July 27, 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 Handa Kikaku, corp.

At a Board of Directors meeting held today, Rakuten, Inc. (hereinafter the ”Company”) resolved to merge its wholly-owned subsidiary Handa Kikaku, corp. into the Company effective September 14, 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 to be merged is a subsidiary whose purpose is to maintain service domains, but following deregulation on domains held, because the necessity of succession disappeared, we intend to execute this merger with the aim of consolidating the group, improving efficiency, and reducing maintenance and management costs of the subsidiary.

2. Summary of merger

(1) Schedule

Merger resolution by the Board of Directors	July 27, 2018
Merger contract date	July 27, 2018
Expected merger date (effective date)	September 14, 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, Handa Kikaku, corp. 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 Handa Kikaku, corp. 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

Handa Kikaku, corp. 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)	Handa Kikaku, corp. (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	Sumio Nishimura
Main business	Internet services	Acquisitions and operations management of copyrights, neighboring rights, design rights, trademark rights, industrial property rights, and domains
Shareholders' equity	205,924 million yen	3 million yen
Date of establishment	February 7, 1997	January 13, 2004
Outstanding no. of shares	1,434,573,900 shares	60 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, 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

	Handa Kikaku, corp. (Non-consolidated, J-GAAP)
Fiscal year	Year ended December 31, 2017
Net assets (thousand yen)	3,000
Total assets (thousand yen)	3,000
Net assets per share (thousand yen)	50
Sales (yen)	0
Operating loss (yen)	0
Ordinary loss (yen)	0
Net loss (yen)	0
Net loss per share (yen)	0

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.