

December 22, 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 Lubic Co., Ltd.

At a Board of Directors meeting held today, Rakuten, Inc. (hereinafter the "Company") resolved to merge its wholly-owned subsidiary Lubic Co., Ltd. into the Company, effective March 1, 2015, 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 Beauty"\*, 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 November 2014, in order to expand the service categories operated by Rakuten Beauty, the beauty portal site "b-colle.jp" managed by Lubic Co., Ltd. became a wholly owned subsidiary.

The company believes that the strengths and customer base of Rakuten Beauty and b-colle.jp have already been bolstered, and decided that a merger would produce more synergies with the various Internet services of the Rakuten Group.

From hereonin, "Rakuten Beauty" and "b-colle.jp" shall merge their services, 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.

\* Name changed from "Rakuten Salon" to "Rakuten Beauty" effective December 16, 2014

### 2. Summary of merger

#### (1) Schedule

Merger resolution by the Board of Directors	December 22, 2014
Merger contract date	December 22, 2014
Expected merger date (effective date)	March 1, 2015

(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 General Shareholders Meeting.

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

(2) Merger method

The Company shall be the surviving company under absorption-type merger, and Lubic 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

Lubic 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)	Lubic Co., Ltd. (Company absorbed in absorption type merger) (as of November 30, 2013)
Head Office	4-12-3 Higashishinagawa, Shinagawa-ku, Tokyo	3-20-9 Toyosaki, Kita-ku, Osaka
Representative	Hiroshi Mikitani	Keiichi Hiranuma
Main business	Internet services	Beauty portal site
Shareholders' Equity	109,530 million yen	10 million yen
Date of establishment	February 7, 1997	November 20, 2007
Outstanding no. of shares	1,323,863,100 shares	200 shares
Fiscal Year End	December 31	October 31
Major shareholders	Crimson Group 17.1% Hiroshi Mikitani 13.3% Haruko Mikitani 10.0% (as of December 31, 2013)	Rakuten, Inc. 100% (as of November 30, 2014)

## 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

	Lubic Co., Ltd. (Non-consolidated, J-GAAP)
Fiscal Year	Year ended October 31, 2013
Net assets (million yen)	8
Total assets (million yen)	28
Net assets per share (yen)	41,934.78
Sales (million yen)	193
Operating loss (million yen)	1
Ordinary loss (million yen)	2
Net loss (million yen)	2
Loss per share (yen)	11,906.75

#### 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 financial performance is limited.