



February 12, 2013

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

Announcement of Extraordinary Losses

Rakuten Group announces it expects to include extraordinary losses for the fourth quarter of 2012 (October 1 – December 31, 2012) as follows.

1. Details

Consolidated Accounts

		(Millions of yen)
Impairment	Buy.com: goodwill impairment	12,566
	Buy.com: impairment of other intangible assets	5,778
	Others	13
Business	Play.com: impairment of other intangible assets	2,140
Reorganization	Play.com: other business reorganization loss	2,108
Others	Loss on disposal of fixed assets, investment securities valuation loss and others	2,978
Extraordinary loss total (Q4/12 consolidated accounts)		25,583

Non-consolidated Accounts

		(Millions of yen)
Business	Play.com: business reorganization loss	7,600
Reorganization		
Others	Loss on disposal of fixed assets and others	1,906
Extraordinary loss total (Q4/12 accounts)		9,506

2. Background

One of the pillars of the medium growth strategy of the Rakuten Group is overseas expansion of the B2B2C marketplace model of "Rakuten Ichiba", which has secured high levels of profitability and superiority in Japan's e-commerce market.

Based on this strategy, to improve the medium term competitiveness of Buy.com Inc. (US), we have concentrated on transforming the business model away from first party (direct)

sales which had been the principal model, to a B2B2C marketplace model. As a result, recent levels of profitability have been below our original plans, and so we are carrying out an impairment of goodwill and intangible assets. In addition, Play.com (UK) has also been switching its business model in a similar way, and amidst regulatory changes it carried out a corporate reorganization, hence we are recognizing a loss associated with this business reorganization.

3. Earnings Forecasts

Rakuten, Inc. plans to announce its fiscal year 2012 results on February 14, 2013, at which time it will give further details.

Rakuten, Inc. and its subsidiaries do not disclose earnings forecasts as these business operations include an Internet service business characterized by high uncertainty and financial related businesses such as the securities business whose results heavily depend on highly volatile markets. This precludes us from making earnings forecasts.