

Rakuten, Inc.
Fiscal Year 2008 3rd Quarter Financial Result
Consolidated Income Statements - 3 months

(Million Yen)

Items	2007/Q3	2008/Q3	Changes	
	Jul 1, 2007 to Sep. 30, 2007	Jul 1, 2008 to Sep. 30, 2008	Amount	Ratio(%)
I Net sales	52,084	62,371	10,287	19.8%
II Cost of sales	8,095	13,198	5,103	63.0%
Gross profit	43,988	49,172	5,184	11.8%
III Selling, general and administrative expenses	37,719	36,623	-1,096	-2.9%
1 Personnel expenses	6,286	8,941	2,654	
2 Advertising and promotion expenses	3,224	3,628	404	
3 Depreciation	2,177	2,813	696	
4 Communication and maintenance expenses	2,702	3,291	588	
5 Outsourcing expenses	5,273	4,831	-442	
6 Expenses for doubtful accounts	7,106	4,457	-2,649	
7 Provision for allowances for loss on interest repayments	2,492	-	-2,492	
8 Others	8,515	8,659	143	
Operating income	6,268	12,549	6,280	100.2%
IV Non-operating income	660	242	-418	-63.3%
1 Interest and dividend income	136	52	-83	
2 Equity in earnings of affiliates	341	68	-272	
3 Others	183	121	-62	
V Non-operating expenses	785	1,122	336	42.8%
1 Interest expenses	307	654	347	
2 Commission expenses	24	366	341	
3 Others	454	101	-352	
Ordinary income	6,143	11,669	5,525	89.9%
VI Extraordinary gains	54,743	16	-54,726	-100.0%
1 Gain on changes in equity interests of subsidiaries and affiliates	-	15	15	
2 Gain on sales of investment securities	523	-	-523	
3 Gain on sales of affiliate securities	53,872	-	-53,872	
4 Others	346	1	-345	
VII Extraordinary losses	1,151	522	-629	-54.7%
1 Loss on disposal of fixed assets	116	132	16	
2 Provision for statutory reserve for security brokerage business	176	-	-176	
3 Loss on cancellation of leases	153	-	-153	
4 Valuation loss of investment securities	296	357	61	
5 Others	409	31	-377	
VIII Income before income taxes and minority interests	59,735	11,164	-48,571	-81.3%
1 Total income taxes	22,151	5,113	-17,037	-76.9%
Corporate, inhabitant's and enterprise taxes	23,646	5,032	-18,614	
Income taxes-deferred	-1,495	81	1,576	
2 Minority interests	-183	-124	59	-
VIII Net income	37,768	6,175	-31,593	-83.7%

Rakuten, Inc.
Fiscal Year 2008 3rd Quarter Financial Result
Consolidated Income Statements - 9 months

(Million Yen)

Item	2007/Q3 YTD (9 months)		2008/Q3 YTD (9 months)		Changes		FY2007 (12 months)	
	Jan. 1, 2007- Sep. 30, 2007	Ratio(%)	Jan. 1, 2008- Sep. 30, 2008	Ratio(%)	Amount	Ratio(%)	Jan. 1, 2008- Dec.31, 2007	Ratio(%)
I Net sales	151,016	100.0	184,185	100.0	33,169	22.0%	213,938	100.0%
II Cost of sales	22,663	15.0	41,625	22.6	18,961	83.7%	39,480	18.5%
Gross profit	128,352	85.0	142,560	77.4	14,207	11.1%	174,457	81.5%
III Selling, general and administrative expenses	108,620	71.9	111,744	60.7	3,123	2.9%	174,338	81.5%
1 Personnel expenses	18,903		25,458		6,555		26,603	
2 Advertising and promotion expenses	9,667		11,199		1,531		12,826	
3 Depreciation	5,541		8,209		2,668		7,886	
4 Communication and maintenance	8,068		10,280		2,211		10,792	
5 Outsourcing expenses	14,886		16,892		2,006		20,798	
6 Expenses for doubtful accounts	21,128		12,381		-8,746		39,719	
7 Provision for allowances for loss on interest repayments	5,472		-		-5,472		-	
8 Others	24,953		27,323		2,369		55,713	
Operating income	19,731	13.1	30,815	16.7	11,083	56.2%	118	0.1%
IV Non-operating income	3,477	2.3	1,412	0.8	-2,064	-59.4%	5,056	2.4%
1 Interest and dividend income	831		-		-831		-	
2 Interest income	-		163		163		274	
3 Dividend income	-		565		565		1,706	
4 Gain on sales of securities	1,105		-		-1,105		1,105	
5 Equity in earnings of affiliates	913		122		-791		1,047	
6 Others	626		562		-64		923	
V Non-operating expenses	2,075	1.4	3,163	1.7	1,088	52.4%	2,798	1.3%
1 Interest expenses	1,163		1,483		320		1,505	
2 Commission expenses	470		1,183		712		670	
3 Others	441		496		55		623	
Ordinary income	21,133	14.0	29,064	15.8	7,930	37.5%	2,376	1.1%
VI Extraordinary gains	57,079	37.8	1,291	0.7	-55,788	-97.7%	57,440	26.8%
1 Gain on sales of fixed assets	1,085		46		-1,038		1,085	
2 Gain on sales of investment securities	534		-		-534		659	
3 Gain on sales of affiliate securities	54,910		-		-54,910		54,910	
4 Gain on received investment securities	-		267		267		-	
5 Gain on reversal of statutory reserve	-		714		714		-	
6 Gain on reversal of reserve for business restructuring	-		184		184		-	
7 Gain on changes in equity interests of subsidiaries and affiliates	430		33		-396		598	
8 Others	118		44		-73		187	
VII Extraordinary losses	5,228	3.5	5,135	2.8	-93	-1.8%	9,144	4.3%
1 Loss on Credit Business restructuring	411		-		-411		411	
2 Special retirement benefits	-		-		-		239	
3 Loss on disposal of fixed assets	315		1,636		1,321		1,425	
4 Provision for statutory reserve for security brokerage business	609		-		-609		778	
5 Loss on cancellation of leases	972		-		-972		3,107	
6 Valuation loss of investment securities	306		999		692		322	
7 Impairment loss	470		1,246		775		749	
8 Revised valuation loss on securities of affiliates	467		-		-467		467	
9 Others	1,674		1,252		-421		1,641	
VI Income before income taxes and minority interests	72,984	48.3	25,220	13.7	-47,763	-65.4%	50,672	23.7%
1 Total income taxes	29,557	19.6	12,248	6.7	-17,308	-58.6%	14,971	7.0%
Corporate, inhabitant's and enterprise taxes	27,668		9,743		-17,925		20,941	
Income taxes-deferred	1,888		2,505		617		-5,970	
2 Minority interests	-143	-0.1	-495	-0.3	-352	-	-1,197	-0.6%
VII Net income	43,571	28.9	13,468	7.3	-30,103	-69.1%	36,898	17.2%