

April 19, 2014
Company name Rakuten, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange First Section)

Announcement of Merger (Simplified Merger and Short form Merger) of
Wholly-Owned Subsidiary Rakuten Logistics, Inc.

At a Board of Directors meeting held today, Rakuten, Inc. (hereinafter the "Company") resolved to merge its wholly-owned consolidated subsidiary Rakuten Logistics, Inc. into the Company, effective July 1, 2014, as outlined below. Since this merger is a simplified merger of a wholly-owned subsidiary, the disclosure of certain items and details has been omitted.

1. Purpose of merger

Rakuten Group, in order to support the growth of B2B2C (marketplace) e-Commerce, and in order to raise the levels of satisfaction of users of our group services, has made efforts to improve the quality of delivery through the improvement of our logistics services. As part of this, Rakuten Logistics, Inc. has covered our group services such as "Rakuten Books", "Kenko.com", and "Rakuten 24" for its e-Commerce logistics services, and for "Rakuten Ichiba" which is the core service of the Company where merchants can open their stores, "Rakuten Super Logistics" has offered general fulfillment and logistics services according to value added services like the receiving and shipping of products, storage, inventory control, packing, delivery, customer service, gift services and dealing with returned goods.

Through this business reorganization, the Rakuten Super Logistics, including the logistics-related assets of Rakuten Logistics, Inc. will be merged with the Company, so the management and supply of a more efficient logistics service can be offered through the unification of Rakuten Ichiba and other services of the Company. We aim to build a structure where we can meet the various logistics services needs of our users and business partners.

2. Summary of merger

(1) Schedule

Merger resolution by the Board of Directors	April 19, 2014
Merger contract date	April 19, 2014
Expected merger date (effective date)	July 1, 2014

(Note 1) According to simplified merger rules in Company Law article 796 clause 3, the Company is proceeding with the merger without receiving approval at the Annual General Shareholders Meeting.

(Note 2) According to short form merger rules in Company Law article 784 clause 1, Rakuten Logistics, Inc. is proceeding with the merger without receiving approval at the Annual General Shareholders Meeting.

(Note 3) This merger is on the precondition of the Consigned Freight Forwarding Business Act article 29 clause 2.

(2) Merger method

The Company shall be the surviving company under absorption-type merger, and Rakuten Logistics, Inc. shall be dissolved. In addition, Rakuten Logistics, Inc. is currently insolvent, and prior to this merger, the Company shall write-off the loan receivable from Rakuten Logistics, Inc., and plans to eliminate the insolvency.

(3) Merger ratio

Since this will be a merger of a wholly-owned subsidiary, there will be no issuance of new shares, no increase in shareholders' equity, and no payment for the merger.

(4) Handling of subscription rights to shares and bonds with the dissolved company

Rakuten Logistics, Inc. has not issued any subscription rights to shares and any bonds with stock acquisition right.

3. Overview of companies in merger

Company name	Rakuten, Inc. (Company surviving absorption type merger) (as of December 31, 2013)	Rakuten Logistics, Inc. (Company absorbed in absorption type merger) (as of December 31, 2013)
Head Office	4-12-3 Higashishinagawa, Shinagawa-ku, Tokyo	4-12-3 Higahshishinagawa, Shinagawa-ku, Tokyo
Representative	Hiroshi Mikitani	Hiroshi Etani
Main business	Internet services	Logistics services for merchants and others on Internet shopping malls
Shareholders' Equity	109,530 million yen	2,250 million yen
Date of establishment	February 7, 1997	March 19, 2010
Outstanding no. of shares	1,323,863,100 shares	45,000 shares
Fiscal Year End	December 31	December 31
Main shareholders (as of December 31, 2013)	Crimson Group 17.1% Hiroshi Mikitani 13.3% Haruko Mikitani 10.0%	Rakuten, Inc. 100%

Business Results

	Rakuten, Inc. (Consolidated, IFRS)
Fiscal Year	Year ended December 31, 2013
Total equity attributable to owners of the parent company (million yen)	300,063
Total assets (million yen)	3,209,808
Total equity attributable to owners of the parent company per share (yen)	227.70
Revenues (million yen)	518,568
Operating income (million yen)	90,244
Income before income tax (million yen)	88,610
Net income attributable to owners of the parent company (million yen)	42,900
Net income attributable to owners of the parent company per share (yen)	32.60

	Rakuten Logistics, Inc. (Non-consolidated, J-GAAP)
Fiscal Year	Year ended December 31, 2013
Net assets (million yen)	(5,375)
Total assets (million yen)	4,379
Net assets per share (yen)	(119,458.92)
Sales (million yen)	6,419
Operating loss (million yen)	3,868
Ordinary loss (million yen)	3,949
Net loss (million yen)	6,598
Loss per share (yen)	146,624.12

4. Post-merger details

Following this merger, there are no changes to the business name, head office, title and name of Representative, main business, shareholders equity and fiscal year end of the Company.

5. Impact on business results

Since this is a merger of a wholly-owned subsidiary, the impact on Rakuten Group consolidated revenues, operating income, and income before income tax is limited.