

February 14, 2014

Company name Rakuten, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange First Section)

Announcement of 100% Acquisition of Viber Media Ltd.

At a Board of Directors meeting held today, Rakuten, Inc. (hereinafter the “Company”) resolved to acquire global pioneering messaging and VoIP company, Viber Media Ltd (hereinafter “Viber”). The Company will acquire Viber for a total consideration of \$900 million and will hold 100% of Viber’s outstanding voting stock and underwrite a new issue of shares.

1. Purpose of acquisition

Viber is a messaging and VoIP service operator and has approximately 280 million global registered users, and monthly active users over 100 million. Viber apps on smartphones allow users to have conversations, and through its high quality functions users can send and receive messages and images, thus Viber offers a hybrid range of services rarely found on competing platforms. Viber is rapidly growing numbers of users, especially in emerging countries.

The Company decided to acquire Viber to strengthen its global platform through the use of Viber’s range of customers in the Company’s E-Commerce and digital contents services.

In the past, consumers had been using conventional televisions and fixed line telephones for contents as a means of communication, but this has been shifting to mobile contents and apps. Viber’s globally popular messaging service is seeing a rapid increase in numbers of registered users, and this will strengthen our digital strategy. The Company aims to be the global No. 1 Internet services company, and in addition to our existing e-Commerce and Internet finance services, this acquisition will allow the Company to build on several digital contents services, and advance into new markets..

The Company has developed the “Rakuten Ecosystem” and members are able to access a range of services through common ID numbers and the enormously popular and successful online Rakuten Super Points rewards program. Viber’s fun approach to messaging and high quality VoIP services is a perfect marriage with Rakuten’s Internet service offerings and its “Shopping is Entertainment” philosophy lays the foundation for the world’s most comprehensive and engaging daily online platform. The combination also opens massive new potential markets for Viber through Rakuten Group’s roughly 200 million global members.

2. Overview of Viber

(1)	Name	Viber Media Ltd.	
(2)	Address	Filiou Zannetou, 2, C & F Orologas Building, 1st floor, Katholiki, 3021, Limassol, Cyprus	
(3)	Name and title of representative	Co-Founder and CEO Talmon Marco	
(4)	Nature of business	Mobile messaging and VoIP services	
(5)	Common stock	EUR 53,115	
(6)	Founded	March 30, 2012	
(7)	Major shareholders and their holdings	Shabtai Family 55.2% IRS WEST LLC 12.5% Marco Family 11.4%	
(8)	Relations between Rakuten Group and Viber	Capital	None
		Personnel	None
		Business	None
(9)	Viber's consolidated business results and consolidated financial position for past two years (Unit thousand US\$ (excluding net assets per share, net income per share, and dividend per share))		
	Fiscal year	Year ended December 31, 2012	Year ended December 31, 2013
	Net assets	(19,364)	(74,602)
	Total assets	28,131	7,090
	Net assets per share	(364.57)	(1,404.54)
	Revenues	-	1,516
	Operating income	(13,694)	(26,463)
	Net income	(14,732)	(29,505)
	Net income per share	(277.36)	(555.49)
	Dividends per share	-	-

3. Details of Company Whose Shares will be Acquired

The outline of the major existing shareholders from whom the company will acquire shares is listed below. Before the transaction, the aggregated total ownership of such shareholders is approximately 79%. The other existing shareholders are 8 individuals including employees of Viber.

(1) Gilad Shabtai and Family

(1)	Name	Shabtai family
(2)	Address	Florida USA, Tel-Aviv Israel
(3)	Relations between Rakuten Group and Shabtai family	There is no capital, personnel or business relationship between the Rakuten Group and Shabtai family to be specified.

(2) IRS WEST LLC

(1)	Name	IRS WEST LLC
(2)	Address	140 East 45th Street, 19th Floor New York, NY 10017
(3)	Name and title of representative	Jeffrey Kimmel, Representative: Meister Seelig & Fein LLP
(4)	Business Description	Holding Company
(5)	Stated capital	USD 1,000
(6)	Founded	March 11, 2004
(7)	Net assets	N/A
(8)	Total assets	N/A
(9)	Principal shareholders and percentage	Raphael G. Rebhan 100%
(10)	Relations between Rakuten Group and the relevant company	There is no capital, personnel or business relationship between the Rakuten Group and the company to be specified.

(3) Talmon Marco and Family

(1)	Name	Marco family
(2)	Address	Tel-Aviv Israel
(3)	Relations between Rakuten Group and Shabtai family	There is no capital, personnel or business relationship between the Rakuten Group and Shabtai family to be specified.

4. Number of Shares to be Acquired, Acquisition Price and State of Share Ownership Before and After Acquisition

(1)	Number of shares	0 shares
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	held before transfer	(number of voting rights:0) (voting rights holding ratio:0.0%)
(2)	Number of shares to be acquired	53,115 shares (Acquired shares from existing shareholders) (number of voting rights : 53,115)
(3)	Acquisition price	Total investment: USD 900 million Approximately USD 900 million is planned, including advisory expenses, compensation and other expenses
(4)	Number of shares held after transfer	53,115 shares (Acquired shares from existing shareholders) (Number of voting rights : 53,115) Newly issued shares: Not decided (Voting rights holding ratio: 100.0%)

5. Schedule

(1)	Resolution at the Board of Directors' meeting	February 14, 2014
(2)	Execution of investment agreement with Viber	February 14, 2014
(3)	Close of the Transaction	End of March 2014 (plan)

6. Future Outlook

The potential impact on its earnings results from this new subsidiary is at present difficult to estimate. From hereon, the company will consider trading conditions and make a disclosure in a timely and appropriate manner. In addition, goodwill and valuation of intangible assets and the time period for depreciation will be decided based on its evaluation from now.