

Rakuten, Inc.
Fiscal Year 2008 2nd Quarter Financial Result
Consolidated Income Statements

(Million Yen)

Item	2007/Q2	2008/Q2	Changes	
	Apr 1, 2007 to Jun. 30, 2007	Apr 1, 2008 to Jun. 30, 2008	Amount	Ratio(%)
I Net sales	50,497	62,291	11,793	23.4
II Cost of sales	7,246	13,801	6,555	90.5
Gross profit	43,251	48,489	5,238	12.1
III Selling, general and administrative expenses	35,956	37,436	1,480	4.1
Advertising and sales promotion expenses	3,295	3,580	285	
Personnel expenses	6,323	8,635	2,311	
Depreciation and amortization	1,865	2,783	918	
Communication and maintenance	2,785	3,411	626	
Outsourcing expenses	5,019	5,902	883	
Expenses for doubtful accounts	6,891	4,207	-2,684	
Other	9,776	8,916	-859	
Operating income	7,294	11,053	3,758	51.5
IV Non-operating income	1,247	754	-492	-39.5
Interest and dividend income	549	519	-29	
Gain on sales of securities	0	-	-0	
Foreign exchange gain	258	22	-235	
Equity in earnings of affiliates	250	-	-250	
Other	187	212	24	
V Non-operating expenses	835	1,404	569	68.1
Interest expenses	417	433	15	
Commission expenses	366	802	436	
Loss on securities of affiliates	-	31	31	
Other	51	137	85	
Ordinary income	7,705	10,402	2,697	35.0
VI Extraordinary gains	200	1,104	903	451.0
Gain on sales of fixed assets	-	46	46	
Gain on changes in equity interests of subsidiaries and affiliates	82	17	-65	
Gain on sales of investment securities	3	-	-3	
Gain on sales of subsidiary securities	70	-	-70	
Gain on received investment securities	-	117	117	
Gain on reversal of statutory reserve	-	890	890	
Other	43	33	-10	
VII Extraordinary losses	2,196	1,611	-584	-26.6
Loss on disposal of fixed assets	17	727	709	
Provision for statutory reserve for security brokerage business	206	-	-206	
Loss on cancellation of leases	439	-	-439	
Valuation loss of investment securities	-	155	155	
Loss on cancellation of maintenance contract	395	-	-395	
Revised valuation loss on securities of affiliates	467	-	-467	
Impairment loss	430	45	-384	
Other	238	683	444	
Income before income taxes and minority interests	5,709	9,895	4,185	73.3
Total income taxes	2,229	4,569	2,339	104.9
Corporate, inhabitant's and enterprise taxes	2,638	2,624	-13	
Income taxes-deferred	-408	1,944	2,352	
Minority interests	-156	-77	79	
Net income	3,636	5,403	1,767	48.6