

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.