

July 18, 2018

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

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

Rakuten, Inc. (hereafter "the Company") announces that with an effective date of October 1, 2018 (expected), the company has decided that the "Rakuten Manga" and "Comic Manga★Manga Gakuen" business conducted by the company will be succeeded to Mediano Co., Ltd., a subsidiary of MTI Ltd., by way of a company split (hereinafter referred to as the "Company Split"), as described below.

Since this absorption split corresponds to simplified absorption split to which the provision of Article 784, Paragraph 2 of the Companies Act applies, the disclosure of certain items and details have been omitted from this announcement*.

*Disclosure of certain items and details have been omitted as the impact on the Company's consolidated total assets related to the Company Split is estimated to be less than 10%, and also less than 3% of the Company consolidated revenue as of the end of December 31, 2017.

1. Purpose of the company split

"Rakuten Manga" has provided services to purchase and/or view e-Comics through a web-browser and use of a dedicated application since April 2016. "Comic Manga★Manga Gakuen", which the Company acquired in February 2009, also has provided similar services through feature phones. (hereinafter both business referred to as "the Business")

While these services have been used by many users, due to change in the competitive environment of the domestic e-Comics market, the Company has decided to transfer the rights of the Business to Mediano Co., Ltd to accelerate its further growth.

2. Summary of the company split

(1) Outline of the company split

The resolution of the Board Director at Mediano Co., Ltd.	July 10, 2018
The resolution of the Board Director at the	July 18, 2018

Company	
Contract date	July 18, 2018
Publishing in the Official Gazette	August 1, 2018
General meeting of Mediano Co., Ltd.	August 31, 2018
Effective date of the company split	October 1, 2018

Note) Since this company split corresponds to simplified absorption-type split prescribed in Article 784, Paragraph 2 of the Company Act, shareholders meeting of the Company to approve this company split will not be held.

(2) Split method

An absorption-type company split in which the Company is the splitting company and Mediano Co., Ltd is the successor company.

(3) Details of allotments related to the company split

The Company plans to receive a payment of JPY 41.3 million from Mediano Co., Ltd 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) Increase / Decrease 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 this Business in this absorption split was decided in consultation with Mediano Co., Ltd., with consideration given to the number of users, usage time, competitive environment and future growth prospects of the domestic e-Comic market.

4. Overview of companies involved in the company split

	Successor company in absorption-type split	Splitting company in absorption-type split
Company name	Mediano Co., Ltd.	Rakuten, Inc.
Head office	35th Floor, Tokyo Opera City Tower 3-20-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo	1-14-1 Tamagawa, Setagaya-ku, Tokyo
Representative	Teppei Hamada Representative Director	Hiroshi Mikitani Chairman, President and CEO
Main business	Online advertising, Media	Internet Services Company
Capital (million yen)	30	205,924 *as of March 31, 2018
Date of establishment	August 22, 2011	February 7, 1997
Outstanding no. of shares	1,200 shares	1,434,573,900 shares *as of March 31, 2018
Fiscal year end	September 30	December 31
Major shareholders and percentage of shares held	MTI Ltd. 100%	Crimson Group, LLC 15.8% Hiroshi Mikitani 12.3%

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
Revenue (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

	Mediano Co., Ltd. (Non-consolidated)
Fiscal year	Year ended September 30, 2017
Net Asset (thousand yen)	164,867
Total assets (thousand yen)	275,654
Net Asset per share (yen)	137,389
Revenue (thousand yen)	322,383
Operating income (thousand yen)	142,598
Ordinary income (thousand yen)	152,426
Net income (thousand yen)	96,328
Net income per share (yen)	80,273

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

(1) Business to be split

Service providing e-Comics through smartphones, feature phones, and web browsers

(2) Business results of the business to be split

Revenue: JPY 484 million (For the year ended 2017)

(3) Assets and liabilities to be split

The assets or liabilities of the business which is prescribed in absorption-type company split contract are to be succeeded by this company split.

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.