to ¥100,000	¥ 472	¥ 147
Up to 200,000		196
Up to 500,000	840	362
Up to 1 MM.		647
Up to 1.5 MM.	1,050	774
Up to 3 MM.	1,575	1,225
Over 3 MM.		1,294

Maximum Fee Cut: 69%

One-day Fixed Course		
Total trading volume per day		Fee
Mini Fixed	Up to ¥ 100,000	¥ 450/Day
	Up to 200,000	900/Day
Up to 2 MM		2,100/Day
Up to 3 MM For each additional million over add 1,050		3,150/Day

Unchanged

Change in the brokerage commission rate after the revision (Estimated)

April - June 2009 (Actual)

5.5bps



Expected

5.0bps

**Investment
Trust**

- A total of 443 funds such as Rakuten Japan Equity Triple Bull, Rakuten Japan Equity Triple Bear

Foreign ETF

- Vanguard Total World Stock ETF (VT)
- iShares, S&P CitiGroup Government bonds (US excluded), Fund (IGOV) added to a total of 88 Products

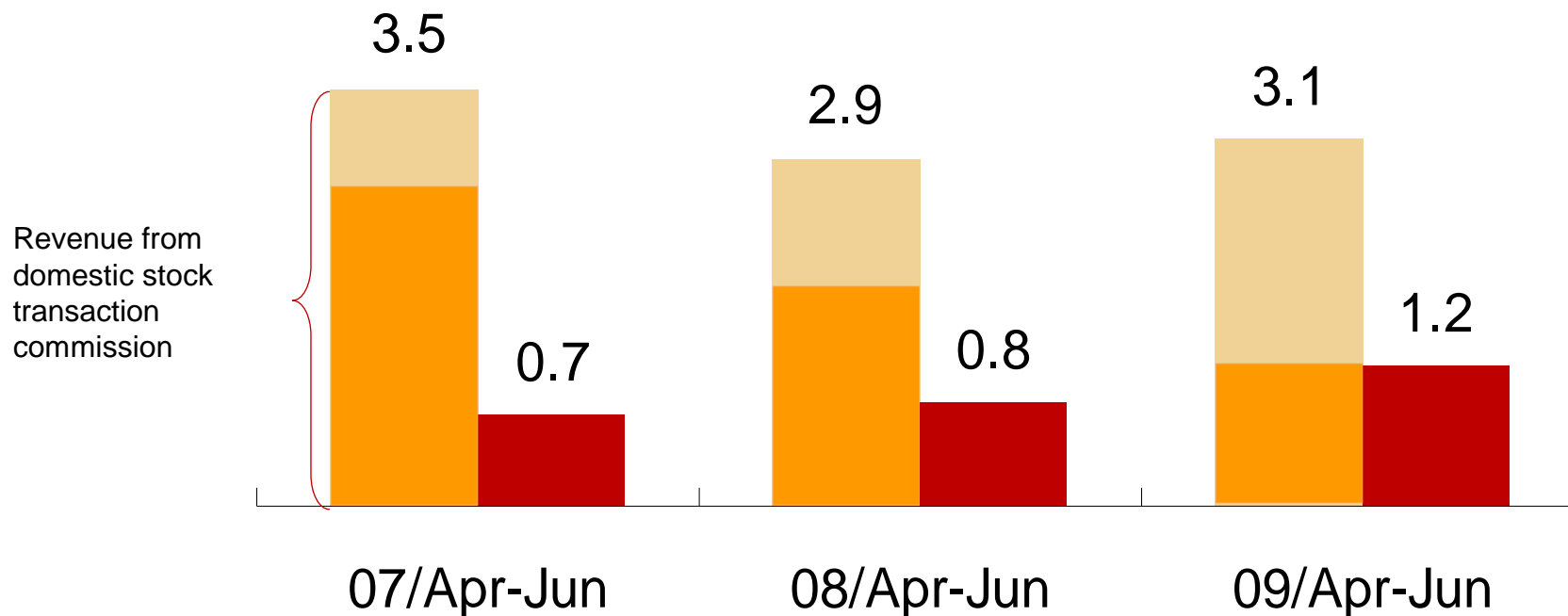
Foreign Bonds

- Vaccine bonds: IFFIm Bonds to support vaccination denominated in South Africa Rand
- Public and Corporate Bonds issued denominated in Turkish lira

Rakuten Securities : Revenue Breakdown



(Billion Yen)



2 -6 Professional Sports Business

- Increased ticket sales by introducing flexible pricing (YoY +3%). Fan Club membership exceeds 40,000 for the first time (40,381 as of July 2009)
- Operating loss increased because of fewer games (from 33 games (2008), to 31 games (2009))

(Million Yen)

Rakuten Baseball, Inc (non-consolidated)	FY08/1H	FY09/1H	(%) (YoY)
Sales	3,620	3,415	-5.7%
Operating expenses	4,361	4,195	-3.8%
Operating income (loss)	-741	-781	-

Professional sports (consolidated Rakuten Sport Properties)	FY08/1H	FY09/1H	Difference(%) (YoY)
Sales	4,227	3,988	-5.7%
Operating expenses	4,900	4,722	-3.6%
Operating income (loss)	-674	-734	-

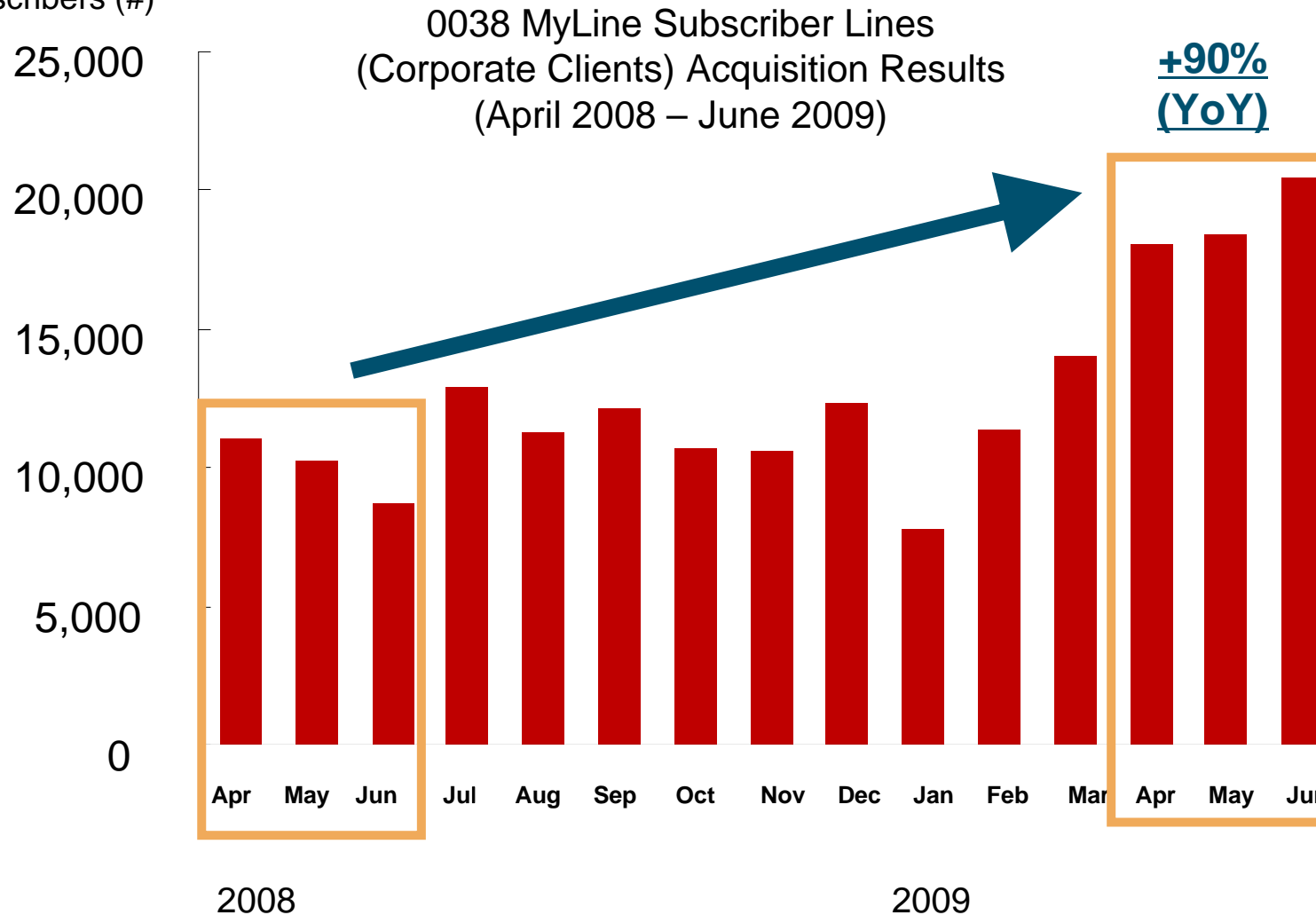
2 -7 Telecommunication Business

Fusion Communications: Acquisition of new customers of MyLine Acquisition Improvements



- From April, increased contract acquisition incentives and strengthened distributors' network
- Acquired customers per month increased approximately 90% YoY

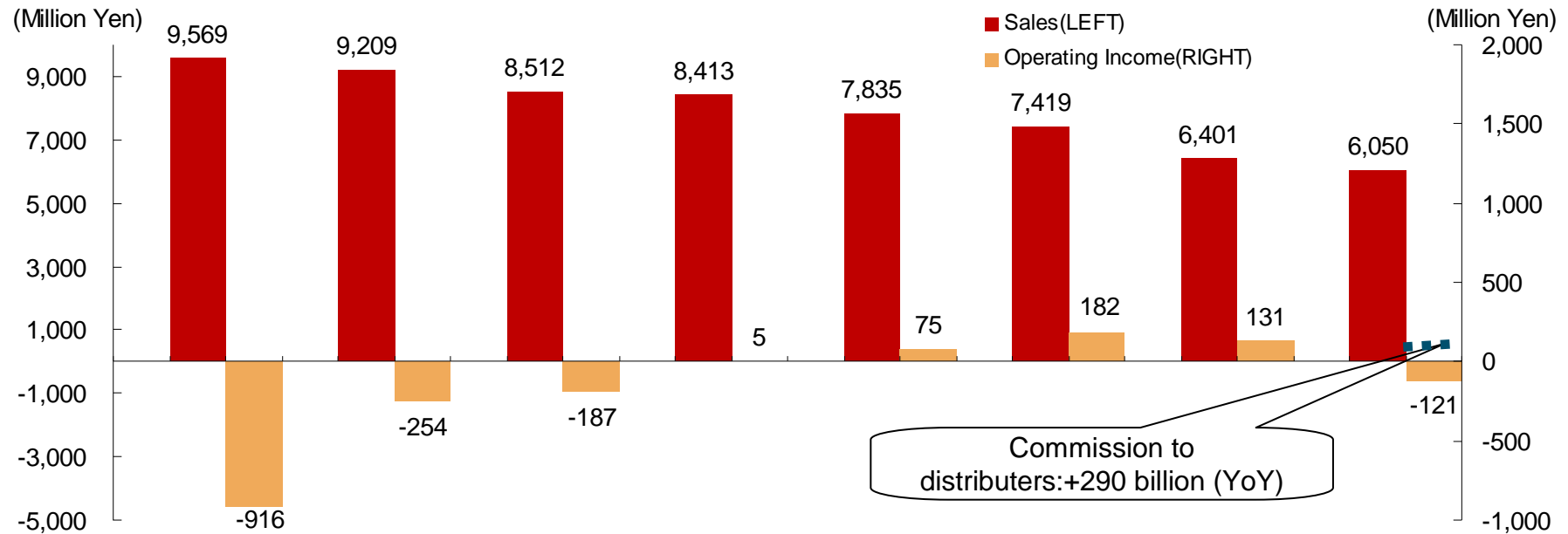
Subscribers (#)



Fusion Communications (Non-consolidated) Rakuten

- Profitability squeezed by increase in commissions to distributors to acquire new customers
- Investment for maintaining sales

Sales and Operating Income



(Million Yen)	07/Q3	07/Q4	08/Q1	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2
Operating Expense	10,485	9,462	8,699	8,408	7,761	7,238	6,270	6,172
Variable costs	5,398	5,160	4,611	4,296	4,046	3,792	3,279	3,656
Fixed costs	4,252	3,529	3,354	3,384	3,023	2,767	2,331	1,904
SG&A	835	774	734	728	692	678	660	612

■ Rebuilding existing businesses



- Reorganization
 - Decided to merge two subsidiaries (Sept 1st)
- Aiming to improve profitability and increase top-line of existing businesses
 - Achieved target of new contracts of 0038 (IP telephony) corporate clients
- Promoted continuous cost reduction
 - Decreased fixed costs by reviewing equipment maintenance, and lease contracts
 - Decreased office rent cost by moving headquarters in May (from Otemachi to Kudan)

■ Synergy with Rakuten group



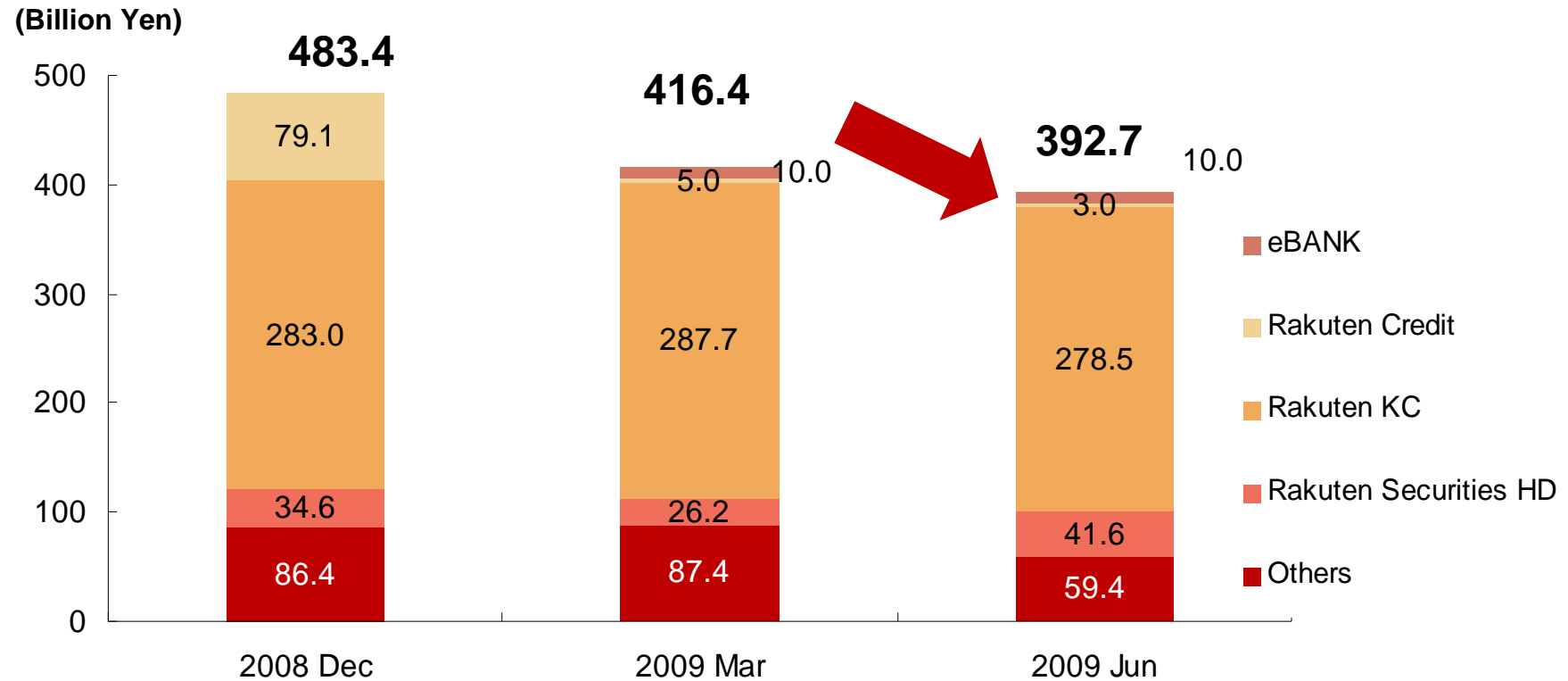
- Started “Rakuten Mobile for Business” (Mobile IP Telephone) in April
 - Conducted Rakuten Mobile First User Campaign
 - Progressed towards enlarging distributors’ network
- Provides “Rakuten Broadband” through its subsidiary, Fusion Network Services

3 Balance Sheets

Reduction of Borrowings from Financial Institutions

- Progress in reduction of borrowing except borrowing for loan at financial business

Debt from Outside Financial Institutions by Usage



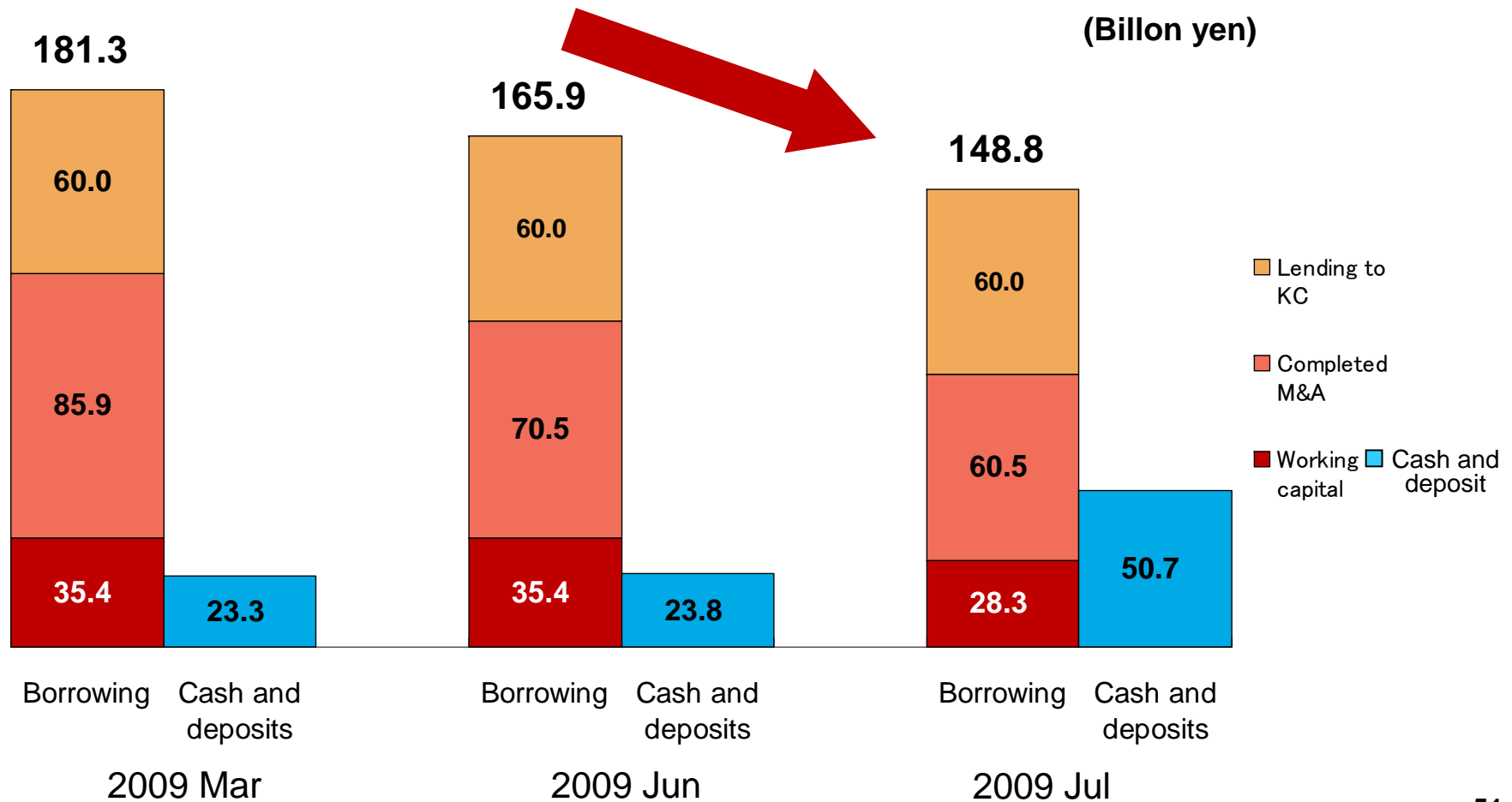
*Debt from outside financial institutions = bond + CP + short-term debt + long-term debt

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

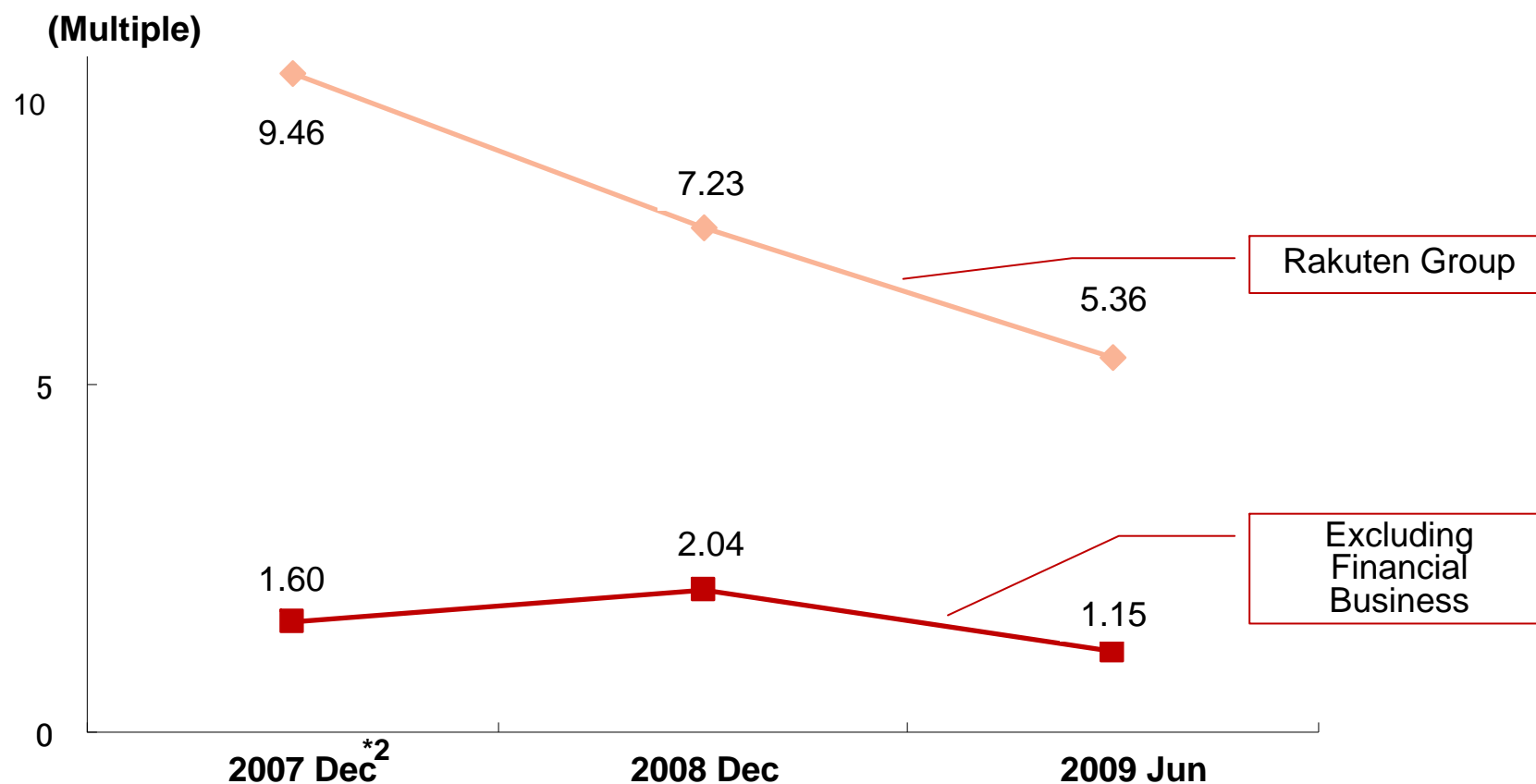


- Repay borrowing and further reduction debt to 148.8 billion yen (the end of July 2009)

Debt balance and cash and deposits balance of Rakuten, Inc. by usage



- Interest-bearing debt / EBITDA is continuously improving
- Interest-bearing debt / EBITDA Ratio**



*1: EBITDA: trailing twelve months

*2: One – time expense for loss on interest repayment claims of 24.52 billion Yen are excluded in EBITDA for 2007

 **Appendix**

Breakdown of the Cash Flows (Six months ended June 30,2009)



(Billion Yen)

Subject	Main increase/decrease factor	Non financial	Financial	Others	Total
Income before income taxes and minority interests		16.8	6.0	—	22.9
Amortization of goodwill		1.3	1.1	—	2.5
Depreciation		4.1	2.8	—	7.0
Loss on valuation and sales of securities for bank business	eBANK	—	1.7	—	1.7
Increase (decrease) in allowance for doubtful accounts and loss on interest repayments	KC,Credit	0.5	-6.9	—	-6.4
Other gain		—	—	-0.4	-0.4
Decrease in notes and accounts receivable-trade		2.3	0.3	—	2.7
Increase (decrease) in notes and accounts payable-trade		-1.7	0.5	—	-1.2
Decrease in accounts payable-other and accrues expenses		-1.5	-1.9	—	-3.4
Increase in advances received		1.2	0.0	—	1.2
Increase in accounts receivable-installment	KC	—	-11.6	—	-11.6
Increase in operating loans receivable and beneficial interest in securitized assets	KC,Credit,eBANK	—	-7.7	—	-7.7
Decrease in deposits for banking business	eBANK	—	-63.2	—	-63.2
Net decrease in call loans for banking business	eBANK	—	54.0	—	54.0
Net increase in operating receivables and payable for security business	Securities	—	-18.4	—	-18.4
Other		0.9	3.8	—	4.7
Subtotal		24.0	-39.3	-0.4	-15.7
Income taxes paid	Rakuten(Non-consolidated)	-11.0	—	—	-11.0
Other		—	—	-0.2	-0.2
Net cash (used in) provided by operating activities		13.0	-39.3	-0.7	-27.0
Acquisition of securities for banking business	eBANK	—	-322.4	—	-322.4
Proceeds from sales and redemption of securities for banking business	eBANK	—	457.9	—	457.9
Purchase of property, plant and equipment		-1.3	-0.3	—	-1.7
Purchase of intangible assets		-2.4	-2.4	—	-4.8
Other		-1.4	0.0	1.5	0.2
Net cash provided (used in) by investment activities		-5.2	132.8	1.5	129.1
Net decrease in short-term debt	KC -25,Credit -19,Securities 2	-3.4	-42.5	—	-46.0
Increase in commercial papers	KC	—	7.5	—	7.5
Proceeds from long-term debt	Securities 15,Rakuten 10,Securities -7	10.0	24.2	—	34.3
Repayments of long-term debt	Rakuten -34,Credit -43,Securities-7	-7.2	-85.4	—	-92.7
Redemption of bonds	Rakuten -2,Credit -2	-2.0	-2.0	—	-4.0
Other		-2.1	-4.3	-3.1	-9.6
Net cash (used in) provided by financial activities		-4.8	-102.6	-3.1	-110.5
Effect of exchange rate changes on cash and cash equivalents					0.3
Net decrease in cash and cash equivalents					-8.1
Cash and cash equivalents					81.2
Effect of change of the scope of consolidation on cash and cash equivalents					34.5
Cash and cash equivalents					107.6

Separation between financial and Non-financial estimated number.

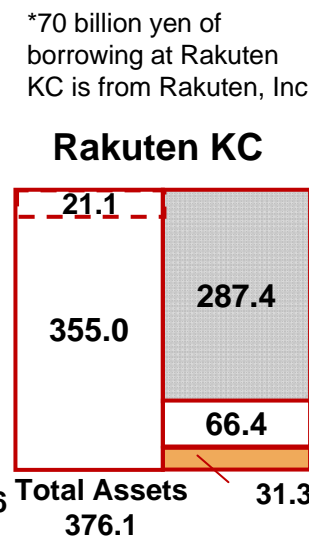
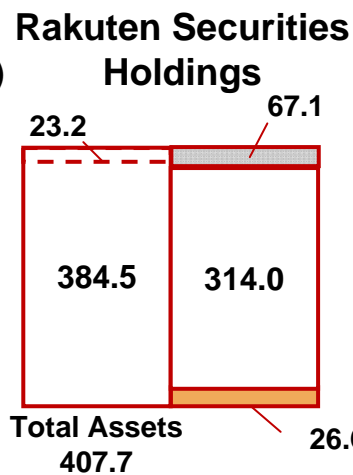
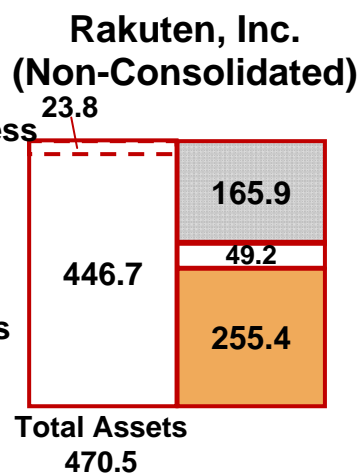
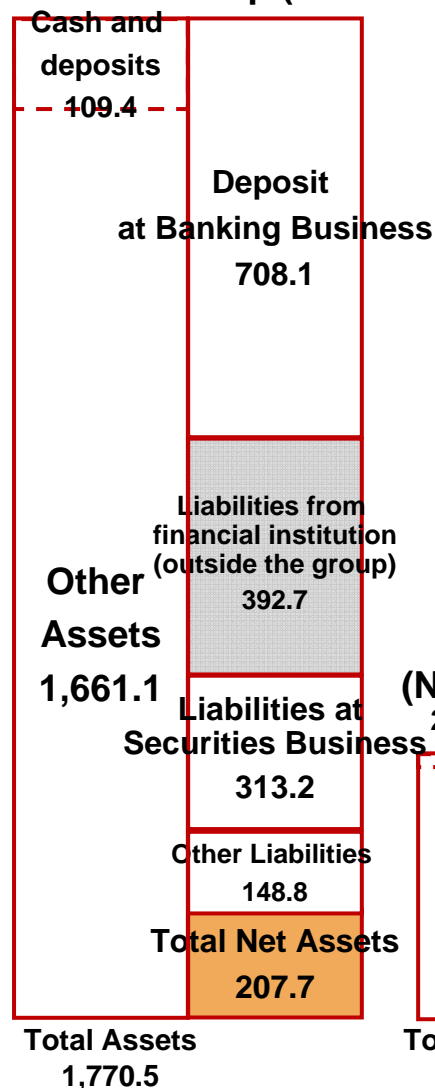
Rakuten Group : Balance Sheets

(As of Jun 30, 2009)

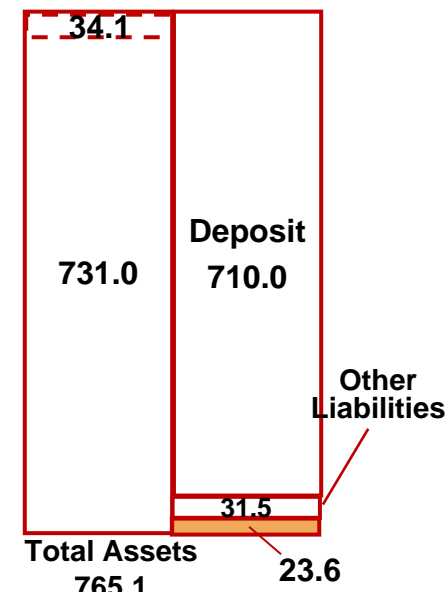


Rakuten Group (Consolidated)

(Billion Yen)



eBANK (Consolidated)



* Rakuten Securities HD, Rakuten KC, Rakuten Credit and Rakuten (non-consolidated) also including internal elimination.

* Liabilities from financial institution (outside the group) = Corporate bonds + CP + Short-term borrowings + Long-term borrowings

Balance Sheet (Jun 30, 2009)

(Billion Yen Less Than 0.1 Billion Omitted)

Cash and deposits	34.1	Deposits	710.0
Call loans	10.0	Ordinary Deposits	277.9
Monetary claims bought	110.6	Time Deposits	374.0
Money held in trust	5.5	Other Deposits	58.0
Securities	500.9	Bond payable	10.0
Allowance for investment	-0.3	Other liabilities	19.2
Loans and bills discounted	91.9	Provision for bonuses	0.0
Foreign exchanges	0.9	Provision for frequent user services	0.2
Other assets	17.0	Contingency reserve	0.3
Tangible fixed assets	0.6	Reserves under the special laws	0.0
Intangible fixed assets	5.8	Deferred tax liabilities	1.6
Diferred tax assets	0.0	TOTAL LIABILITIES	741.5
Allowance for loan losses	-12.2	Capital stock	54.9
		Capital surplus	27.0
		Retained earnings	-58.0
		Treasury stock	-4.1
		Shareholders' equity	19.8
		Valuation difference on available-for-sale securities	3.3
		Deferred gains or losses on hedges	-
		Valuation and translation adjustments	3.3
		Minority interests	0.4
		TOTAL NET ASSETS	23.6
TOTAL ASSETS	765.1	TOTAL LIABILITIES AND NET ASSETS	765.1

Balance Sheet (Jun 30, 2009)

(Billion Yen; Amounts Less Than 0.1 Billion Omitted)

CURRENT ASSETS	330.2	CURRENT LIABILITIES	168.6
Cash and cash equivalents	21.1	Accounts payable; guarantee contracts	3.1
Installment accounts receivable	256.4	Short-term borrowings	115.8
Installment accounts receivable; guarantee contract	3.1	Other current liabilities	49.6
Beneficial interest in securitized assets	52.1	LONG-TERM LIABILITIES	176.0
Other current assets	28.8	Long-term borrowing	162.5
Allowance for doubtful accounts	-31.9	Allowance for loss on interest repayment	12.5
		Other long-term liabilities	0.9
		TOTAL LIABILITIES	344.7
FIXED ASSETS	45.9	SHAREHOLDERS' EQUITY	31.3
Property, plant and equipment	12.5	Common stock	3.0
Land and buildings	11.9	Capital surplus	41.4
Other tangible fixed assets	0.6	Retained earnings	2.9
Intangible fixed assets	2.8	Treasury stock	-15.7
Investment and other assets	32.4	VALUATION, TRANSLATION ADJUSTMENTS AND OTHERS	0.0
Allowance for doubtful accounts	-1.9	TOTAL NET ASSETS	31.3
TOTAL ASSETS	376.1	TOTAL LIABILITIES AND NET ASSETS	376.1

Balance Sheets

(As of Jun 30, 2009)

(Billion Yen; Amounts Less Than 0.1 Billion Omitted)

CURRENT ASSETS	64.7	CURRENT LIABILITIES	106.1
Cash and cash equivalents	23.8	Account payable-trade	1.8
Loan receivables	21.1	Short-term borrowings	53.0
Other current assets	19.9	accounts payable	9.9
Allowance for doubtful accounts	-0.1	Income tax payable	3.4
		advance receipt	4.1
		Reserve for points	7.8
		Other current liabilities	26.0
		LONG-TERM LIABILITIES	108.8
		TOTAL LIABILITIES	215.0
FIXED ASSETS	405.7	SHAREHOLDERS' EQUITY	250.8
Tangible assets	4.8	Capital stock	107.5
Intangible fixed assets	10.4	Capital surplus	113.1
Investment and other assets	390.4	Retained earnings	30.1
(Allowance for doubtful accounts)	-0.7	Tresure Stock	0.0
(Loss on investment)	-0.8	VALUATION, TRANSLATION	4.2
		ADJUSTMENTS AND OTHERS	4.2
		TOTAL NET ASSETS	255.4
TOTAL ASSETS	470.5	TOTAL LIABILITIES AND NET ASSETS	470.5

Income Statements

(Three months ended Jun 30, 2009)

(Billion Yen; Amounts Less Than 0.1 Billion Omitted)

Sales	26.2
Cost of Slaes	4.8
Gross Profit	21.4
Operating Expense	12.5
Personal costs	5.1
Advertising and sales promotion	2.8
Depreciation	1.1
Communication and maintainance	1.0
Outsourcing	1.5
Others	0.7
Operating Profit	8.8
Non-Operating Profit	0.6
Non-Operating Expense	0.7
Ordinary Profit	8.6
Extraordinary profit	0.0
Extraordinary loss	0.5
Net income before tax	8.1
Income tax-deffered	-0.1
Tax adjustment	0.0
Net Income	8.2

E-Commerce	Credit Card*5	Travel
Rakuten Ichiba*2	Rakuten KC	Travel
Business Services *2	Banking	Securities
Golf *2	Banking (e-BANK) *5 (Mortgage*7)	Securities
Auto *2	Personal Finance (Rakuten Credit)	Investment
Delivery *2		Insurance
Package Media	Portal and Media	Professional Sports
Media Rental	Infoseek	Professional Sports
Auction	Advertising	
Dining	AD solution	Telecommunications
Ticket	Blog	Telecommunications (Fusion Communications)
Performance Marketing (LinkShare, Inc)	Research	
Off-track betting	Career Service	
Logistics Service*2	Marriage consultant*3 (O-net)	
Global Ichiba	Rakuten Photo*4	
Net Super Market*3	Content*6	
Check Out*2,4		

*1. Some new businesses are not included as of the end of Jun 2009
 *2. E-commerce business operated by Rakuten, Inc.
 *3. Consolidated since FY08 Q3
 *4. Reorganized into Package Media and others since FY08 Q1
 *5. Establish banking business due to consolidated e-BANK. Rakuten Credit, Inc. and a part of the Credit and Payment Business, were transferred to the new Bank Business in theFY09 Q1. The Credit and Payment Business became the Credit Card Business .
 *6. Show Time consolidated since FY09 Q1
 *7. Transfer from securities and combined with eBANK since FY 09 Q2

Amortization of Goodwill



(Million Yen)

	07/Q1	07/Q2	07/Q3	07/Q4	08/Q1	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2	Companies
E-Commerce Business	527	527	542	532	537	538	542	541	542	542	LinkShare
Credit and Payment Business	234	234	234	234	246	245	245	245	-	-	Rakuten KC Group
Credit Card Business	-	-	-	-	-	-	-	-	246	246	Rakuten KC Group
Banking Business	-	-	-	-	-	-	-	-	175	308	eBANK
Portal and Media Business	17	17	17	17	16	17	17	61	44	78	Show Time O-net
Travel Business	10	10	10	10	11	11	12	12	12	12	Rakuten Travel Rakuten Bus Service
Securities Business	56	76	76	80	80	80	84	95	95	95	Rakuten Securities Rakuten Security Holdings Rakuten Realty Management Rakuten Strategic Partners
Professional Sports Business	-	-	-	-	-	-	-	-0	-0	-0	-
Telecommunication Business	-	-	-	-5	-5	-5	-5	-4	-4	-6	Fusion Communications
Consolidated	845	865	880	870	888	888	897	952	1,111	1,275	

* Amortization of goodwill included in SG&A items

Rakuten Group's CAPEX



(Billion Yen)

		2007				2008				2009	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Non Consolidated	Hardware	0.20	0.56	1.68	1.06	0.55	0.14	0.19	0.25	0.14	0.09
	Software	0.56	1.04	0.79	1.46	1.38	1.16	1.11	0.93	0.63	0.9
	Total	0.77	1.60	2.47	2.52	1.94	1.31	1.30	1.19	0.77	1.00
Consolidated	Hardware	0.63	0.91	2.05	1.26	2.06	0.42	0.42	0.67	0.99	0.59
	Software	1.98	2.03	4.25	4.47	4.56	2.42	1.96	2.14	2.69	1.61
	Total	2.61	2.94	6.30	6.03	6.62	2.84	2.39	2.81	3.68	2.21

*Operating Base

*Excluding Professional Sports Business and Funds

Income Statement

	2008 (Apr-Jun)	2009 (Jan-Mar)	2009 (Apr-Jun)
Sales	13.9	14.2	14.6
Operating Expense	11.1	13.1	13.8
SG&A	9.6	10.9	11.9
Financial Costs	1.4	2.1	1.8
Operating Profit	2.7	1.1	0.8
Non-Operating Profit	0.0	0.0	0.0
Ordinary Profit	2.7	1.1	0.8
Extraordinary Profit (Loss)	0.0	-0.7	-0.6
Earnings Before Tax	2.7	0.3	0.2
Provision for income taxes	1.6	-0.8	-1.0
Net Income	1.0	1.2	1.3
Ordinary Profit (before securitizing effect)	3.8	1.9	1.3

Carried over Amount of Uncollected Loans

- Efforts of collecting loan receivables at an earlier stage has resulted in an improvement on an year-year comparison

(Million Yen)

Aging of Loan Receivables	2008/Q2			2009/Q2			YoY		
	Apr	May	Jun	Apr	May	Jun	Apr	May	Jun
Less than 1 month into 1month plus	4,376	4,991	3,637	3,718	3,851	3,334	-658	-1,140	-303
1month plus into 2 months plus	3,426	3,185	3,297	3,199	2,779	2,621	-227	-406	-676
2 months plus into 3 months plus	2,746	3,124	2,792	2,750	2,907	2,464	4	-217	-328
3 months plus into 4 months plus	2,389	2,484	2,629	2,307	2,536	2,638	-82	52	9

*Current month's receivables: Balance of contracts for which requested payment from accounts could not be withdrawn. If unchanged after one month, this balance becomes Receivables 1.

Allowance for Interest Repayments and Allowance for Doubtful Accounts



(Billion Yen)

Item	Comment	08/Jun	08/Sep	08/Dec	09/Mar	09/Jun
Allowance for loss on interest repayments	'Cash-Out' amount associated with interest repayments claims	17.8	16.5	15.3	13.8	12.5
	Write-offs of principal triggered by interest repayment claims	16.1	15.1	14.0	12.9	12.0
	Other allowances for doubtful accounts	25.1	24.4	22.3	22.0	21.9
Allowance for doubtful accounts Total		41.2	39.5	36.4	34.9	33.9
Allowance for loss on interest repayments + Allowance for doubtful accounts		59.0	56.0	51.7	48.7	46.4

Allowances relating to interest repayment claims

24.5B

2.6 years worth of annualized losses*2

Losses relating to interest repayment claims*1

(Billion Yen)

	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2
Cash-Out	1.1	1.2	1.2	1.4	1.3
Write-offs	0.9	0.9	1.0	1.0	0.9
Total losses relating to interest repayment claims	2.1	2.2	2.2	2.5	2.3

*1 Any expenses related to interest repayments were not recorded since 08/Q1, because the losses on interest repayments are reconciled with allowances

*2 Allowances relating to interest repayment claims / losses relating to interest repayment claims in the most recent quarter x 4)

Rakuten KC

NPL & Expenses for Doubtful Accounts



(Billion Yen)

	08/Mar	08/Jun	08/Sep	08/Dec	09/Mar	09/Jun
Bunkrupt	0.0	0.0	0.0	0.0	0.0	0.0
De facto bankrupt	35.7	37.5	37.8	35.3	35.5	34.9
Doubtful	11.7	11.0	10.6	8.8	8.3	8.3
Special attention	6.9	6.9	6.3	5.4	6.1	6.3
Normal	275.1	271.5	267.5	273.3	266.6	268.8
Subtotal	329.6	326.9	322.3	322.9	316.6	318.5
Secured	6.3	6.2	6.0	5.9	5.7	5.6
Total	335.9	333.2	328.4	328.9	322.4	324.1

Allowance Ratio	12.80%	12.42%	12.05%	11.07%	10.85%	10.48%
Excl. Write-off	7.71%	7.55%	7.44%	6.79%	6.82%	6.77%

Allowance for doubtful	43.0	41.3	39.5	36.4	34.9	33.9
Excl. Write-off	25.9	25.2	24.4	22.3	22.0	21.9

08/Dec : Decrease allowance by the sales of the non performing loan approximately 600 million yen (compare with 08/Sep)

Write-off ratio	1.43%	1.53%	1.59%	1.51%	1.48%	1.55%
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Expenses for doubtful accounts	2.8	3.3	3.5	1.7	3.3	4.0
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Rakuten KC Transaction Volume and Number of Cardholders



Composition of Transaction Volume

(Million Yen)

	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2		
					Results	% of total	YoY change
General services	116,245	124,414	139,863	140,415	156,316	86.9%	34.5%
Card shopping	115,312	123,720	139,280	139,859	155,776	86.6%	35.1%
Others	932	693	583	555	539	0.3%	- 42.2%
Financing	23,606	23,262	22,231	21,147	20,154	11.2%	- 14.6%
Card cash advances	16,235	16,058	15,434	14,782	14,369	8.0%	- 11.5%
Loan card	7,371	7,203	6,796	6,364	5,785	3.2%	- 21.5%
Installment	14	9	12	11	14	0.0%	0.0%
Credit guarantee	962	1,339	2,138	1,189	1,026	0.6%	6.7%
Others	1,697	1,723	1,397	1,677	2,387	1.3%	40.7%
Total transaction volume	142,525	150,749	165,642	164,440	179,900	100.0%	26.2%

Number of Valid Cardholders

(Thousand Persons)

	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2	
					Results	YoY change
Credit card	3,260	3,440	3,690	3,850	4,090	25.5%
Loan Card	410	400	390	380	370	-9.8%

Rakuten KC Composition of Revenues and Operating Expenses



(Million Yen)	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2		
					Results	% of total	YoY
General services	3,186	3,527	3,988	4,179	4,596	30.3%	44.3%
Card shopping	3,108	3,466	3,940	4,138	4,561	30.1%	46.8%
Others	78	61	48	41	35	0.2%	-55.1%
Financing	9,993	9,498	8,995	8,306	7,720	50.9%	-22.7%
Card cash advances	(8,961)	(8,568)	(8,196)	(7,573)	(7,211)	47.5%	-19.5%
Loan card	6,200	5,730	5,545	5,144	4,773	31.5%	-23.0%
Other	(5,386)	(5,028)	(4,847)	(4,502)	(4,346)	28.7%	-19.3%
Other	3,744	3,722	3,394	3,121	2,911	19.2%	-22.2%
Other	(3,525)	(3,493)	(3,293)	(3,031)	(2,829)	18.6%	-19.7%
Other	48	46	55	39	35	0.2%	-27.1%
Installment	1	1	1	0	0	0.0%	-100.0%
Credit guarantee	314	301	292	279	264	1.7%	-15.9%
Others	1,379	1,736	2,164	2,230	2,553	16.8%	85.1%
Financing revenues	102	12	-15	8	34	0.2%	-66.7%
Total revenues	14,976	15,077	15,426	15,005	15,169	100.0%	1.3%
[excludes effect of securitization GAAP]	[13,944]	[14,147]	[14,627]	[14,271]	[14,660]	96.6%	5.1%

Note: Amount of revenues in brackets" ()" include effects of securitization and per income statement.

Personnel costs	1,446	1,440	1,457	1,464	1,430	10.3%	-1.1%
General expenses	4,880	5,029	5,848	6,142	6,500	47.0%	33.2%
Interest expenses	1,450	1,613	1,720	2,175	1,881	13.6%	29.7%
Expenses related to doubtful accounts	3,369	3,526	1,784	3,347	4,007	29.0%	18.9%
Interest repayment expenses	0	0	0	0	0	-	-
Cash-out	0	0	0	0	0	-	-
Write-off of principals	0	0	0	0	0	-	-
Total Operating expenses	11,146	11,609	10,811	13,129	13,820	100.0%	24.0%
Operating Profit	2,798	2,538	3,816	1,142	840	-	-70.0%

Balance of Loan Receivables

(Million Yen)

	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2		
					Results	% of total	YoY change
General services	77,947	82,123	96,038	97,522	107,929	30.4%	38.5%
Card shopping	74,604	79,459	93,884	95,755	106,462	30.0%	42.7%
Card shopping revolving payments	27,238	32,789	38,981	44,067	49,331	13.9%	81.1%
(Securitized,off-balance)	(0)	(0)	(0)	(0)	(100)	0.0%	—
(Securitized,on-balance)	(0)	(0)	(0)	(0)	(29,440)	8.3%	—
Others	3,342	2,663	2,154	1,767	1,467	0.4%	- 56.1%
Financing	235,244	228,565	220,676	211,111	204,122	57.5%	- 13.2%
Card cash advances	107,524	104,036	98,862	95,546	91,395	25.8%	- 15.0%
(Securitized,off-balance)	(84,967)	(82,153)	(78,227)	(48,804)	(26,303)	7.4%	- 69.0%
Loan card	89,414	85,163	80,359	76,353	72,029	20.3%	- 19.4%
(Securitized,off-balance)	(70,804)	(29,076)	(27,859)	(27,912)	(26,651)	7.5%	- 62.4%
(Securitized,on-balance)	(0)	(0)	(0)	(26,906)	(25,414)	7.2%	—
Others	38,305	39,365	41,453	39,210	40,697	11.5%	6.2%
Installment	1,280	1,264	1,225	1,193	1,111	0.3%	- 13.2%
Credit guarantee	42,579	41,340	39,821	38,613	36,945	10.4%	- 13.2%
(Off-balance gurantees)	(38,542)	(37,569)	(36,270)	(35,276)	(33,815)	9.5%	- 12.3%
Other(Off-balance)	10,695	8,850	7,247	5,895	4,720	1.3%	- 55.9%
Total balance(Include off-balance)	367,747	362,144	365,009	354,336	354,830	100.0%	- 3.5%
Total balance(On balance)	162,737	204,495	215,403	236,447	263,239	74.2%	61.8%

(Billion Yen)	Dec 31 2008 Market Value	Jun 30 2009 Market Value	Allowances (as of Jun 30 2009)	Unrealized gains and losses (eBANK standard)	Unrealized gains and losses (Rakuten consolidated)	Changes in Market Value from Dec/08 to Jun/09
JGB, Local government bonds, Corporate bonds	639.9	473.8	0.0	7.2	3.1	-166.1
JGB(Japanese Government Bonds)	609.1	362.7	—	7.7	3.1	-246.4
Others* ¹	30.8	111.0	0.0	-0.5	0.0	80.2
Loan Receivables	1.5	92.7	1.0	—	—	91.2
Stocks	2.2	2.0	0.7	0.0	0.0	-0.1
ABS (securitised loan receivables)	12.5	95.0	2.8	0.1	0.1	82.4
Funds	15.7	7.8	—	-1.0	-0.2	-7.8
Hedge funds (FOF)	10.1	5.7	—	-1.0	-0.2	-4.3
Others	5.6	2.1	—	0.0	0.0	-3.5
ABS (Real estate products)	39.4	35.2	7.9	-1.3	-0.2	-4.2
Private funds (without market value)	20.1	17.1	7.9	—	—	-3.0
CMBS (with market value)* ²	19.3	18.0	—	-1.3	-0.2	-1.2
CDO*³	2.0	3.5	—	0.0	0.0	1.5
Total	713.5	710.2	12.5	5.0	2.8	-3.2

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

*2 Revised market value of CMBS in Dec. 31, 2008 (before revised : 18.3 billion yen)

*3 Redeemed 2.0 billion of CDO at April 30, 2009 and purchased 3.0 billion of prior Japanese stock (AA)

(Billion Yen)	Dec. 31, 2008	June 30, 2009	Changes
Deposit Balance*1	771.8	710.0	-61.7
Ordinary Deposits	251.6	277.9	26.2
Time Deposits	468.0	374.0	-93.9
Other deposits*2	52.1	58.0	5.8

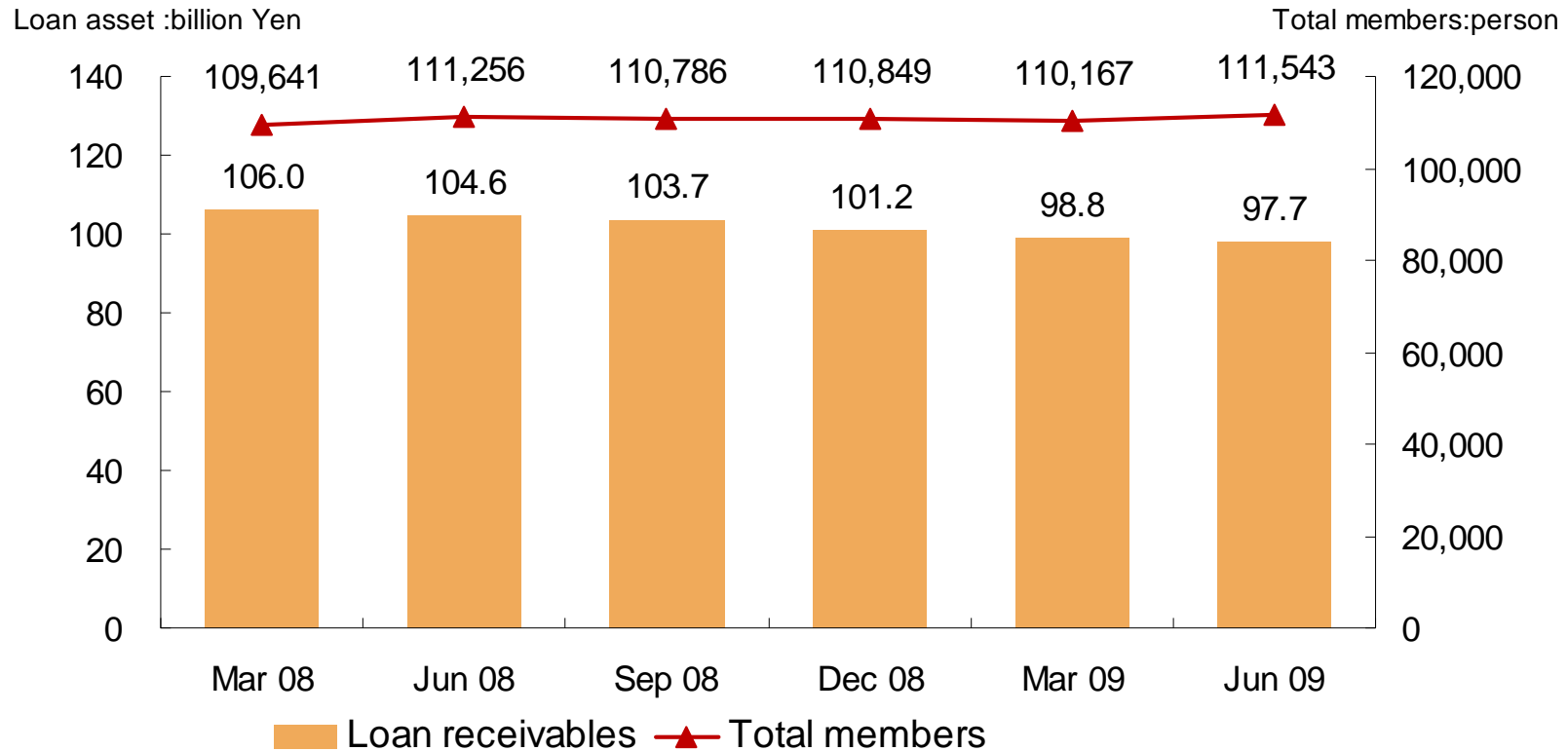
*1 Deposits on eBANK consolidated basis

*2 Other deposits include deposits in foreign currency and others

eBANK Consumer Loan “ My One” Trends of Loan Receivables



- “My One” campaign at eBANK started from April
- Slightly decrease loan balance effected by economic environment



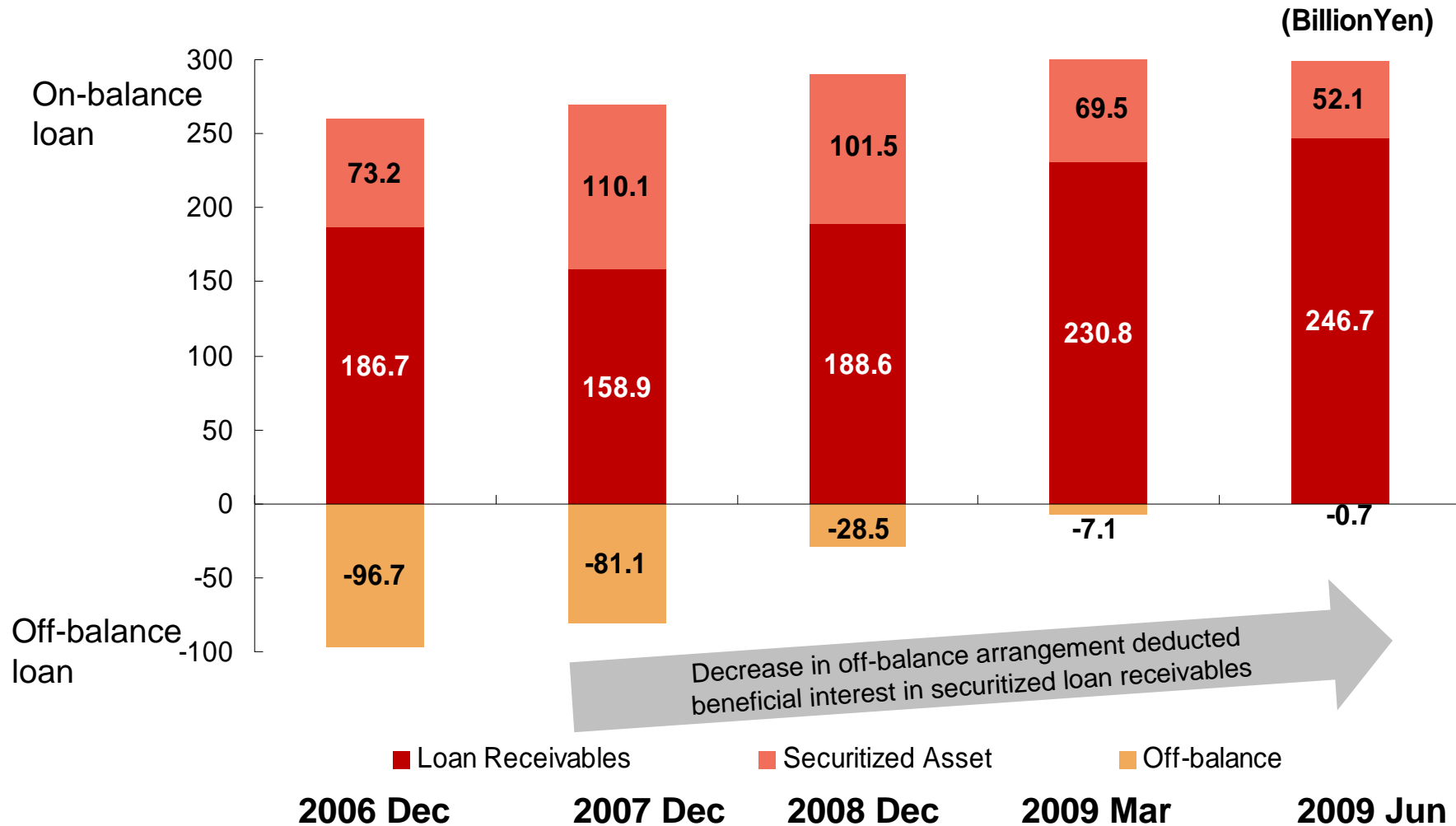
	Mar/08	Jun/08	Sep/08	Dec/08	Mar/09	Jun/09
Allowance ratio	2.35%	2.43%	2.59%	2.64%	2.77%	2.85%

*Allowance ratio (Allowance for doubtful account) ratio: balance of allowance/balance of loan assets

Rakuten Group Securitized Asset Trend (Consolidated)



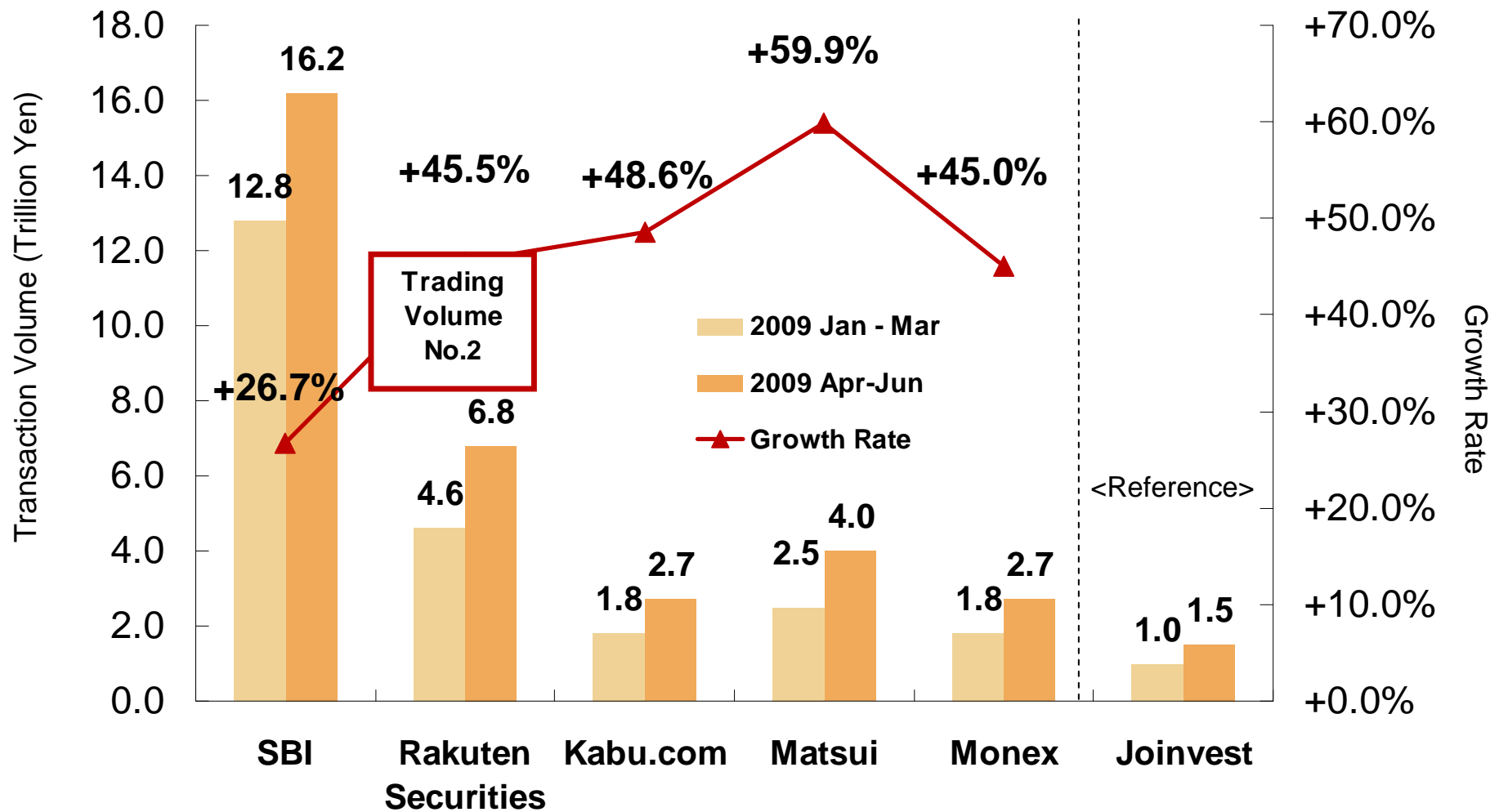
- Net off-balanced loans* by securitization decreased at Rakuten KC and Rakuten Credit, minor impact on future operating activities



Rakuten Securities Transaction Volume of Domestic Stocks



Comparison of Five Major Online Securities Companies

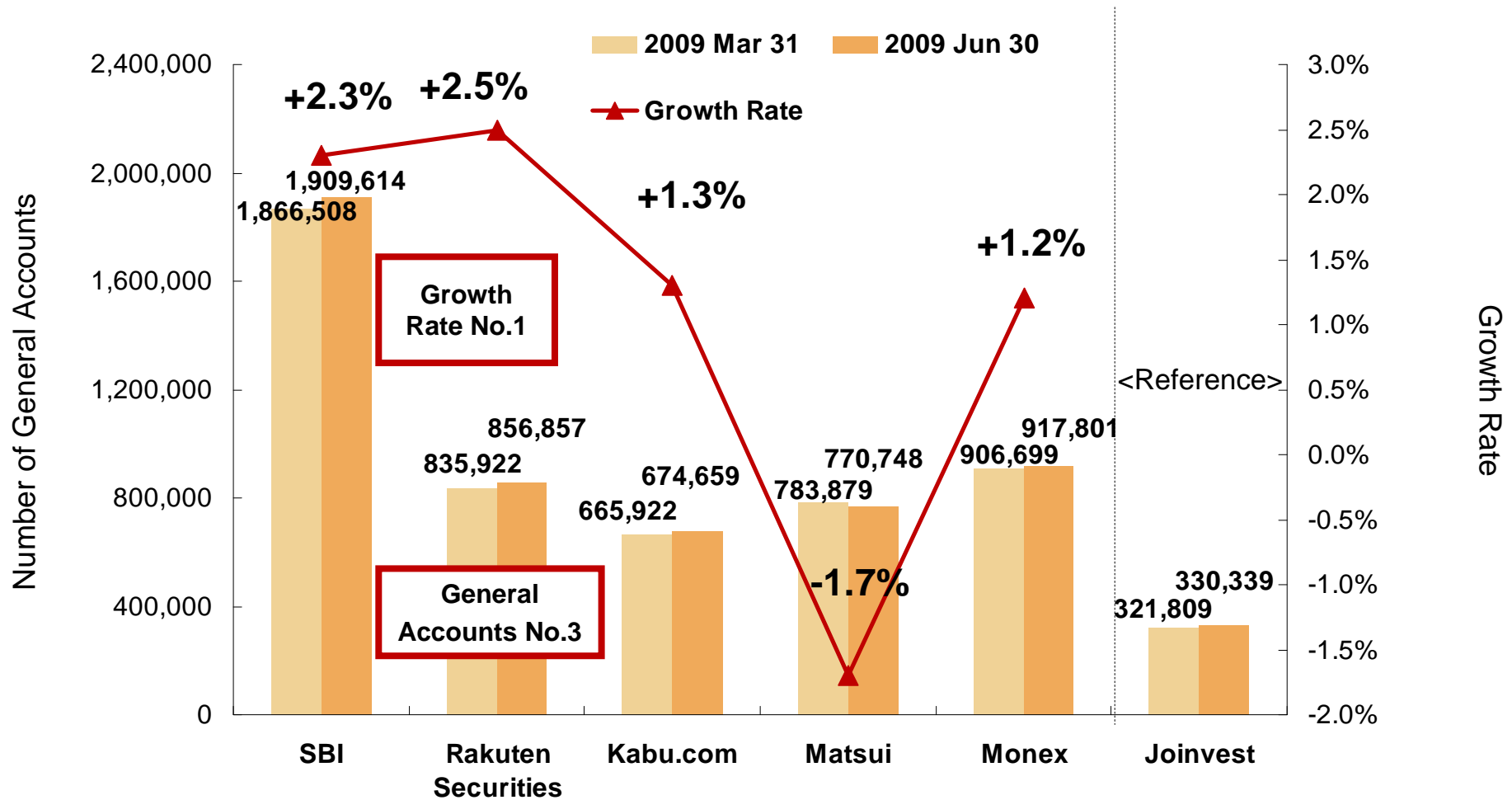


* Source: Based on information on companies' websites

Rakuten Securities Number of General Accounts



Comparison of Five Major Online Securities Companies

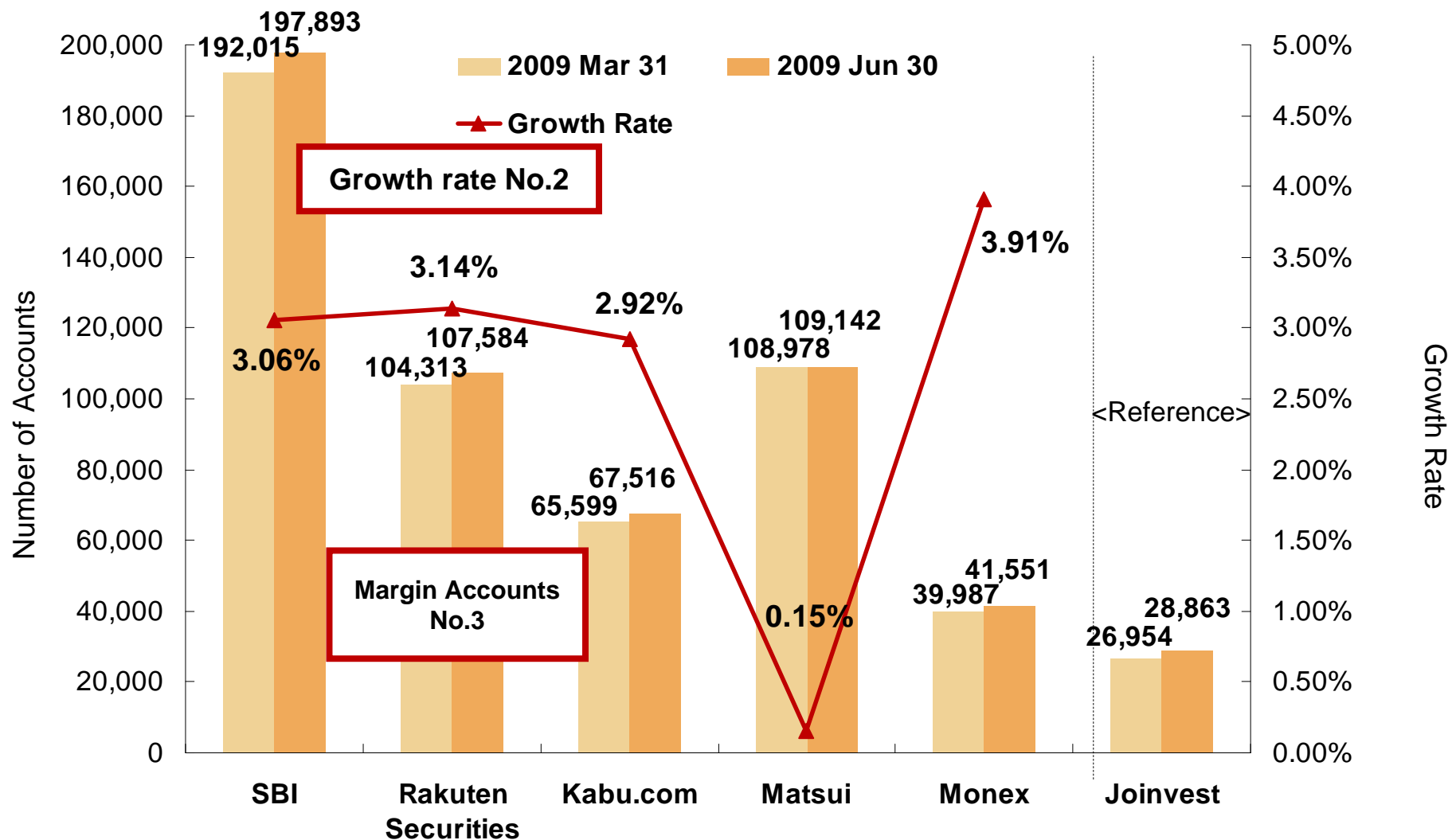


* Source: Based on information on companies' websites

Rakuten Securities: Number of Margin Accounts

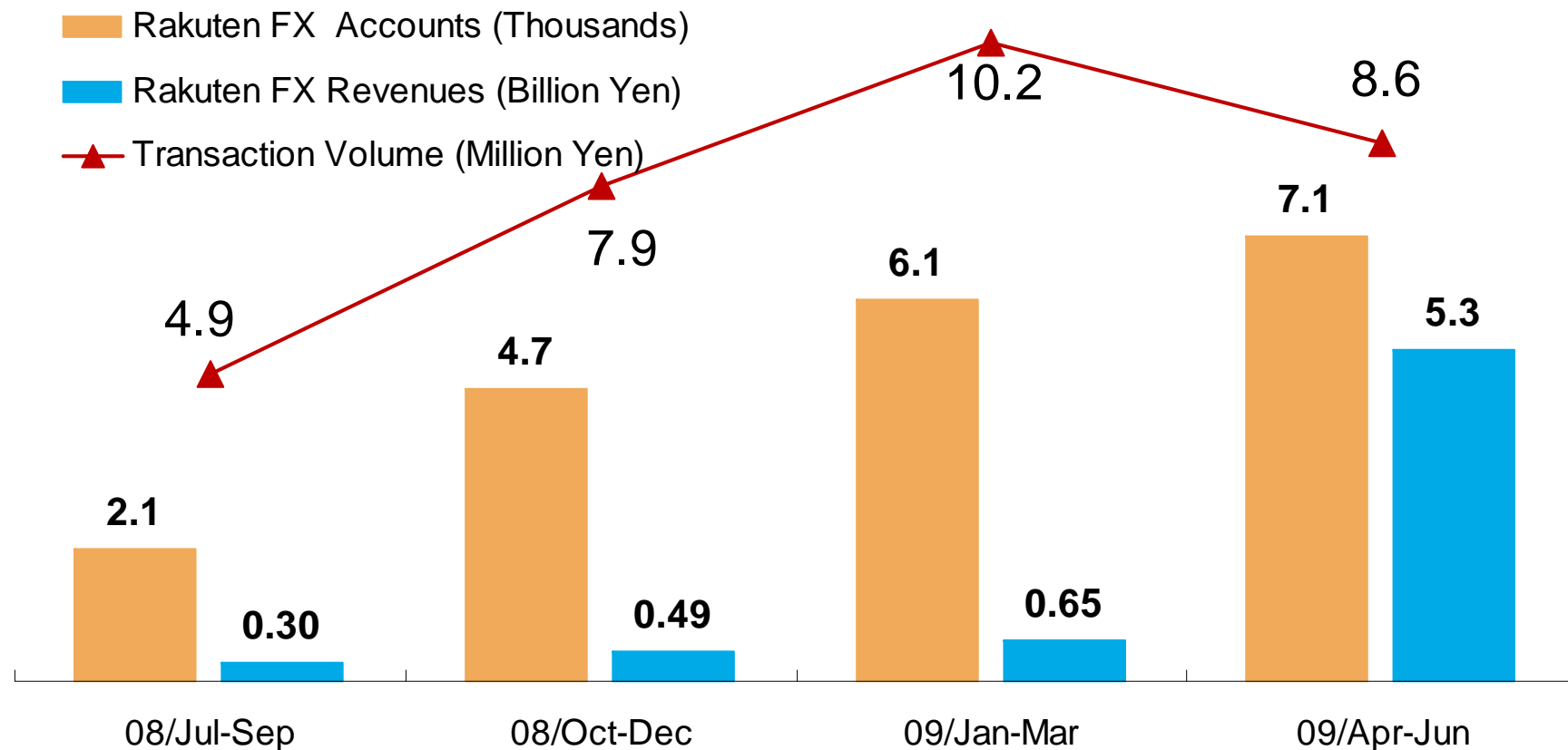


Comparison of Five Major Online Securities Companies

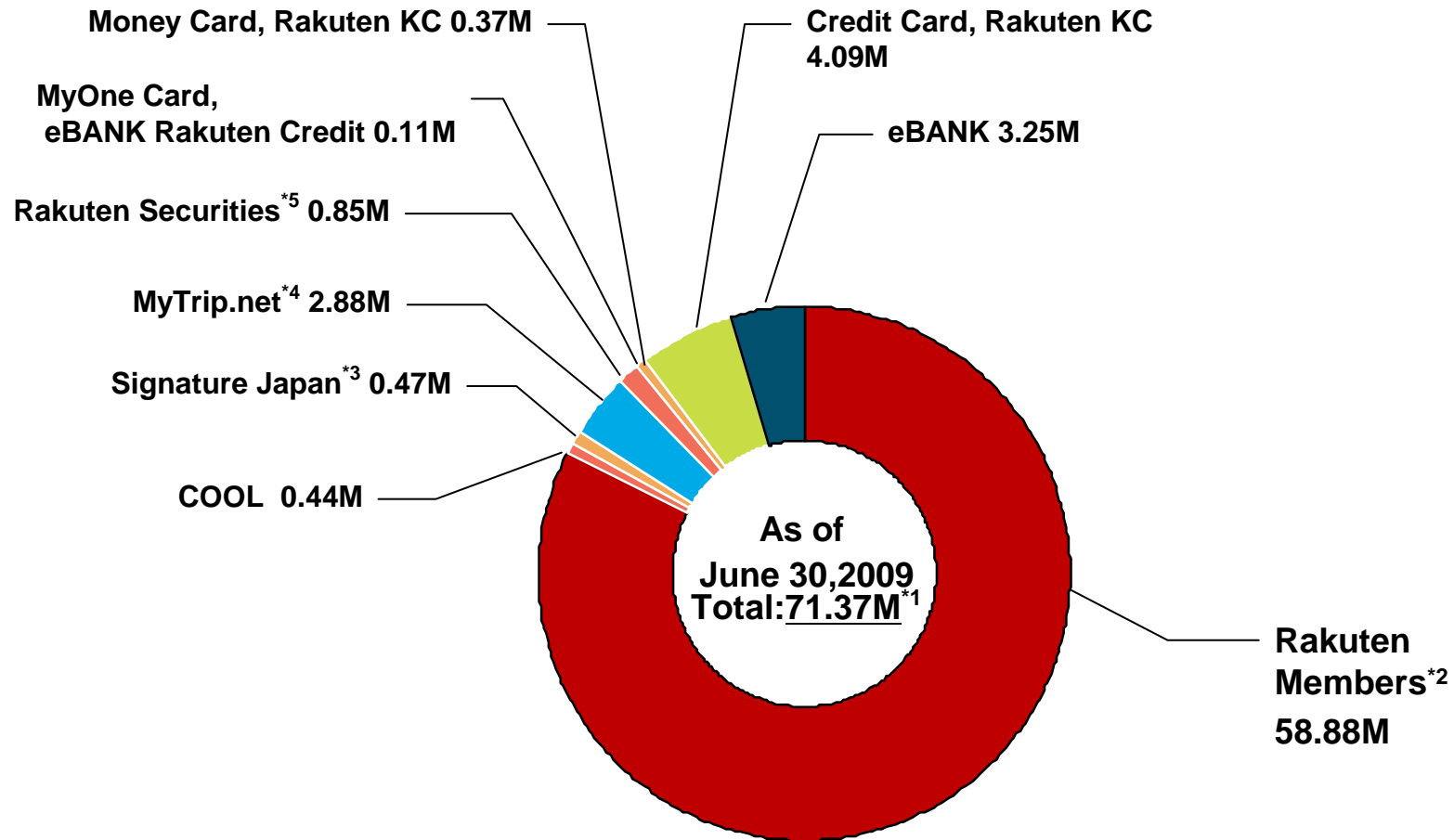


* Source: Based on information on companies' websites

- **Healthy growth of Rakuten FX**
- **Increase of accounts, revenue and trading volume**



Group Membership



*1 Figures include members using duplicate services

*2 Rakuten Members excluding non-active users (who never use any Rakuten services) are 34.7M

*3 Automatically registrant card members excluded

*4 MyTrip.net members exclude members converted into Rakuten ID

*5 Some non-active accounts were closed at June 30th. 2008

