

March 29, 2018

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 Fablic, inc.

At a Board of Directors meeting held today, Rakuten, Inc. (hereinafter the "Company") resolved to merge its wholly-owned subsidiary Fablic, inc., which is providing its C2C services, into the Company effective July 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 C2C services.

2. Summary of merger

(1) Schedule

Merger resolution by the Board of Directors	March 29, 2018
Merger contract date	March 29, 2018
Expected merger date (effective date)	July 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, Fablic, 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 Fablic, 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

Fablic, 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)	Fablic, inc. (Company absorbed in absorption type merger)
Head office	1-14-1 Tamagawa, Setagaya-ku, Tokyo	1-13-1 Hiroo, Shibuya-ku, Tokyo
Representative	Hiroshi Mikitani	Shota Horii
Main business	Internet services	C2C services
Shareholders' equity	205,924 million yen	100 million yen
Date of establishment	February 7, 1997	April 9, 2012
Outstanding no. of shares	1,434,573,900 shares	270,000 shares
Fiscal year end	December 31	December 31
Major shareholders and percentage of shares held	Crimson Group, LLC. 16.8% Hiroshi Mikitani 13.1%	Rakuten, Inc. 100%

Business results

	Rakuten, Inc. (Consolidated, IFRS)
Fiscal year	Year ended December 31, 2017
Total equity attributable to owners of the parent company (million yen)	683,181
Total assets (million yen)	6,184,299
Total equity attributable to owners of the parent company per share (yen)	507.32
Revenues (million yen)	944,474
Operating income (million yen)	149,344
Income before income tax (million yen)	138,082
Net income attributable to owners of the parent company (million yen)	110,585
Net income attributable to owners of the parent company per share (yen)	80.03

	Fabic, inc. (Non-consolidated, J-GAAP)
Fiscal year	Year ended December 31, 2017
Net assets (million yen)	-3,156
Total assets (million yen)	9,490
Net assets per share (yen)	-11,688
Sales (million yen)	987
Operating loss (million yen)	-2,778
Ordinary loss (million yen)	-2,793
Net loss (million yen)	-2,794
Net loss per share (yen)	-10,347

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.