

September 20, 2012

Company name Rakuten, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(JASDAQ Code: 4755)

Notice on the acquisition of shares in and inclusion as subsidiary of AIRIO Life Insurance Co., Ltd.

1. Outline

Rakuten, Inc. (hereinafter the "Company") hereby announces that it has agreed to acquire shares in its equity-method affiliate AIRIO Life Insurance Co., Ltd. (hereinafter "AIRIO Life") from more than one existing shareholder of the company, and has entered into share transfer agreements today with each such shareholder (hereinafter "the Transaction" collectively). As a result, the proportion of voting rights in AIRIO Life held by the Company is scheduled to increase from the current 33.9% to 87.8%, changing AIRIO Life's status to a consolidated subsidiary of the Company.

As the Transaction involves permission by the relevant authorities as well as satisfaction of the prerequisites to the share transfer agreements, actual acquisition of shares is scheduled to take place on October 31, 2012.

2. Background

The Company is a comprehensive Internet services company running Rakuten Ichiba, Japan's No.1 Internet shopping mall, engaging in businesses including e-commerce and Internet Finance businesses. The latter currently covers the credit card business, banking business, securities business and e-money business.

On the other hand, the Company started solicitation of life insurance through its subsidiary in January 2007, while selling insurance products of AIRIO Life since April 2009. As a result of constant expansion to date, the Company is now handling 138 life and non-life insurance products underwritten by 42 insurance companies (as of August 30, 2012).

Meanwhile, the Rakuten Group ("the Group") in August 2008 subscribed for AIRIO Life's allocation of new shares to a third party, and in July 2010, entered into a capital and business alliance agreement. Furthermore, in December 2010, AIRIO Life became the Company's equity-method affiliate as a result of the enhanced proportion of the Company's voting rights in AIRIO Life up to 33.9%, through share transfers from the existing shareholders.

The Company and AIRIO Life have been working together to develop new Internet-based insurance products, under a close collaborative framework that enables effective sharing of various know-how between the two and leveraging each other's corporate capabilities. This initiative has borne fruit as joint-development of three medical insurance products in September 2011, which are currently marketed via Rakuten's Insurance website run by the Group.

Given the diversifying methods to provide information and conduct transactions, along with advancing technologies, use of the Internet in life insurance business is expected to further expand. In order to more actively provide products and services that meet customer needs in this changing business environment, the Company believes that it is critical to further strengthen the relationship with AIRIO Life, and has decided to include AIRIO Life as its subsidiary through the additional acquisition of shares.

The two companies shall continue to build up a cooperative relationship to enhance development and provision of new forms of fully Internet-based insurance products, and to promote sales of AIRIO Life's insurance products as part of the various services offered by the Group, as well as to maintain and develop AIRIO Life's

existing management resources.

The Rakuten Group has been supporting the lifestyle of customers through offering an extended range of financial services. This inclusion of AIRIO Life as the Company's subsidiary is expected to strengthen its insurance business as a core service, and to further enrich the Rakuten Group's financial services offered to customers.

3. Outline of the subsidiary subject to change (AIRIO Life Insurance Co., Ltd.)

(1) Company name	AIRIO Life Insurance Co., Ltd.		
(2) Address of head office	3-1, Daiba 2-chome, Minato-ku, Tokyo		
(3) Title and name of the representative	Mitsuo Yoneda, President and Representative Director		
(4) Description of business	Life insurance business		
(5) Amount of capital stock	¥2.5 billion		
(6) Date of establishment	October 1, 2007 (Commencement date of operation: August 1, 2008)		
(7) Large shareholder and ratio of shareholding (as of August 31, 2012)	Rakuten, Inc. 33.9%		
(8) Relationship, etc. between the Company and AIRIO Life	Capital relationship	The Company owns 10,000 common stocks (or 33.9% shareholding) in AIRIO Life.	
	Personal relationship	Two Outside Directors of AIRIO Life have been seconded from the Company.	
	Transactional relationship	The Company engages in solicitation and sales of life insurance products of AIRIO Life through other subsidiaries of the Company.	
	Related party status	AIRIO Life is an equity-method affiliate of the Company.	
(9) Business results and financial position of the company in the last three years (Millions of yen)			
	Year ended March 2010	Year ended March 2011	Year ended March 2012
Net assets	2,348	3,246	3,285
Total assets	23,443	24,843	25,686
Net assets per share (yen)	79,606.35	110,060.44	111,496.53
Ordinary income	34,362	33,517	28,411
Core profit	1,595	1,359	1,215
Ordinary profit	1,164	966	320
Net profit	1,157	908	242
Net profit per share (yen)	39,222.52	30,805.30	8,226.06
Dividends per share (yen)	—	6,780	2,400

4. Number of shares scheduled to be transferred and the status of holdings before and after the transfer

(1) Number of shares held by the Company before the transfer	10,000 shares of common stock (10,000 voting rights and 33.9% shareholding)
(2) Number of shares scheduled to be acquired by the Company	15,884 shares (Acquisition value approximately ¥11.5 billion)
(3) Number of shares to be held by the Company after the transfer	25,884 shares of common stock (25,884 voting rights and 87.8% shareholding)

- ## 5. Time schedule

Scheduled date of share acquisition

October 31, 2012

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The Company and the Group engage in businesses such as Internet-related businesses operating in a quickly changing business environment, and various financial businesses including securities business whose business performance depends on highly volatile financial markets, making it difficult to forecast their business results. Under such circumstance, no disclosure is made with respect to earnings forecasts.