

June 4, 2015

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

Announcement Regarding Issuance of New Shares

Rakuten, Inc. (the “Company”) hereby announces that, at a meeting held on June 4, 2015, its board of directors resolved to issue new shares as set forth below.

Background and Purposes of the Offering

Rakuten Group has established a corporate philosophy which gives power to people and society through the Internet (“empowerment”) and has developed Rakuten Ichiba’s marketplace, which is a globally unique B2B2C (business-to-business-to-consumer) type of enterprise, by connecting participating merchants and consumers.

With a focus on Rakuten Ichiba, the Rakuten Group has entered into a wide variety of business fields, such as the travel business, the securities business, the credit card business and the banking business, through mergers and acquisitions, etc. and has expanded the Rakuten Ecosystem, which provides a one-stop place for services on the Internet. In addition, the Company promotes cross-use of services in the Rakuten Ecosystem through its loyalty program Rakuten Super Points, where points can be earned for use within the Ecosystem, and marketing based mainly on its membership database, and aims to maximize lifetime value for each member.

In recent years, the Company has also accelerated its global expansion and actively promoted the development of new businesses outside Japan through acquiring Rakuten Kobo Inc., which offers e-book services, VIBER MEDIA LTD., which offers messaging services, and Ebates Inc., which operates a cashback website.

The Company believes that a strong financial standing is needed for Rakuten Group’s sustainable future growth in the

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rapidly changing Internet services industry. Through this offering, and with it the enhanced flexibility of its financial strategy, the Company can organically join the various services of its Rakuten Group companies, and through further expansion of the Rakuten Ecosystem, the Company will strive to become the “world’s no. 1 Internet services company”.

Issuance of New Shares through Public Offering

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| (1) Class and Number of Shares to be Offered | Total of (i), (ii) and (iii) below, 99,606,500 shares of common stock of the Company. |
| | <ul style="list-style-type: none"> (i) As stated in (4)(i) below, 39,842,600 shares of common stock of the Company to be underwritten and purchased by the Japanese Underwriters in the Japanese Public Offering. (ii) As stated in (4)(ii) below, 47,313,100 shares of common stock of the Company to be underwritten and purchased by the International Managers in the International Offering. (iii) As stated in (4)(ii) below, up to 12,450,800 shares of common stock of the Company to be additional newly issued and purchased by certain International Managers in the International Offering upon exercise of the option they have been granted. |
| (2) Method of Determination of Amount to be Paid in | The amount to be paid in will be determined on any day in the period from June 23, 2015 (Tue.) to June 26, 2015 (Fri.) (such date, the “Pricing Date”) in accordance with the method stated in Article 25 of the Regulations concerning Underwriting of Securities, etc., promulgated by the Japan Securities Dealers Association (“JSDA”). |
| (3) Amount of Stated Capital and Additional Paid-in Capital to be Increased | The amount of stated capital to be increased shall be half of the maximum increased amount of stated capital, as calculated pursuant to Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of the additional paid-in capital to be increased shall be the amount obtainable by subtracting the said amount of stated capital to be increased from the said maximum amount of stated capital increase. |
| (4) Method of Offering | The Japanese offering and the international offering will be made |

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simultaneously.

(i) Japanese Public Offering:

In the offering to be made in Japan (the “Japanese Public Offering”), certain Japanese underwriters (the “Japanese Underwriters”) shall underwrite and purchase all of the new shares with respect to the Japanese Public Offering. One of the Japanese Underwriters monitors market demand and other conditions among individuals, business corporations and certain other investors which may acquire shares of common stock of the Company, and makes allocations among them. In addition, certain of the Japanese Underwriters collectively monitor market demand and other conditions of institutional investors and make allocations to them.

(ii) International Offering:

In the offering to be made outside of Japan (with the offering in the United States restricted to sales to Qualified Institutional Buyers under Rule 144A of the U.S. Securities Act of 1933, as amended) (the “International Offering”), the aggregate number of shares shall be purchased, severally and not jointly, by the international managers (the “International Managers”). The International Managers have also been granted an option to purchase additional newly issued shares of common stock, as stated in (1)(iii) above.

With regard to the number of shares to be offered in (i) and (ii) above, the number of shares to be issued is planned to be 39,842,600 shares for the Japanese Public Offering and 59,763,900 shares for the International Offering (the International Managers will purchase 47,313,100 shares as described in (1)(ii) above initially and 12,450,800 additional newly issued shares of common stock of the Company upon exercise of the option granted to the International Managers described in (1)(iii) above). However, the final breakdown shall be determined on

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the Pricing Date by taking into account market demand and other conditions.

The issue price (offer price) with regard to each of the Japanese Public Offering and the International Offering shall be determined in accordance with the method stated in Article 25 of the Regulations concerning Underwriting of Securities, etc., promulgated by the JSDA, on the Pricing Date based on the preliminary pricing terms calculated by multiplying the closing price in regular trading of the shares of common stock of the Company on the Tokyo Stock Exchange, Inc. on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by 0.90-1.00 (with any fraction less than 0.1 yen being rounded down), taking into account market demand and other conditions.

The global coordinators for the Japanese Public Offering and the International Offering will be one of the Japanese Underwriters.

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| (5) Consideration for the Underwriters | The Company shall not pay any underwriting commissions to the underwriters in the Japanese Public Offering and the International Offering, but rather the aggregate amount of the difference between the issue price (offer price) in each offering and the amount to be paid to the Company by the underwriters shall be allocated to the underwriters as underwriting fees. |
| (6) Subscription Period
(in Japanese Public Offering) | The subscription period shall be from the business day immediately following the Pricing Date to the second business day following the Pricing Date. |
| (7) Payment Date | The payment date shall be any day in the period from June 30, 2015 (Tue.) to July 3, 2015 (Fri.); provided, however, that such day shall be the fifth business day immediately following the Pricing Date. |
| (8) Subscription Unit | 100 shares. |

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- (9) The amount to be paid in, the issue price (the offer price), the amount of stated capital and additional paid-in capital to be increased, and any other matters necessary for the Japanese Public Offering and the International Offering will be determined at the discretion of the representative directors of the Company.
- (10) The Japanese Public Offering shall be subject to the effectiveness of registration under the Financial Instruments and Exchange Act of Japan.

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<Reference>

1. Change in the Total Number of Issued Shares as a Result of the Capital Increase by way of Offering

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| (1) | Total number of issued shares at present: | 1,330,055,400 shares | (As of March 31, 2015) |
| | | | (Note 1) |
| (2) | Increase in number of shares as a result of the capital increase by way of offering: | 99,606,500 shares | (Note 2) |
| (3) | Total number of issued shares after the capital increase by way of offering: | 1,429,661,900 shares | (Note 2) |

(Notes) 1. Because the Company has issued stock acquisition rights, we have given the figures as of March 31, 2015 as the total number of issued shares.

2. These figures are based on the assumption that the International Managers will exercise their option to purchase all of the additional newly issued shares set forth in item (1) (iii) of “Issuance of New Shares through Public Offering” above.

2. Use of Proceeds

(1) Use of Proceeds

The Company plans to apply all of the net proceeds from the Japanese Offering and the International Offering in the aggregate amount of approximately up to 188,004,000,000 yen, to (i) fund the redemption of commercial paper as it becomes due through the end of July 2015 in an amount of 80,000 million yen, (ii) fund the repayment of borrowings under commitment line agreements with bank lenders by the end of July 2015 in an amount of 49,500 million yen, (iii) fund the repayment of borrowings from bank lenders as they become due through the end of September 2016 in an amount of 40,150 million yen, and (iv) fund general capital expenditures of the Company with respect to the remaining amounts by the end of December, 2016.

If the total estimated proceeds exceed 214,506 million yen due to changes in the estimated proceeds as a result of the issue price decision, etc., the excess amounts will be applied to fund the repayment of borrowings from bank lenders other than those above as they become due through the end of June 2017 and to redeem the unsecured bonds of the Company upon their maturity at the end of June 2017. In addition, if amounts remain from the total estimated proceeds due to a decrease in the amounts of general capital expenditures of the

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Company, the remaining amounts will be applied to fund the repayment of borrowings from bank lenders other than those above as they become due through the end of June 2017 and to redeem the unsecured bonds of the Company upon their maturity at the end of June 2017 .

The details of the general capital expenditure plan to which the proceeds will be applied, as of June 4, 2015, are as follows:

Company name	Address	Segment name	Main contents and purposes of capital expenditure	Anticipated expenditure amounts (million yen)	Anticipated periods for capital expenditure
Rakuten, Inc.	Shinagawa-ku, Tokyo	Internet services	Hardware related to the Internet service business, such as the operation of Rakuten Ichiba	5,499	From July 2015 to December 2016
			Development and acquisition of software necessary for the Internet service business, such as the operation of Rakuten Ichiba	33,930	From July 2015 to December 2016
		Company-wide (common)	Company facilities and equipment related to the head office	5,427	From July 2015 to December 2016

(Notes) 1 “Company-wide (common)” means planned figures of general capital expenditures which are not allocated to each segment.

2 Cash on hand and borrowings will be applied if the total estimated proceeds do not satisfy the anticipated investment amounts.

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3 The general capital expenditure plan above does not include the plan for introduction, etc., of the major facilities that should be stated in “Part I, Information of the Company, III. Equipment and Facilities, 3. Plans for Introduction, Disposals, etc. of Facilities, (1) Introduction, etc. of Major Facilities” of the annual securities report of the Company for the 18th fiscal year.

(2) Change in the Use of Proceeds Raised Last Time

Not applicable.

(3) Effects on Business Performance

The Company believes that this issuance of new shares will contribute to the improvement of midterm revenue and profits while strengthening its financial standing.

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