

September 26, 2017

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

**Announcement of Succession of Business by Company Split
(Simplified absorption-type split)**

Rakuten, Inc. (hereafter “the Company”) announces that the company has made a resolution at its Board of Directors meeting held today about succession of the domestic MVNO business (except for part of the business¹) that Plus One Marketing Co., Ltd (hereafter “POM”) operates. Since this absorption split corresponds to simplified absorption split to which the provision of Article 796, Paragraph 2 of the Companies Act applies, the disclosure of certain items and details has been omitted from this announcement.

1. Purpose of the company split

Since the start of Rakuten Mobile services as an MVNO in October 2014, Rakuten Group, by utilizing our ecosystem, has expanded the customer base, providing a full line-up of handsets, in addition to providing attractive rate plans and services with a focus on Super-Hodai, aggressive store development, and collaboration with group services such as the point program, Rakuten Ichiba and Rakuten Card.

POM has expanded into two areas, the FREETEL mobile handset business and an MVNO business. Amongst them, the mobile handset business, whilst being high quality, by offering global standard prices has also expanded into the North America, South America, Asia and Africa markets.

To realize the expansion of business scale in the domestic MVNO market in the future, the Company decided on a company split of POM for the succession of its MVNO business, including POM users. Following the reorganization, the Company and POM will continue to engage in collaborative efforts to review business synergies between the two companies.

¹ Part of the telecommunications business (freetel mobile (FRIMOB) branded telecommunications business, prepaid SIM business) and some services incidental to the telecommunications business are not included in this succession.

2. Summary of the company split

(1) Outline of the company split

The Board of Directors meeting for the company split (POM)	September 25, 2017
The Board of Directors meeting for the company split (the Company)	September 26, 2017
Contract date	September 26, 2017
Effective date of the company split	November 1, 2017

(Expected)

(Note) Since this company split corresponds to simplified absorption-type split prescribed in Article 796, Paragraph 2 of the Company Act, shareholders meeting to approve this company split will not be held

(2) Split method

An absorption-type company split in which POM is the splitting company and the Company is the successor company

(3) Details of allotments related to the company split

The Company plans to deliver money JPY 520 million to POM as a consideration of the company split

(4) Handling of subscription rights to shares and bonds accompanying the company split

There is no corresponding matter

(5) Deduction of capital

There will be no change in the company's capital stock.

(6) Rights and obligation to be succeeded

Rights and obligation such as assets, liabilities and contractual positions regarding the company split which is prescribed in absorption-type company split contract will be succeeded.

(7) Prospect of fulfillment of obligations

The company split has no impact on the successor company's ability to fulfill obligations.

3. Evidence of allotments related to the company split

Calculation of money to be delivered by the company in this absorption split was decided through consultation and negotiation with POM, which is based on market value equivalent of assets and liabilities to be succeeded.

4. Overview of companies involved in the company split

	Successor company in absorption-type split	Splitting company in absorption-type split
Company name	Rakuten, Inc.	Plus One Marketing Ltd.
Head office	1-14-1 Tamagawa, Setagaya-ku, Tokyo	2-8-6 Nishishinbashi, Minato-ku, Tokyo
Representative	Hiroshi Mikitani	Kaoru Masuda
Main business	Internet Services Company	1) Manufacture and sales of mobile phone equipment such as smartphones 2) MVNO (Telecommunications carrier by SIM card)
Capital (million yen)	204,562	4,782
Date of establishment	February 7, 1997	October 15, 2012
Outstanding no. of shares	1,432,422,600 shares	315,167 shares
Fiscal year end	December 31	March 31
Major shareholders and percentage of shares held	Crimson Group, LLC 15.8% Hiroshi Mikitani 12.3%	Kaoru Masuda 31.7% Yodobashi Camera Co.,Ltd. 22.3%

Business results

	Rakuten, Inc. (Consolidated, IFRS)
Fiscal year	Year ended December 31, 2016

Total equity attributable to owners of the parent company (million yen)	680,247
Total assets (million yen)	4,604,672
Total equity attributable to owners of the parent company per share (yen)	476.89
Revenue (million yen)	781,916
Operating Income (million yen)	77,977
Income before income tax (million yen)	73,923
Net income attributable to owners of the parent company (million yen)	37,995
Net income attributable to owners of the parent company per share (yen)	26.65

	Plus One Marketing Ltd.
Fiscal year	Year ended March 31, 2017
Total equity (million yen)	1,427
Total assets (million yen)	6,118
Total equity per share (yen)	4,526.19
Revenue (million yen)	10,059
Operating income (million yen)	(5,388)
Ordinary income (million yen)	(5,526)
Net income (million yen)	(5,530)
Net income per share (yen)	(21,273)

5. Overview of the business unit to be split and succeeded

(1) Business to be split

Domestic MVNO business (Telecommunications carrier by SIM card)

(2) Business results of division to be split

Revenue: JPY 4,329 million

(3) Asset and liabilities to be split

Current assets (million yen)	1,405	Current debt (million yen)	2,977
Fixed assets (million yen)	472	Fixed debt (million yen)	113
Total assets (million yen)	1,877	Total debt (million yen)	3,090

(Note) The above amounts will be confirmed after being calculated based on increases

and decreases to be materialized up until the Effective Date.

6. Post-company split details

Following this company split, 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. Net assets and total assets are not finalized at this time

7. Impact on business results

No material impact on Rakuten Group consolidated financial results