



April 1, 2013

Company name Rakuten, Inc.
Representative Hiroshi Mikitani
 Chairman and CEO
 (JASDAQ Code: 4755)

**Announcement of Consolidated Financial Statements in Accordance
with International Financial Reporting Standards (IFRS)**

Rakuten, Inc. announces that today we posted consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) starting from Fiscal Year 2012 on our website (<http://corp.rakuten.co.jp/investors/>).

The consolidated financial statements based on IFRS for Fiscal Year 2012 are attached.

Consolidated Financial Statements

1) Consolidated Statement of Financial Position

(Millions of Yen)

	The date of translation January 1, 2011	December 31, 2011	December 31, 2012
Assets			
Cash and cash equivalents	105,896	152,801	270,114
Accounts receivable — trade	44,603	48,958	65,493
Financial assets for securities business	483,073	415,600	615,703
Loans for credit card business	348,791	306,131	402,418
Investment securities for banking business	484,530	423,954	296,326
Loans for banking business	124,885	154,555	189,669
Investment securities for insurance business	—	—	13,623
Derivative assets	10,143	9,829	10,674
Investment securities	59,754	10,963	23,411
Other financial assets	142,556	172,764	123,132
Investments in associates and joint ventures	9,454	9,685	6,601
Property, plant and equipment	25,885	21,535	24,143
Intangible assets	152,215	149,620	188,014
Deferred tax assets	47,212	64,579	40,546
Other assets	13,574	18,791	17,767
Total assets	2,052,571	1,959,765	2,287,634
Liabilities			
Accounts payable — trade	36,836	59,365	79,965
Deposits for banking business	714,856	742,593	809,531
Financial liabilities for securities business	427,440	364,490	558,055
Derivative liabilities	2,429	2,861	4,685
Bonds and borrowings	377,661	347,983	305,186
Other financial liabilities	152,130	176,413	210,048
Income taxes payable	17,590	3,981	2,873
Provisions	32,499	23,181	29,614
Insurance liabilities for insurance business	—	—	18,496
Deferred tax liabilities	6,236	6,054	6,416
Other liabilities	67,435	20,498	20,853
Total liabilities	1,835,112	1,747,419	2,045,722
Net assets			
Equity attributable to owners of the Company			
Common stock	107,779	107,959	108,255
Capital surplus	117,311	116,864	116,599
Retained earnings	(1,656)	3,641	20,873
Treasury stock	(3,626)	(3,626)	(3,626)
Other components of equity	(11,032)	(16,471)	(6,159)
Total shareholders' equity	208,776	208,367	235,942
Non-controlling interests	8,683	3,979	5,970

(Millions of Yen)

	The date of translation January 1, 2011	December 31, 2011	December 31, 2012
Total net assets	217,459	212,346	241,912
Total liabilities and net assets	2,052,571	1,959,765	2,287,634

2) Consolidated Statement of Income

(Millions of Yen)

	Year ended December 31, 2011	Year ended December 31, 2012
<hr/>		
Continuing operations		
Revenue	346,425	400,444
Operating expenses	265,463	319,435
Other income	1,178	3,365
Other expenses	6,004	5,581
Additional line items	(75,492)	(28,738)
Operating income	644	50,055
Financial income	277	193
Financial expenses	2,569	2,565
Share of (loss)/profit of associates	463	1,423
(Loss) Income before income tax	(1,185)	49,106
Income tax (benefit) expense	(10,816)	27,970
Net income	9,631	21,136
<hr/>		
Net income attributable to		
Owners of the Company	7,986	20,489
Non-controlling interests	1,645	647
Total net income	9,631	21,136
<hr/>		
		(Yen)
Earnings per share attributable to owners of the Company:		
Basic	6.08	15.59
Diluted	6.06	15.56
<hr/>		

3) Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Year ended December 31, 2011	Year ended December 31, 2012
Net income	9,631	21,136
Other comprehensive income		
Items that will not be reclassified to net income:		
Gains and losses on financial assets measured at fair value through other comprehensive income	(3,008)	(72)
Income tax relating to gains and losses on financial assets measured at fair value through other comprehensive income	815	(51)
Share of other comprehensive income of associates	(20)	28
Total items that will not be reclassified to net income	(2,213)	(95)
Items that will be reclassified to net income:		
Foreign currency translation adjustments	(3,708)	10,362
The portion of gains or losses on effective cash flow hedges recognized in other comprehensive income	185	(447)
Income tax relating to the portion of gains or losses on effective cash flow hedges recognized in other comprehensive income	(117)	176
The portion of gains or losses on effective cash flow hedges reclassified from other comprehensive income to net income	526	713
Income tax relating to the portion of gains or losses on effective cash flow hedges reclassified from other comprehensive income to net income	(197)	(271)
Total items that will be reclassified to net income	(3,311)	10,533
Other comprehensive income, net of tax	(5,524)	10,438
Comprehensive income	4,107	31,574
Total comprehensive income attributable to		
Owners of the Company	2,551	30,907
Non-controlling interests	1,556	667
Total comprehensive income	4,107	31,574

4) Consolidated Statement of Changes in Equity

(Millions of Yen)

	Other components of equity										
	Common stock	Capital surplus	Retained earnings	Treasury stock	Foreign currency translation adjustments	Financial instruments measured at fair value through other comprehensive income	Cash flow hedges	Total other components of equity	Total shareholder's equity	Non-controlling interests	Total equity
As of January 1, 2011	107,779	117,311	(1,656)	(3,626)	(14,500)	4,222	(754)	(11,032)	208,776	8,683	217,459
Comprehensive income											
Net income	—	—	7,986	—	—	—	—	—	7,986	1,645	9,631
Other comprehensive income, net of tax	—	—	—	—	(3,623)	(2,192)	380	(5,435)	(5,435)	(89)	(5,524)
Total comprehensive income	—	—	7,986	—	(3,623)	(2,192)	380	(5,435)	2,551	1,556	4,107
Transactions with owners											
Contributions by and distributions to owners of the Company											
Issuance of common stock	180	180	—	—	—	—	—	—	360	—	360
Cash dividends paid	—	—	(2,624)	—	—	—	—	—	(2,624)	—	(2,624)
Others	—	295	(65)	—	—	(4)	—	(4)	226	—	226
Total contributions by and distributions to owners of the Company	180	475	(2,689)	—	—	(4)	—	(4)	(2,038)	—	(2,038)
Changes in ownership interests in subsidiaries											
Issuance of common stock	—	—	—	—	—	—	—	—	—	1,379	1,379
Acquisitions and disposals of non-controlling interests	—	(1,692)	—	—	—	—	—	—	(1,692)	(1,187)	(2,879)
Sales of subsidiaries	—	—	—	—	—	—	—	—	—	(5,915)	(5,915)
Others	—	770	—	—	—	—	—	—	770	(537)	233
Total changes in ownership interests in subsidiaries	—	(922)	—	—	—	—	—	—	(922)	(6,260)	(7,182)
Total transactions with owners	180	(447)	(2,689)	—	—	(4)	—	(4)	(2,960)	(6,260)	(9,220)
As of December 31, 2011	107,959	116,864	3,641	(3,626)	(18,123)	2,026	(374)	(16,471)	208,367	3,979	212,346
Comprehensive income											
Net income	—	—	20,489	—	—	—	—	—	20,489	647	21,136
Other comprehensive income net of tax	—	—	—	—	10,341	(94)	171	10,418	10,418	20	10,438
Total comprehensive income	—	—	20,489	—	10,341	(94)	171	10,418	30,907	667	31,574
Transactions with owners											
Contributions by and distributions to owners of the Company											
Issuance of common stock	296	296	—	—	—	—	—	—	592	—	592
Cash dividends paid	—	—	(3,284)	—	—	—	—	—	(3,284)	—	(3,284)

Others	—	334	27	(0)	—	(106)	—	(106)	255	—	255
Total contributions by and distributions to owners of the Company	296	630	(3,257)	(0)	—	(106)	—	(106)	(2,437)	—	(2,437)
Changes in ownership interests in subsidiaries											
Issuance of common stock	—	—	—	—	—	—	—	—	—	30	30
Acquisitions and disposals of non-controlling interests	—	(494)	—	—	—	—	—	—	(494)	1,380	886
Sales of subsidiaries	—	—	—	—	—	—	—	—	—	—	—
Others	—	(401)	—	—	—	—	—	—	(401)	(86)	(487)
Total changes in ownership interests in subsidiaries	—	(895)	—	—	—	—	—	—	(895)	1,324	429
Total transactions with owners	296	(265)	(3,257)	(0)	—	(106)	—	(106)	(3,332)	1,324	(2,008)
As of December 31, 2012	108,255	116,599	20,873	(3,626)	(7,782)	1,826	(203)	(6,159)	235,942	5,970	241,912

5) Consolidated Statement of Cash Flows

(Millions of Yen)

	Year ended December 31, 2011	Year ended December 31, 2012
Net cash flows from operating activities		
(Loss) Income before income tax	(1,185)	49,106
Depreciation and amortization	18,112	21,227
Impairment loss	83	24,805
Loss on business restructuring	75,492	4,250
Other loss	3,894	955
Decrease (Increase) in accounts receivable	(4,283)	(9,379)
Decrease (Increase) in loans for credit card business	(56,195)	(96,287)
Increase (Decrease) in deposits for banking business	27,737	66,941
Decrease (Increase) in call loans for banking business	(24,053)	42,000
Decrease (Increase) in loans for banking business	(29,731)	(35,113)
Increase (Decrease) in accounts payable	21,422	14,284
Increase (Decrease) in Guarantee Deposit Paid for Business Operation	2,137	7,207
Increase (Decrease) in accounts payable — other and accrued expenses	12,396	10,852
Decrease (Increase) in financial assets for securities business	67,473	(200,103)
Increase (Decrease) in financial liabilities for securities business	(62,951)	193,565
Others	8,039	17,294
Income tax paid	(23,165)	(6,917)
Net cash flows from operating activities	35,222	104,687
Net cash flows from investing activities		
Decrease in time deposits	(9,946)	(6,349)
Increase in time deposits	5,573	12,431
Purchase of property, plant and equipment	(3,884)	(5,162)
Purchase of intangible assets	(15,102)	(18,949)
Purchase of investment securities for banking business	(382,236)	(253,991)
Proceeds from sales and redemption of investment securities for banking business	446,626	385,115
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(10,641)	(35,076)
Purchase of investment securities	(3,199)	(15,637)
Proceeds from sales and redemption of investment securities	1,388	3,324
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	33,554	—
Other payments	(3,137)	(4,200)
Other proceeds	1,264	5,934
Net cash flows from investing activities	60,260	67,440

Net cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(19,235)	6,607
Increase (Decrease) in commercial papers	(30,200)	14,000
Proceeds from long-term loans borrowings	173,760	30,100
Repayment of long-term loans borrowings	(152,686)	(90,168)
Redemption of bonds	(4,800)	(4,800)
Cash dividends paid	(2,630)	(3,286)
Purchase of Non-controlling interests	(3,328)	(6,956)
Others	(8,286)	(2,317)
Net cash flows used in financing activities	(47,405)	(56,820)
Effect of change in exchange rates on cash and cash equivalents	(1,172)	2,006
Net increase in cash and cash equivalents	46,905	117,313
Cash and cash equivalents at beginning of the year	105,896	152,801
Cash and cash equivalents at end of the year	152,801	270,114