

January 23, 2016

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 ShowTime, Inc.

At a Board of Directors meeting held today, Rakuten, Inc. (hereinafter the "Company") resolved to merge its wholly-owned subsidiary Rakuten ShowTime, Inc., which is providing its video distribution services, into the Company effective April 1, 2016, as outlined below. Since this merger is an absorption-type merger of a wholly-owned subsidiary, the disclosure of certain items and details has been omitted.

1. Purpose of merger

The company decided the merger to increase operational efficiencies and to improve the quality of its video distribution services.

2. Summary of merger

(1) Schedule

Merger resolution by the Board of Directors	January 23, 2016
Merger contract date	January 23, 2016
Expected merger date (effective date)	April 1, 2016

(Note 1) According to simplified merger rules in Company Law article 796 clause 2, 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 ShowTime, Inc. 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 Rakuten ShowTime, Inc. 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

Rakuten ShowTime, 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 September 30, 2015)	Rakuten ShowTime, Inc. (Company absorbed in absorption type merger) (as of September 30, 2015)
Head office	1-14-1 Tamagawa, Setagaya-ku, Tokyo	1-14-1 Tamagawa, Setagaya-ku, Tokyo
Representative	Hiroshi Mikitani	Toru Shimada
Main business	Internet services	Video distribution services
Shareholders' equity	203,466 million yen	480 million yen
Date of establishment	February 7, 1997	October 22, 2001
Outstanding no. of shares	1,430,118,400 shares	9,600 shares
Fiscal year end	December 31	December 31
Major shareholders and percentage of shares held	Crimson Group, LLC. 15.83% Hiroshi Mikitani 12.31% (as of June 30, 2015)	Rakuten, Inc. 100%

Business results

	Rakuten, Inc. (Consolidated, IFRS)
Fiscal year	Year ended December 31, 2014
Total equity attributable to owners of the parent company (million yen)	421,562
Total assets (million yen)	3,680,695
Total equity attributable to owners of the parent company per share (yen)	318.74
Revenues (million yen)	598,565
Operating income (million yen)	106,397
Income before income tax (million yen)	104,245
Net income attributable to owners of the parent company (million yen)	70,614
Net income attributable to owners of the parent company per share (yen)	53.47

	Rakuten ShowTime, Inc. (Non-consolidated, J-GAAP)
Fiscal year	Year ended December 31, 2014
Net assets (million yen)	2,155
Total assets (million yen)	2,865
Net assets per share (yen)	224,564
Sales (million yen)	3,876
Operating loss (million yen)	530
Ordinary loss (million yen)	525
Net loss (million yen)	598
Net loss per share (yen)	62,389

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.