



July 29, 2013

Company name Rakuten, Inc.

Representative Hiroshi Mikitani

Chairman and CEO

(JASDAQ Code: 4755)

Announcement of Financial Results of  
Rakuten Securities, Inc., a Consolidated Subsidiary

Rakuten Securities, Inc. (President: Yuji Kusunoki. Head Office: Shinagawa-ku, Tokyo), a consolidated subsidiary of Rakuten, Inc., today issued the attached press release relating to its consolidated financial reports (based on J-GAAP) for the three months ended June 30, 2013.

Rakuten Group plans to announce consolidated financial reports for the three months ended June 30, 2013 on August 2 (Friday). In addition, from the current fiscal year 2013, Rakuten Group is announcing quarterly financial results based on IFRS. The attached financial results of Rakuten Securities, Inc. are based on J-GAAP, which has different accounting processes for transactions from IFRS.



July 29, 2013

## Consolidated Financial Reports For the three months ended June 30, 2013

Rakuten Securities, Inc.

Rakuten Securities, Inc. (President: Yuji Kusunoki. Head Office: Shinagawa-ku, Tokyo) consolidated financial reports for the three months ended June 30, 2013 (J-GAAP)

Consolidated Results for the three months ended June 30, 2013

### Consolidated Operating Results

(Millions of yen, rounded down)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
Three months ended June 30, 2013	13,624	13,262	7,312	7,044	4,232
Three months ended June 30, 2012	4,839	4,553	900	923	920



## (1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2013	As of June 30, 2013
(Assets)		
Current Assets	616,947	725,307
Cash and deposits	28,955	33,988
Cash segregated for customers and others	294,454	350,056
Money held in trust	800	800
Trading assets	5,222	10,466
Trading securities and others	564	731
Derivatives	4,658	9,735
Operating investment securities and others	835	922
Trade date accrual	33	—
Margin transaction assets	237,891	277,991
Loans on margin transactions	228,527	276,927
Cash collateral pledged for securities borrowing on margin transactions	9,363	1,063
Loans secured by securities	6	—
Cash collateral pledged for securities borrowed	6	—
Advances paid	185	252
Cash paid for offering	4,838	2,162
Short-term guarantee deposits	36,495	34,163
Variation margin paid	2,401	9,579
Short-term loan receivables	27	42
Advance payments	11	39
Prepaid expenses	172	362
Accounts receivable - other	449	559
Accrued revenues	2,660	2,550
Deferred tax assets	331	364
Other current assets	1,289	1,124
Allowance for doubtful accounts	-113	-121

(Millions of yen)

Fixed Assets	10,891	11,482
Tangible fixed assets	646	899
Buildings	147	149
Furniture and fixtures	499	558
Construction in progress	—	190
Intangible fixed assets	8,924	9,396
Goodwill	1,726	1,710
Software	6,331	6,440
Software in progress	221	556
Others	645	688
Investments and other assets	1,319	1,187
Investment securities	345	315
Long-term loans receivable	147	174
Long-term guarantee deposits	469	506
Long-term prepaid expenses	15	7
Deferred tax assets	433	284
Others	1,503	1,339
Allowance for doubtful accounts	-1,595	-1,441
<b>Total Assets</b>	<b>627,838</b>	<b>736,790</b>

(Millions of yen)

	As of March 31, 2013	As of June 30, 2013
(Liabilities)		
Current liabilities	584,052	688,672
Trading liabilities	4,741	6,873
Trading securities and other	0	—
Derivatives	4,741	6,873
Trade date accrual	—	313
Margin transaction liabilities	46,782	32,170
Borrowings on margin transactions	8,542	10,766
Cash received for securities lending on margin transactions	38,240	21,404
Loans payable secured by securities	110,400	110,446
Cash received on debt credit transactions of securities	110,400	110,446
Deposits received	199,962	266,812
Guarantee money received	127,831	153,150
Accounts for non-received securities and others	6	—
Variation margin received	182	—
Short term borrowings	86,788	111,011
Advances received	97	126
Unearned revenue	9	23
Accounts payable - other	739	1,106
Accrued expenses	1,600	2,053
Income taxes payable	2,855	2,745
Accrued employees' bonuses	523	450
Provision for Director's bonuses	—	10
Provision for sales promotion expenses	45	45
Other current liabilities	1,483	1,332
Fixed Liabilities	645	664
Asset retirement obligations	28	28
Other fixed liabilities	617	636
Statutory reserves	1,932	1,929
Reserve for financial instruments transactions	1,891	1,888
Reserve for liability for commodities transactions	41	41
Total Liabilities	586,630	691,266

(Net Assets)		
Shareholders' equity		
Capital stock	7,495	7,495
Capital surplus	4,511	4,511
Retained earnings	28,093	32,325
Total shareholders' equity	40,100	44,332
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	347	403
Total accumulated other comprehensive income	347	403
Minorities	760	786
Total Net Assets	41,208	45,523
Total Liabilities and Net Assets	627,838	736,790

## (2) Consolidated Income Statements

(Millions of yen)

	Three months ended June 30, 2012 (April 1 - June 30, 2012)	Three months ended June 30, 2013 (April 1 - June 30, 2013)
Operating revenue	4,839	13,624
Commission received	3,278	8,875
Commission to consignees	2,461	7,522
Commission for offerings, secondary distribution and solicitation for selling and others for professional investors	141	798
Other commissions received	676	554
Net trading income	76	1,406
Financial revenue	1,396	3,155
Other operating revenue	88	186
Financial expenses	285	362
<b>Net Operating Revenue</b>	<b>4,553</b>	<b>13,262</b>
Selling, General, and Administrative Expenses	3,652	5,950
Trading related expenses	1,265	2,863
Personnel expenses	599	833
Real estate expenses	425	506
Office expenses	764	917
Depreciation	586	598
Taxes and dues	62	93
Goodwill amortization	10	15
Provision for allowance for doubtful accounts	-88	99
Others	26	21
Operating income	900	7,312
Non-operating income	28	15
Non-operating expenses	5	283
Ordinary income	923	7,044
Extraordinary income	254	2
Extraordinary losses	5	—
Income before income taxes and other adjustments	1,172	7,047
Income taxes - current	199	2,704

Income taxes - deferred	45	84
Total income taxes	245	2,788
Net income before minority interests	927	4,258
Minority interests in income	7	25
Net income	920	4,232





### (3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2012 (April 1 - June 30, 2012)	Three months ended June 30, 2013 (April 1 - June 30, 2013)
Income before minority interests	927	4,258
Other comprehensive income		
Valuation difference on available-for-sale securities	-67	56
Total other comprehensive income	-67	56
Comprehensive income	860	4,314
Comprehensive income attributable to:		
Owners of the parent company	852	4,289
Minority interests	7	25