

December 20, 2013
Company name Rakuten, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange First Section)

Announcement of Split Compensation and Allotment Details for the Company Split
(Simplified Absorption-Type Company Split) of Subsidiary Kenko.com. Inc.

Rakuten, Inc. (hereinafter the “Company”) made an announcement on November 26, 2013 (hereinafter “November 26, 2013 announcement”), about a company split (absorption-type split; hereinafter “Company Split”) whereupon the Company is the split company and Kenko.com. Inc. (hereinafter “Kenko.com”), a consolidated subsidiary of the Company, is the successor company with January 1, 2014 as the date of effectuation (scheduled). Today the Company decided upon the details of assessed amount for the targeted assets and debts to be split, and the allotment, as outlined below. In addition, there are no other changes to the details in the November 26, 2013 announcement.

The Company Split will transfer to Kenko.com, the successor company, the Rakuten 24 business operations deployed within the “Rakuten Ichiba” Internet shopping mall operated by the Company, the split company.

1. Summary of the Company Split

a) Outline of the Company Split

When the Company Split takes place, as compensation (hereinafter referred to as the “Split Compensation”) for the rights and obligations accepted via the Company Split, Kenko.com will issue common stocks of Kenko.com on the effective date. (Such date will be January 1, 2014; provided, however, that if the effective date falls under a holiday, the next business day shall apply. The term “business day” refers to any day excluding bank holidays regulated under the Banking Act, and the same shall apply thereafter.) The common stocks will be obtained as follows. Estimates of the assessed amounts of the targeted debts accepted via the Company Split on the date (December 31, 2014) immediately preceding the effective date (hereinafter referred to as the “Targeted Debts”) are deducted from estimates of assessed amounts of the targeted assets on the same date (hereinafter referred to as the “Targeted Assets”). The Split Compensation is divided by the stock price of the common stocks of Kenko.com (meaning the volume weighted average price of the closing prices of Kenko.com stocks released by Tokyo Stock Exchange, Inc. during the month following the business day (November 25, 2013) immediately preceding the resolution by the Board of Directors of the Company in relation to the Company Split). Such resultant is an amount equivalent to the number of common shares of Kenko.com scheduled to be issued on the effective date (hereinafter referred to as the “Number of Stocks to be Issued”). Some or all of the 45,900 treasury stocks of Kenko.com held by Kenko.com will be used as common stocks of Kenko.com to be issued for the Company. In the case where the Number of Stocks to be Issued exceeds 45,900 shares, the stocks resulting when 45,900 shares are deducted from the Number of Stocks to be Issued will be issued, and the resultant will be allotted for the Company. In addition, in the case where there exist fractions of less than a single unit of stock, the amount equivalent thereto will be

issued in cash.

Estimates of assessed amounts for the Targeted Assets and the Targeted Debts are based on the computation of the balance sheet as of November 30, 2013 and the current computation as of the same date. Such amounts are computed as of December 20, 2013 through mutual consultation between both parties.

Kenko.com will apply for transfer of common stock of Kenko.com in an amount equivalent to the Number of Stocks to be issued on the effective date, thereby issuing the said stocks for the Company. Alternatively, such stocks may be issued through completion of transmission of new record notification data, thereby causing allotment or payment of cash. (In the case where the effective date is a holiday, the next business day shall apply.) However, in the case where there is a difference between the amount resulting when the determined assessed amounts of the Targeted Debts on the date immediately preceding the effective date are deducted from the determined assessed amounts of the Targeted Assets on the same date and the Split Compensation, such difference will be settled in cash separately through mutual agreement between both parties on or after the effective date of the Company Split and immediately following determination of assessed amounts of the Targeted Assets and the Targeted Debts. (The schedule has not been determined. The settlement amount will be announced as soon as such amount has been determined.)

(b) Split Compensation and Details of Allotment related to the Company Split

Split compensation was computed as 382 million yen, through mutual consultation between both parties. Upon the consultation, Kenko.com as a successor company in absorption-type split will allot 45,900 treasury stocks of Kenko.com held by Kenko.com and 162,266 new shares to be issued. In addition, in the case where there exist fractions of less than a single stock, the amount equivalent thereto will be issued in cash at an amount equivalent to 1,392 yen.

(2) Split method

a) Items and Amount of the Assets and Debt to be split

Assets		Debt	
Item	Value (JPY m)	Item	Value (JPY m)
Current Assets	269	Current Liabilities	—
Fixed Assets	112	Fixed Liabilities	—
Total	382	Total	—

Note: Amounts are round down when the values are below one hundred million yen. Also, the values for the items stated above are assessed amounts, considered the values on the day before the effective date, taking account of the recent business performance, based on the values as of November 30, 2013, and it may be possible that the amounts related to the actual split may differ with those stated in 1. a) above.