

Annual Financial Results (Consolidated) for the Fiscal Year Ended December 2008

Rakuten, Inc.
February 13, 2009

Company name : Rakuten, Inc. Listed : JASDAQ (Japan)
Code No : 4755 URL : <http://www.rakuten.co.jp/info/ir/english/>
Representative : (Position) President and CEO (Name) Hiroshi Mikitani
Contact person : (Position) CFO (Name) Ken Takayama
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Scheduled date of the Annual General Meeting of Shareholders: March 27, 2009
Scheduled date of commencement of dividend payment: March 30, 2009
Scheduled date of filing the securities report: March 27, 2009

(Amounts less than one million yen are discarded)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2008 (Jan 1, 2008 through December 31, 2008)

(1) Consolidated Operating Result

(Percentages indicate the change from corresponding figure for the same period of the prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income (loss)	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2008	249,883	16.8	47,151	-	44,531	-	-54,977	-
FY2007	213,938	5.2	118	-99.6	2,376	-92.2	36,898	-

	EPS (Earning per Share)	EPS (Earning per Share) Diluted	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Profit to Total Assets	Ratio of Operating Profit to Net Sales
	Yen	Yen	%	%	%
FY2008	-4,203.55	-	-32.8	4.0	18.9
FY2007	2,825.95	2,813.32	19.7	0.2	0.1

Equity in net income of affiliates: -116 million yen (year ended December 31, 2008); 1,047 million yen (year ended December 31, 2007)

This fiscal year ended December 31, 2008 resulted in net loss, so net income (loss) per share (diluted) is not shown here.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Book-value per Share
	Millions of Yen	Millions of Yen	%	Yen
FY2008	1,086,937	158,727	13.8	11,439.86
FY2007	1,158,923	193,823	16.0	14,212.68

Shareholders' equity: 149,703 million yen (year ended December 31, 2008); 185,835 million yen (year ended December 31, 2007)

(3) Consolidated Cash Flows

	Operating Activities	Investment Activities	Financing Activities	Cash and Cash Equivalents, End of Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2008	-13,466	-40,976	62,397	81,283
FY2007	42,966	55,069	-113,627	73,860

2. Dividend Distribution

(Base date)	Dividend per Share			Total Dividend (Year)	Dividend Ratio (Consolidated)	Ratio of Dividend to Net Assets (Consolidated)
	Semiannual	Annual	Year			
FY2007	Yen -	Yen 100.00	Yen 100.00	Millions of Yen 1,307	% 3.5	% 0.7
FY2008	-	100.00	100.00	1,308	-	0.8
FY2009 (forecast)	TBD	TBD	TBD			

(Note) Dividend for 2008 will be paid out from capital surplus.

3. Forecast of consolidated operating results for Fiscal Year 2009 (Jan 1, 2009 through December 31, 2009)

Rakuten and its group businesses do not disclose earnings forecast as its business include Internet service and security brokerage business, highly volatile and unpredictable enough to preclude us from making earning forecast.

4. Others

- (1) Significant changes in scope of consolidation: None
- (2) Change in significant accounting policies and presentations
 - ① Changes due to change in accounting standards: Yes
 - ② Changes other than ①: Yes
- (3) Number of shares issued(Common stock):
 - ① Common stock (including treasury stock)
13,087,064 shares (December 31, 2008)
13,076,334 shares (December 31, 2007)
 - ② Treasury stock
979 shares (December 31, 2008)
977 shares (December 31, 2007)

(Reference) Summary of Non-consolidated Results

(1) Non-Consolidated Operating Results (Jan 1, 2008 through December 31, 2008)

(Percentages indicate the change from corresponding figure for the same period of the prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income (loss)	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2008	89,663	45.5	27,743	50.2	26,767	35.7	-38,243	-
FY2007	61,630	24.7	18,471	6.9	19,731	-13.2	17,243	47.3

	EPS (Earning per Share)	EPS (Earning per Share) Diluted
	Yen	Yen
FY2008	-2,924.10	-
FY2007	1,320.58	1,314.86

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Book-value per Share
	Millions of Yen	Millions of Yen	%	Yen
FY2008	448,122	222,583	49.6	16,990.63
FY2007	391,072	258,408	66.0	19,753.25

Shareholders' equity: 222,340 million yen (year ended December 31, 2008); 258,280million yen (year ended December 31, 2007)

5. Business segment information

Fiscal Year Ended December 31, 2008 (Jan 1, 2008 through December 31, 2008)

(Millions of Yen)

	E-Commerce	Credit and Payment	Portal Media	Travel	Securities	Professional Sports	Telecommunications	Total	Eliminations	Consolidated
Sales to customers	91,073	65,911	9,680	16,198	24,806	7,963	34,249	249,883	—	249,883
Intersegment sales	1,309	843	5,614	351	1	471	3	8,595	-8,595	—
Total Sales	92,383	66,755	15,295	16,549	24,807	8,434	34,252	258,479	-8,595	249,883
Operating Expenses	66,316	56,051	15,500	9,087	20,951	9,246	33,818	210,972	-8,240	202,732
Operating Income (loss)	26,066	10,703	-205	7,462	3,856	-811	434	47,507	-355	47,151

Quarter Ended December 31, 2008 (October 1, 2008 through December 31, 2008)

(Millions of Yen)

	E-Commerce	Credit and Payment	Portal Media	Travel	Securities	Professional Sports	Telecommunications	Total	Eliminations	Consolidated
Sales to customers	26,065	16,837	3,340	4,299	5,968	1,261	7,925	65,697	—	65,697
Intersegment sales	370	205	1,660	88	0	118	3	2,446	-2,446	—

	E-Commerce	Credit and Payment	Portal Media	Travel	Securities	Professional Sports	Telecommunications	Total	Eliminations	Consolidated
Total Sales	26,436	17,043	5,000	4,387	5,968	1,379	7,928	68,144	-2,446	65,697
Operating Expenses	16,464	13,493	4,885	2,113	5,203	2,026	7,668	51,855	-2,493	49,362
Operating Income (loss)	9,971	3,549	114	2,273	765	-646	259	16,288	46	16,335

Operating Results and Financial Position

1. Operating Results

(1) Results for Fiscal Year 2008

During the year ended December 31, 2008, the Japanese economy witnessed sharp downturns in exports, production and corporate earnings amid the global economic slowdown triggered by the U.S. financial crisis, which grew more serious from fall. The worsening employment picture due to these declines led to weaker consumer spending, causing the economy to deteriorate rapidly.

In this climate, the E-Commerce (electronic commerce, excluding sales of goods such as real estate and automobiles) market for the fiscal year 2008 was projected to grow steadily to approximately ¥2.5 trillion, an increase of 14.4% year on year. This anticipated growth reflected an increased trend of "at-home consumption" as consumers with a stronger desire to save money amid worsening economic conditions reduced the frequency of outings and spent more time at home. This expectation also suggests that Internet shopping, as an easy, time- and cost-efficient way to compare prices, has become a more typical method for making purchases.

Against this backdrop, the Company recorded robust transactions from its Internet shopping mall business during the fiscal year under review, with gross merchandise sales from Rakuten Ichiba and Rakuten Books up 23.6% year on year. This rate of growth substantially outpaced that of Japan's E-Commerce market as a whole. Similarly, online travel reservation site Rakuten Travel continued to grow strongly, with gross booking value up 18.4% year on year.

On a consolidated basis, net sales for the fiscal year under review rose 16.8% year on year to ¥249,883 million. In addition to contributions from healthy performance in the E-Commerce Business and the Travel Business, net sales increased substantially due to the inclusion of Fusion Communications in consolidated results from the start of the year. The Company consolidated this subsidiary from the end of third quarter of fiscal year 2007. Operating income for the year was a record-high ¥47,151 million, compared to ¥118 million in the previous fiscal year. Ordinary profit was also a record-high ¥44,531 million, compared to ¥2,376 million in the previous fiscal year. The dramatic improvement in both operating income and ordinary profit stemmed from the effect of increased sales from the E-Commerce and Travel Businesses and a decrease in the provision for allowances for losses on interest repayments and for doubtful accounts in the Credit and Payment Business. Income was also boosted by a successful review of the Rakuten Group's cost structure under "Project V," a measure designed to strengthen the corporate management system.

The Company recorded a loss before income taxes of ¥34,989 million. This marked a substantial difference from income before income taxes in the previous year, which was boosted by an extraordinary gain of ¥57,440 million due to gains on the sale of affiliate securities. The loss was primarily the result of an extraordinary loss of ¥80,911 million during the year mainly due to valuation losses on investment securities. The Company also recorded a net loss of ¥54,977 million, compared to net income of ¥36,898 million in the previous fiscal year, due mainly to a total of ¥20,606 million in income taxes and tax adjustments accompanying taxable impairment accounting procedures.

2. Financial Position

(1) Assets, Liabilities, and Net Assets

(Assets)

Total assets stood at ¥1,086,937 million as of December 31, 2008, declining ¥71,985 million compared to ¥1,158,923 million at the previous fiscal year-end. This outcome was largely attributable to a decline of ¥107,549 million in margin transactions assets in the Securities Business. And cash and cash equivalents increase ¥31,150 million.

(Liabilities)

Total liabilities as of December 31, 2008 were ¥928,210 million, a decrease of ¥36,889 million from the ¥965,099 million recorded at the previous fiscal year-end, primarily due to a decrease of ¥48,149 million in margin transactions liabilities in the Securities Business.

(Net Assets)

Net assets as of December 31, 2008 were ¥158,727 million, a decrease of ¥35,096 million from ¥193,823 million at the previous fiscal year-end. This decrease was mainly attributable to a decline in retained earnings of ¥56,285 million, reflecting a net loss for the year from valuation losses on investment securities and other extraordinary loss items. This result came despite an increase ¥21,732 million of write-off in net unrealized holding loss on investment securities.

(2) Cash Flows

Net cash used in operating activities was ¥13,466 million, compared to net cash of ¥42,966 million provided by operating activities in the previous year. In the Credit and Payment Business, beneficial interest in securitized assets decreased as a result of redemption of securitized loan receivables, while installment accounts receivables and operating loans receivable increased. In addition, the Company paid ¥23,452 million in income taxes, primarily for the previous fiscal year.

Net cash used in investing activities was ¥40,976 million, compared to net cash of ¥55,069 million provided by investing activities in the previous year. Cash used was primarily for the acquisition of preferred shares in eBank Corporation and investment in software and other intangible fixed assets.

Net cash provided by financing activities was ¥62,397 million, compared to net cash of ¥113,627 million provided by financing activities in the previous year. This result reflected steps by the Company to increase its liquidity at hand in light of the conditions in the financial markets. As a result of the foregoing, cash and cash equivalents increased by ¥7,088 million, compared to a decline of ¥15,358 million in the previous year.

As a result, cash and cash equivalents as of December 31, 2008 were ¥81,283 million, an increase of 10.1% from the previous fiscal year-end.

Rakuten, Inc.
Fiscal Year 2008 Financial Results
Consolidated Balance Sheets

(Less Than 0.1Million Omitted)

Items (Assets)	Fiscal Year 2007 Dec. 31, 2007		Fiscal Year 2008 Dec.31, 2008	
	Amount (Million Yen)	Ratio (%)	Amount (Million Yen)	Ratio (%)
I Current Assets				
1 Cash and cash equivalents	57,437		88,588	
2 Trade notes and accounts receivable	27,904		32,241	
3 Installment accounts receivable	70,739		93,631	
4 Installment accounts receivable, guarantee contracts	4,496		3,550	
5 Securities	26,379		2,629	
6 Beneficial interests in securitized assets	110,144		101,572	
7 Deposits for security brokerage assets	230,641		214,891	
8 Margin transaction assets for security brokerage business	188,703		81,153	
9 Short-term guaranteed deposits for security brokerage business	8,730		11,429	
10 Trade loans receivable	158,964		188,695	
11 Deferred tax assets	15,635		12,829	
12 Other current assets	47,871		55,127	
Allowance for doubtful accounts	-44,446		-36,073	
Total Current Assets	903,200	77.9	850,267	78.2
II Fixed Assets				
1 Tangible fixed assets				
(1) Land	9,166		-	
(2) Others	14,860		-	
Total tangible fixed assets	24,027	2.1	21,114	1.9
2 Intangible fixed assets				
(1) Goodwill	64,465		65,083	
(2) Other intangible fixed assets	28,944		28,229	
Total intangible fixed assets	93,410	8.1	93,313	8.6
3 Investment and others				
(1) Investment securities	104,070		82,846	
(2) Deferred tax assets	18,712		15,510	
(3) Others	20,608		29,294	
Allowance for doubtful accounts	-5,107		-5,407	
Total Investment and other assets	138,284	11.9	122,242	11.2
Total Fixed Assets	255,722	22.1	236,670	21.8
Total Assets	1,158,923	100.0	1,086,937	100.0

Items (Liabilities)	Fiscal Year 2007 Dec. 31, 2007		Fiscal Year 2008 Dec. 31, 2008	
	Amount (Million Yen)	Ratio (%)	Amount (Million Yen)	Ratio (%)
I Current Liabilities				
Trade notes and accounts payable	16,667		20,209	
Accounts payable, guarantee contracts	4,496		3,550	
Current portion of corporate bonds payable	4,990		4,990	
Commercial papers	6,300		14,000	
Short-term borrowings	225,197		270,335	
Income taxes payable	17,074		10,697	
Deferred tax liabilities	1,117		91	
Deposit payable	23,176		33,282	
Deposits received for security brokerage business	148,315		142,608	
Margin transaction liabilities for security brokerage business	101,688		53,538	
Guarantee deposits received for security brokerage business	104,929		88,749	
Collateralized guarantee borrowings for security brokerage business	40,666		4,607	
Allowances	7,144		13,452	
Other current liabilities	48,676		42,741	
Total Current Liabilities	750,441	64.8	702,855	64.7
II Long-term Liabilities				
Long-term debt	8,010		13,020	
Long-term borrowings	173,072		181,065	
Deferred tax liabilities	5,838		8,266	
Allowance for retirement benefits	180		-	
Allowance for directors' retirement benefits	31		-	
Allowance for loss on interest repayments	20,075		15,364	
Other allowances	-		374	
Other long-term liabilities	3,529		4,046	
Total Long-term Liabilities	210,737	18.2	222,137	20.4
III Statutory Reserve				
Statutory reserve for Securities and Exchange Law	3,920		-	
Statutory reserve for Financial Instrument and Exchange Law	-		3,206	
Statutory reserve for trading	-		11	
Total Statutory Reserve	3,920	0.3	3,217	0.3
Total Liabilities	965,099	83.3	928,210	85.4
(Net Assets)				
I Shareholders' Equity				
1 Common stock	107,453	9.3	107,534	9.9
2 Capital surplus	119,484	10.3	119,565	11.0
3 Accumulated deficit	-20,122	-1.7	-76,408	-7.0
4 Treasury stock	-10	-0.0	-11	-0.0
Total Shareholders' Equity	206,804	17.8	150,680	13.9
II Valuation and Translation Adjustments				
1 Net unrealized holding gain (loss) on securities	-21,076	-1.8	655	0.1
2 Differed gain (loss) on hedge	26	0.0	-335	-0.0
3 Foreign currency translation adjustment	81	0.0	-1,297	-0.1
Total Valuation and Transaction Adjustments	-20,969	-1.8	-977	-0.1
III Stock Acquisition Rights	127	0.0	243	0.0
IV Minority Interests in Consolidated Subsidiaries	7,859	0.7	8,781	0.8
Total Net Assets	193,823	16.7	158,727	14.6
Total Liabilities and Net Assets	1,158,923	100.0	1,086,937	100.0

Rakuten, Inc.
Fiscal Year 2008 Financial Results
Consolidated Income Statements - twelve months ended December 31, 2008

(Million Yen, Less Than 0.1Million Omitted)

Item	FY2007 (12 months)		FY2008 (12 months)		Changes	
	Jan. 1, 2007~ Dec.31, 2007	Ratio(%)	Jan. 1, 2008~ Dec.31, 2008	Ratio(%)	Amount	Ratio(%)
I Net sales	213,938	1	249,883	1	35,944	0
II Cost of sales	39,480	0	55,346	0	15,866	0
Gross profit	174,457	1	194,536	1	20,078	0
III Selling, general and administrative expenses	174,338	1	147,385	1	-26,953	0
1 Personnel expenses	26,603		34,358			
2 Advertising and promotion expenses	12,826		15,125			
3 Depreciation	7,886		11,145			
4 Communication and maintenance	10,792		13,519			
5 Outsourcing expenses	20,798		21,604			
6 Expenses for doubtful accounts	39,719		15,440			
7 Provision for allowances for loss on interest repayments	19,422		-			
8 Others	36,290		36,192			
Operating income	118	0	47,151	0	47,032	395
IV Non-operating income	5,056	0	1,654	0	-3,402	-1
1 Interest and dividend income	1,981		-			
2 Interest income	-		170			
3 Dividend income	-		867			
4 Gain on sales of securities	1,105		-			
5 Foreign exchange gain	259		-			
6 Equity in earnings of affiliates	1,047		-			
7 Others	663		616			
V Non-operating expenses	2,798	0	4,274	0	1,475	1
1 Interest expenses	1,505		2,223			
2 Commission expenses	670		1,244			
3 Foreign exchange loss	-		68			
4 Equity in loss of losses of affiliates	-		116			
5 Others	623		621			
Ordinary income	2,376	0	44,531	0	42,155	18
VI Extraordinary gains	57,440	0	1,390	0	-58,049	1
1 Gain on sales of fixed assets	1,085		121			
2 Gain on sales of investment securities	659		-			
3 Gain on sales of affiliate securities	53,873		-			
4 Gain on receipt of investment securities	-		267			
5 Reversal of statutory reserve for security brokerage business	-		714			
6 Reversal of reserve for business restructuring	-		184			
7 Gain on sales of subsidiary securities	1,037		-			
8 Gain on changes in equity interests of subsidiaries and affiliates	598		30			
9 Others	187		72			
VII Extraordinary losses	9,144	0	80,911	0	71,767	8
1 Loss on sales of fixed assets	-		145			
2 Loss on disposal of fixed assets	1,425		1,855			
3 Loss on Credit Business restructuring	411		-			
4 Special retirement benefits	239		-			
5 Office relocation expenses	303		690			
6 Provision for statutory reserve for security brokerage business	778		-			
7 Provision for reserve for business restructurings	-		4,481			
8 Loss on cancellation of leases	3,107		-			
9 Valuation loss of investment securities	-		67,176			
10 Impairment loss	-		5,417			
11 Others	2,877		1,144			
VI Income (loss) before income taxes and minority interests	50,672	0	-34,989	0	-85,661	-2
1 Total income taxes	14,971	0	20,606	0	5,635	0
Corporate, inhabitant's and enterprise taxes	20,941		15,695			
Income taxes-deferred	-5,970		4,911			
2 Minority interests	-1,197	0	-617	0	-579	0
VIII Net income (loss)	36,898	0	-54,977	0	-91,876	-2

Rakuten, Inc.
Fiscal Year 2008 4th Quarter Financial Results
Consolidated Income Statements - three months ended December 31, 2008

(Million Yen, Less Than 0.1Million Omitted)

Items	2007/Q4	2008/Q4	Changes	
	Oct 1, 2007 to Dec 31, 2007	Oct 1, 2008 to Dec 31, 2008	Amount	Ratio(%)
I Net sales	62,922	65,697	2,775	0
II Cost of sales	16,817	13,721	-3,095	0
Gross profit	46,105	51,976	5,871	0
III Selling, general and administrative expenses	65,718	35,640	-30,077	0
1 Personnel expenses	7,700	8,899	1,199	
2 Advertising and promotion expenses	3,159	3,926	767	
3 Depreciation	2,345	2,935	590	
4 Communication and maintenance expenses	2,723	3,239	515	
5 Outsourcing expenses	5,911	4,711	-1,200	
6 Expenses for doubtful accounts	18,590	3,059	-15,531	
7 Provision for allowances for loss on interest repayments	13,949	-	-13,949	
8 Others	11,337	8,869	-2,468	
Operating income	-19,612	16,335	35,948	-
IV Non-operating income	1,579	404	-1,175	-1
1 Interest and dividend income	1,149	-	-1,149	
2 Interest income	-	7	7	
3 Dividend income	-	302	302	
4 Equity in earnings of affiliates	133	-	-133	
5 Others	296	94	-202	
V Non-operating expenses	723	1,272	549	1
1 Interest expenses	341	740	398	
2 Commission expenses	199	60	-138	
3 Foreign exchange loss	-	108	108	
4 Investment loss on equity method	-	238	238	
5 Others	182	124	-57	
Ordinary income	-18,757	15,467	34,224	-
VI Extraordinary gains	361	102	-258	-1
1 Gain on sales of investment securities	124	-	-124	
2 Gain on changes in equity interests of subsidiaries and affiliates	167	-	-167	
3 Gain on sales of fixed assets	-	74	74	
4 Others	69	28	-41	
VII Extraordinary losses	3,916	75,779	71,863	18
1 Loss on disposal of fixed assets	1,110	218	-891	
2 Provision for reserve for business restructuring	-	4,481	4,481	
3 Provision for statutory reserve for security brokerage business	168	-	-168	
4 Impairment loss	-	4,171	4,171	
5 Office relocation expenses	-	531	531	
6 Loss on sales of fixed assets	-	12	12	
7 Loss on termination of leases	2,135	-	-2,135	
8 Valuation loss of investment securities	-	66,177	66,177	
9 Others	501	186	-315	
VIII Loss before income taxes and minority interests	-22,312	-60,210	-37,898	-
1 Total income taxes	-14,585	8,356	22,941	-
Corporate, inhabitant's and enterprise taxes	-6,727	5,951	12,679	-
Income taxes-deferred	-7,858	2,405	10,264	-
2 Minority interests	-1,053	-121	931	-
VIII Net Loss	-6,672	-68,445	-61,773	-

Rakuten, Inc.
Fiscal Year 2008 Financial Results
Consolidated Statements of Cash Flows - twelve months ended December 31, 2008

(Less Than 0.1 Million Omitted)

	FY 2007	FY 2008	Change
	Jan. 1, 2007~ Dec.31, 2007	Jan. 1, 2008~ Dec.31, 2008	
Items	Amount (Million Yen)	Amount (Million Yen)	Amount (Million Yen)
I Cash Flows from Operating activities			
Income (loss) before income taxes and minority interests	50,672	-34,989	
Amortization of goodwill	3,752	3,930	
Equity in earnings of affiliates	-1,047	116	
Depreciation	8,518	12,284	
Loss on sales of fixed assets	34	145	
Loss on disposal of fixed assets	1,425	1,855	
Gain (loss) on sales of securities	-1,834	-	
Gain (loss) on sales of affiliate securities	-53,873	-	
Gain (loss) on sales of subsidiary securities	-1,037	-	
Valuation loss of investment securities	322	67,176	
Increase (decrease) in allowance for doubtful accounts	17,145	-8,125	
Increase (decrease) in allowance for directors' retirement benefits	6	-	
Increase (decrease) in allowance for loss on interest repayments	16,527	-4,710	
Gain on changes in equity interests of subsidiary	-598	-30	
Interest and dividend income	-1,981	-1,038	
Interest expenses	1,505	2,223	
Other non-cash expenses	1,214	4,780	
Increase in trade receivable	-4,143	-4,145	
Increase in installment accounts receivable	-7,382	-22,892	
Decrease in installment accounts receivable, guarantee contracts	555	946	
Decrease (increase) in beneficial interests in securitized assets	-36,930	8,571	
Decrease (increase) in inventory assets	213	-210	
Increase in accounts payable	4,126	3,544	
Decrease in accounts payable, guarantee contracts	-555	-946	
Increase (decrease) in accrued amount payable	1,850	-1,400	
Increase (decrease) in advance received	-194	274	
Decrease in deferred installment income	-214	-142	
Decrease in receivables for security brokerage business	37,805	128,326	
Decrease in payables received for security brokerage business	-31,581	-77,629	
Decrease in statutory reserve for Security Exchange Law	778	-	
Increase in statutory reserve for Financial Instruments and Exchange Law	-	-714	
Increase (decrease) in advances received under securities lending transactions	8,066	-36,058	
Decrease (increase) in trade loans receivable	26,617	-29,731	
Other operating activities	3,929	-2,574	
Subtotal	43,692	8,836	-34,856
Payment of business deposit	-399	-23	
Receipts of business guaranty	227	142	
Payment of income taxes	-8,496	-23,452	
Return of income taxes	7,942	1,030	
Net cash used in operating activities	42,966	-13,466	-56,433
II Cash Flows from Investment activities			
Payment from time deposits	-4,058	-9,296	
Proceeds from withdrawal from time deposits	3,339	3,872	
Proceeds from sales or redemption of securities	3,617	-	
Purchases of investment securities	-8,650	-21,070	
Proceeds from sales of investment securities	65,102	16	
Proceeds from redemption of investment securities	3,416	170	
Proceeds from sales of related company securities	3,225	-	
Acquisition of shares of consolidated subsidiaries	-653	-404	
Purchases of sales of subsidiary company securities	-712	-537	
Proceeds of subsidiary company securities	-	195	
Acquisition of property, plant and equipment	-5,259	-3,698	
Proceeds from sales of property, plant and equipment	1,817	1,663	
Acquisition of intangible assets	-11,370	-12,847	
Payment from collateral deposit	-999	-257	
Proceeds from collection of collateral deposit	1,512	1,350	
Payment due to loan origination	-440	-101	
Proceeds from collection of loan	442	104	
Proceed from business transfer	1,821	-	
Other payment	-744	-3,008	
Other proceeds	821	1,753	
Receipts of interests and dividends	2,842	1,120	
Net cash provided by investment activities	55,069	-40,976	-96,046

	FY 2007 Jan. 1, 2007~ Dec.31, 2007	FY 2008 Jan. 1, 2008~ Dec.31, 2008	Change
Items	Amount (Million Yen)	Amount (Million Yen)	Amount (Million Yen)
III Cash Flows from Financing activities			
Increase (decrease) in short-term debt	-66,389	6,904	
Increase (decrease) in commercial paper	-5,200	7,700	
Proceeds from long-term debt	37,004	146,546	
Repayment of long-term debt	-83,105	-101,508	
Proceeds from bonds payable	3,000	9,863	
Repayment of redemption bond	-	-4,990	
Proceeds from issuance of stock	318	162	
Proceeds of sales and leaseback	3,047	778	
Repayment of lease obligation	-139	-809	
Repayment of treasury stock	0	0	
Payment of interest expenses	-1,483	-2,310	
Proceeds from minority shareholders pursuant to increase in capital	328	622	
Proceeds from investments from minority shareholders	40	1,030	
Redemption of investments to minority shareholders	-85	-	
Cash dividends paid	-648	-1,299	
Cash dividends paid to minority shareholders	-315	-292	
Net cash provided by financing activities	-113,627	62,397	176,025
IV Effect of exchange rate on cash and cash equivalents	233	-865	-1,098
V Net increase (decrease) in cash and cash equivalents	-15,358	7,088	22,446
VI Cash and cash equivalents, beginning of year	89,219	73,860	-15,358
VII Effect of change of the scope of consolidation on cash and cash equivalents	-	342	342
VIII Effect of exclusion of consolidation on cash and cash equivalents	-	-7	-7
IX Cash and cash equivalents, end of year	73,860	81,283	7,423