

October 24, 2017  
Company name                    Rakuten, Inc.  
Representative                    Hiroshi Mikitani  
Chairman and CEO  
(Stock Code: 4755  
Tokyo Stock Exchange First Section)

Announcement of Merger (Simplified Merger and Short form Merger) of Wholly-Owned Subsidiary Rakuten Mart, Inc.

At a Board of Directors meeting held today, Rakuten, Inc. (hereinafter the "Company") resolved to merge its wholly-owned subsidiary Rakuten Mart, Inc., which is providing its food delivery services, into the Company effective February 1, 2018, as outlined below. Since this merger is an absorption-type merger of a wholly-owned subsidiary, the disclosure of certain items and details has been omitted.

1. Purpose of merger

The company decided the merger to increase operational efficiencies and to improve the quality of its food delivery services.

2. Summary of merger

(1) Schedule

Merger resolution by the Board of Directors	October 24, 2017
Merger contract date	November 1, 2017
Expected merger date (effective date)	February 1, 2018

(Note 1) According to simplified merger rules in Company Law article 796 clause 2, the Company is proceeding with the merger without receiving approval at the Annual General Shareholders Meeting.

(Note 2) According to short form merger rules in Company Law article 784 clause 1, Rakuten Mart, Inc. is proceeding with the merger without receiving approval at the Annual General Shareholders Meeting.

(2) Merger method

The Company shall be the surviving company under absorption-type merger, and Rakuten Mart, Inc. shall be dissolved.

(3) Merger ratio

Since this will be a merger of a wholly-owned subsidiary, there will be no issuance of new shares, no increase in shareholders' equity, and no payment for the merger.

(4) Handling of subscription rights to shares and bonds with the dissolved company

Rakuten Mart, Inc. has not issued any subscription rights to shares and any bonds with stock acquisition right.

3. Overview of companies in merger

Company name	Rakuten, Inc. (Company surviving absorption type merger)	Rakuten Mart, Inc. (Company absorbed in absorption type merger)
Head office	1-14-1 Tamagawa, Setagaya-ku, Tokyo	1-14-1 Tamagawa, Setagaya-ku, Tokyo
Representative	Hiroshi Mikitani	Kentaro Hyakuno
Main business	Internet services	Food delivery services
Shareholders' equity	204,562 million yen	100 million yen
Date of establishment	February 7, 1997	February 8, 1950
Outstanding no. of shares	1,432,422,600 shares	59,800 shares
Fiscal year end	December 31	December 31
Major shareholders and percentage of shares held	Crimson Group, LLC. 15.8% Hiroshi Mikitani 12.3%	Rakuten, Inc. 100%

#### 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
Revenues (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

Rakuten Mart, Inc. (Non-consolidated, J-GAAP)	
Fiscal year	Year ended December 31, 2016
Net assets (million yen)	(5,168)
Total assets (million yen)	279
Net assets per share (yen)	(86,426)
Sales (million yen)	912
Operating loss (million yen)	(627)
Ordinary loss (million yen)	(676)
Net loss (million yen)	(710)
Net loss per share (yen)	(11,883)

#### 4. Post-merger details

Following this merger, 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.

#### 5. Impact on business results

Since this is a merger of a wholly-owned subsidiary, the impact on Rakuten Group consolidated financial performance is limited.