

February 13, 2017  
Company name Rakuten, Inc.  
Representative Hiroshi Mikitani  
Chairman and CEO  
(Stock Code: 4755  
Tokyo Stock Exchange First Section)

## **Announcement of Impairment Loss**

Rakuten, Inc. (hereinafter “the Company”) announces it recorded impairment loss and loss on valuation of stocks of subsidiaries and affiliates, in its consolidated and non-consolidated financial results, respectively, for the three months ended December 31, 2016 (October 1 – December 31, 2016).

### 1. Details

(Consolidated)		(Millions of yen)
Impairment loss	VIKI, Inc. goodwill and other impairment	21,434
	Other impairment	2,910
Total		24,344

(Non-consolidated)		(Millions of yen)
Loss on valuation of stocks of subsidiaries and affiliates	Others loss on valuation	6,488
Total		6,488

### 2. Impact on financial results

These items have already been included in the consolidated financial results (IFRS) announced today, for the three months ended December 31, 2016.

### 3. Background

(Consolidated)

As a result of carrying out impairment tests based on International Financial Reporting Standards (IFRS), and having examined the possibility of future recovery based on the current business environment, we recorded an impairment loss on goodwill and others.

Specifically, VIKI, Inc. (USA), a consolidated subsidiary, fell behind the original targets due to changes in market environment and trends in competition. However, since VIKI, Inc. is a business centered on the global community and continues to have an important position in the digital contents business, we will continue to aim for sustained growth.

With regard to other impairment losses, based on a strategic review of Asia and the EU businesses,

we judged that it was difficult to recover the book value of the assets held, and hence recorded impairment on a part of the assets.

(Non-consolidated)

As a result of reviewing the business plan for multiple businesses, we recorded a loss arising from valuation of stocks of subsidiaries and affiliates in extraordinary losses, based on J-GAAP (Japanese Generally Accepted Accounting Principles).

#### 4. Earnings Forecasts

For further details of our financial reports for the Company in the year ended December 31, 2016, please refer to the financial results announcement made by the Company on February 13, 2017.

In addition, for the fiscal year ending December 31, 2017, excluding the securities business which is heavily impacted by stock market conditions, we expect double digit growth for consolidated revenue from the fiscal year ended December 31, 2016.