

August 4, 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 VI-VI-VI.COM Co., Ltd.

At a Board of Directors meeting held today, Rakuten, Inc. (hereinafter the "Company") resolved to merge its wholly-owned subsidiary VI-VI-VI.COM Co., Ltd. into the Company, effective October 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, since starting "Rakuten Salon", a hair salon reservation service in June 2012, specialized in online search and reservations of hair salons, has expanded the convenience for both salons and users, and has steadily increased the number of salons on its site. In addition, in February 2014, the second largest hair salon search site "vi-vi-vi.com" managed by VI-VI-VI.COM Co., Ltd., became a wholly owned subsidiary.

Since then, both companies have co-operated and offered services to users with high levels of convenience, but decided that a merger would produce more efficiencies in systems and human resources, and more synergies with the various Internet services of the Rakuten Group.

From hereonin, "Rakuten Salon" and "vi-vi-vi.vom" shall be merged, and with a further increase in users and more convenience of the site, the Group aims to become the no. 1 in this industry in Japan.

2. Summary of merger

(1) Schedule

Merger resolution by the Board of Directors	August 4, 2014
Merger contract date	August 4, 2014
Expected merger date (effective date)	October 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, VI-VI-VI.COM Co., Ltd. is proceeding with the merger without receiving approval at the Annual General Shareholders Meeting.

(2) Merger method

The Company shall be the surviving company under absorption-type merger, and VI-VI-VI.COM Co., Ltd. shall be dissolved.

(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

VI-VI-VI.COM Co., Ltd. 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)	VI-VI-VI.COM Co., Ltd. (Company absorbed in absorption type merger) (as of December 31, 2013)
Head Office	4-12-3 Higashishinagawa, Shinagawa-ku, Tokyo	1-19-15 Ebisu, Shibuya-ku, Tokyo
Representative	Hiroshi Mikitani	Kunihiko Oba
Main business	Internet services	Web media
Shareholders' Equity	109,530 million yen	15 million yen
Date of establishment	February 7, 1997	January 22, 2007
Outstanding no. of shares	1,323,863,100 shares	1,100 shares
Fiscal Year End	December 31	December 31
Major 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

	VI-VI-VI.COM Co., Ltd. (Non-consolidated, J-GAAP)
Fiscal Year	Year ended December 31, 2013
Net assets (million yen)	25
Total assets (million yen)	120
Net assets per share (yen)	22,941.93
Sales (million yen)	362
Operating loss (million yen)	1
Ordinary loss (million yen)	2
Net loss (million yen)	2
Loss per share (yen)	2,227.37

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.