

October 26, 2015

Company name Rakuten, Inc.

Representative Hiroshi Mikitani

Chairman and CEO

(Stock Code: 4755

Tokyo Stock Exchange First Section)

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

Rakuten Securities, Inc. (President: Yuji Kusunoki. Head Office: Setagaya-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 six months ended September 30, 2015.

Rakuten Group plans to announce consolidated financial reports for the nine months ended September 30, 2015, on November 5, 2015 (Thursday).

In addition, Rakuten Group announces 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.



October 26, 2015

Financial Reports For the six months ended September 30, 2015

Rakuten Securities, Inc.

Rakuten Securities, Inc. (President: Yuji Kusunoki. Head Office: Setagaya-ku, Tokyo) consolidated financial reports for the second quarter ended September 30, 2015 (J-GAAP).

The financial reports of Rakuten Securities, Inc. are based on “Uniform Accounting Standards for Securities Companies” (set by the Board of Directors of the Japan Securities Dealers Association, November 14, 1974). Commodity futures transactions are based on “Uniform Accounting Standards for Commodity Futures Transactions” (set by the Board of Directors of the Commodity Futures Association of Japan, March 3, 1993).

Results for the second quarter ended September 30, 2015 (From April 1, 2015 to September 30, 2015)

Consolidated Operating Results

(Millions of yen, rounded down)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
Six months ended September 30, 2015	27,309	26,045	11,770	11,834	7,000

※ The operating results from April 1 to July 31, 2015 of FXCM Japan Securities Co. Ltd., which has been merged with Rakuten Securities Inc., as of August 1, 2015, has been consolidated. In addition, the balance sheet of FXCM Asia Limited as of September 30, 2015 has been consolidated.

(1) Consolidated Balance Sheet

(Millions of yen)

	As of September 30, 2015
(Assets)	
Current assets	956,890
Cash and deposits	90,611
Cash segregated as deposits	476,675
Money held in trust	1,000
Trading products	23,054
Trading securities and others	1,556
Derivatives	21,498
Operating investment securities for sale and others	1,200
Margin transaction assets	318,008
Loans on margin transactions	312,378
Cash collateral pledged for securities borrowing on margin transactions	5,629
Advances paid	387
Cash paid for offering	4,085
Securities received as collateral *1	954
Short-term guarantee deposits	25,674
Variation margin paid	9,115
Short-term loan receivables	65
Advance payments	150
Prepaid expenses	421
Accounts receivable – other	1,017
Accrued corporate taxes and others	55
Accrued revenues	4,593
Deferred tax assets	83
Allowance for doubtful accounts	(266)

(Millions of yen)

	As of September 30, 2015
Fixed assets	24,098
Tangible fixed assets	1,546
Buildings	483
Furniture and fixtures	1,062
Intangible fixed assets	21,423
Goodwill	8,141
Customer relationships	1,824
Software	11,077
Software in progress	379
Investments and other assets	1,128
Investment securities	189
Long-term loans receivable	169
Long-term guarantee deposits	863
Long-term prepaid expenses	16
Others	1,160
Allowance for doubtful accounts	(1,271)
Total assets	980,988

(Millions of yen)

	As of September 30, 2015
(Liabilities)	
Current liabilities	903,179
Trading products	9,384
Derivatives	9,384
Trade date accrual	467
Margin transaction liabilities	36,043
Borrowings on margin transactions	6,006
Cash received for securities lending on margin transactions	30,036
Loans payable secured by securities	204,493
Cash received on debt credit transactions of securities	204,493
Deposits received	315,805
Guarantee deposits received *2	210,426
Accounts for non-received securities and others	26
Short term loans payable	117,417
Advances received	119
Accrued revenue	1
Accounts payable – other	1,575
Accrued expenses	2,685
Income taxes payable	4,081
Provision for employees' bonuses	497
Provision for directors' bonuses	20
Provision for sales promotion expenses	38
Asset retirement obligations	59
Other current liabilities	35
Fixed liabilities	355
Asset retirement obligations	175
Deferred tax liabilities	65
Other fixed liabilities	114
Statutory reserves	4,314
Reserve for financial products liabilities	4,278
Reserve for liability for commodities transactions	35
Total liabilities	907,849

(Millions of yen)

	As of September 30, 2015
(Net assets)	
Shareholders' equity	
Capital stock	7,495
Capital surplus	4,511
Retained earnings	60,524
Total shareholders' equity	72,531
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	607
Total accumulated other comprehensive income	607
Total net assets	73,139
Total liabilities and net assets	980,988

Notes:

*1: Securities received as collateral for commodity futures transactions (Securities deposited with a Commodity Clearing Organization as clearing margins for transactions by consignors and others).

*2: Includes JPY 954 million securities in six months ended September 30, 2015 received as substitute for clearing margins etc. from consignors and others for commodity futures transactions.

(2) Consolidated Statements of Income

(Millions of yen)

	Six Months ended September 30, 2015 (April 1 – September 30, 2015)
Operating revenue	27,309
Commission received	13,370
Commission to consignees	10,077
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	0
Commission for offerings, secondary distribution and solicitation for selling and others for professional investors	1,123
Other commissions received	2,169
Net trading income	5,028
Net gain on trading of investment securities for sale	(0)
Financial revenue	8,585
Other operating revenue	324
Financial expenses	1,263
Net operating revenue	26,045
Selling, general, and administrative expenses	14,274
Trading related expenses	5,952
Personnel expenses	2,070
Real estate expenses	863
Office expenses	2,382
Depreciation	2,168
Taxes and dues	294
Goodwill amortization	275
Provision for allowance for doubtful accounts	200
Others	66
Operating income	11,770
Non-operating income	93
Non-operating expenses	29
Ordinary income	11,834

(Millions of yen)

	Six Months ended September 30, 2015 (April 1 – September 30, 2015)
Extraordinary losses	800
Income before income taxes and other adjustments	11,033
Income taxes – current	4,103
Income taxes – deferred	(70)
Total income taxes	4,033
Net income	7,000
Profit (loss) attributable to owners of parent	7,000



(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six Months ended September 30, 2015 (April 1 – September 30, 2015)
Net income	7,000
Other comprehensive income	
Valuation difference on available-for-sale securities	(30)
Total other comprehensive income	(30)
Net comprehensive income	6,969
(Breakdown)	
Comprehensive income attributable to owners of parent	6,969
Comprehensive income attributable to non-controlling interests	-