

August 6, 2018

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

Announcement of Group Reorganization by a Corporate Split

Rakuten, Inc. (hereafter “the Company”) announces that at the Board of Directors meeting held today, the Company resolved to implement reorganization within the group (hereafter “the Group Reorganization” as described below, on April 1, 2019 (scheduled).

Regarding the Group Reorganization, it is necessary to obtain the approval of the split agreement at the Ordinary General Meeting of Shareholders scheduled to be held in March 2019, to obtain agreement of stakeholders including regulatory authorities, to acquire licenses etc and approvals for various laws or contract procedures to be taken, and to execute this matter on the condition that it will be possible to confirm there will be no serious negative impacts on other businesses.

In addition, since the Group Reorganization is an absorption-type split by which the business divisions will succeed to the Company's wholly-owned subsidiaries, some disclosure items and contents are partially omitted.

1. Purpose and background

The Rakuten Group’s core mission is to "contribute to society by creating value through innovation and entrepreneurship". We aim to continue to be a Global Innovation Company, not only provide highly satisfying services to users and business partners, but also supporting their growth, transforming and enriching society, and thereby maximizing corporate and shareholder value of the Group.

Currently, the Group does not limit its activities to e-commerce, but offers over 70 diverse services, from internet services such as travel, digital contents and communications, to FinTech (financial) services such as credit cards, banking, securities, insurance, and electronic money. These various services cover a wide range of life scenes and are organically linked together around membership, centering on Rakuten members, enhancing cross use activity by users within the Group’s services, and expanding our own unique Rakuten Ecosystem.

Recently, we have launched a partnership with FC Barcelona and accelerated global development including service brand integration. Our global membership base now exceeds 1.2 billion members. Global gross transaction value has surpassed 12 trillion yen and continues to grow. As the Group continues to drive interest from external stakeholders both in Japan and

overseas, with the aim of further expanding the Rakuten Ecosystem, we have also decided to build new business portfolios by entering the MNO (Mobile Network Operator) business, by offering comprehensive logistics services in line with a vision for “One Delivery”, and by developing new services such as the C2C business and sharing economy services.

In the light of these developments, in order to realize further growth and development of the Rakuten Ecosystem and maximize corporate value, we have decided to implement a Group reorganization that will clarify accountability, further improve efficiency and allow for overall optimization of resources, by aiming to put in place a group structure that will enable flexible decision-making and business execution.

In order to offer services that maximize customer satisfaction, in each group company, we will aim to foster and revitalize entrepreneurship to an even higher level, pursue creative innovation to the full, as well as maximizing group synergies.

The Company will also continue to maintain its listing after the Group Reorganization, continuing to work to maximize corporate value by focusing on development of group wide global corporate strategy, strengthening governance and other key initiatives.

2. Method of the Group Reorganization

1. Internet Services corporate split

Due to the absorption-type split method with the Company as the split company, the majority of the internet service business developed by the Company will transfer to Golden Eagles,II,Inc.¹, a wholly-owned subsidiary of the Company, and change its company name from Golden Eagles,II,Inc. to Rakuten E-Commerce Inc. (tentative name).

2. FinTech business corporate split

Due to the absorption-type split method with the Company as the split company, the shares etc of the Company’s Fintech business², excluding the shares of Rakuten Card Co., Ltd, a wholly-owned subsidiary of the Company, will transfer to Rakuten Card Co., Ltd.

3. MVNO business corporate split

Due to the absorption-type split method with the Company as the split company, the Company’s MVNO (Mobile Virtual Network Operator) business will transfer to Rakuten Mobile Network Inc., a wholly-owned subsidiary of the Company.

¹ A wholly-owned subsidiary of Rakuten, Inc., managing intellectual property rights related to internet services

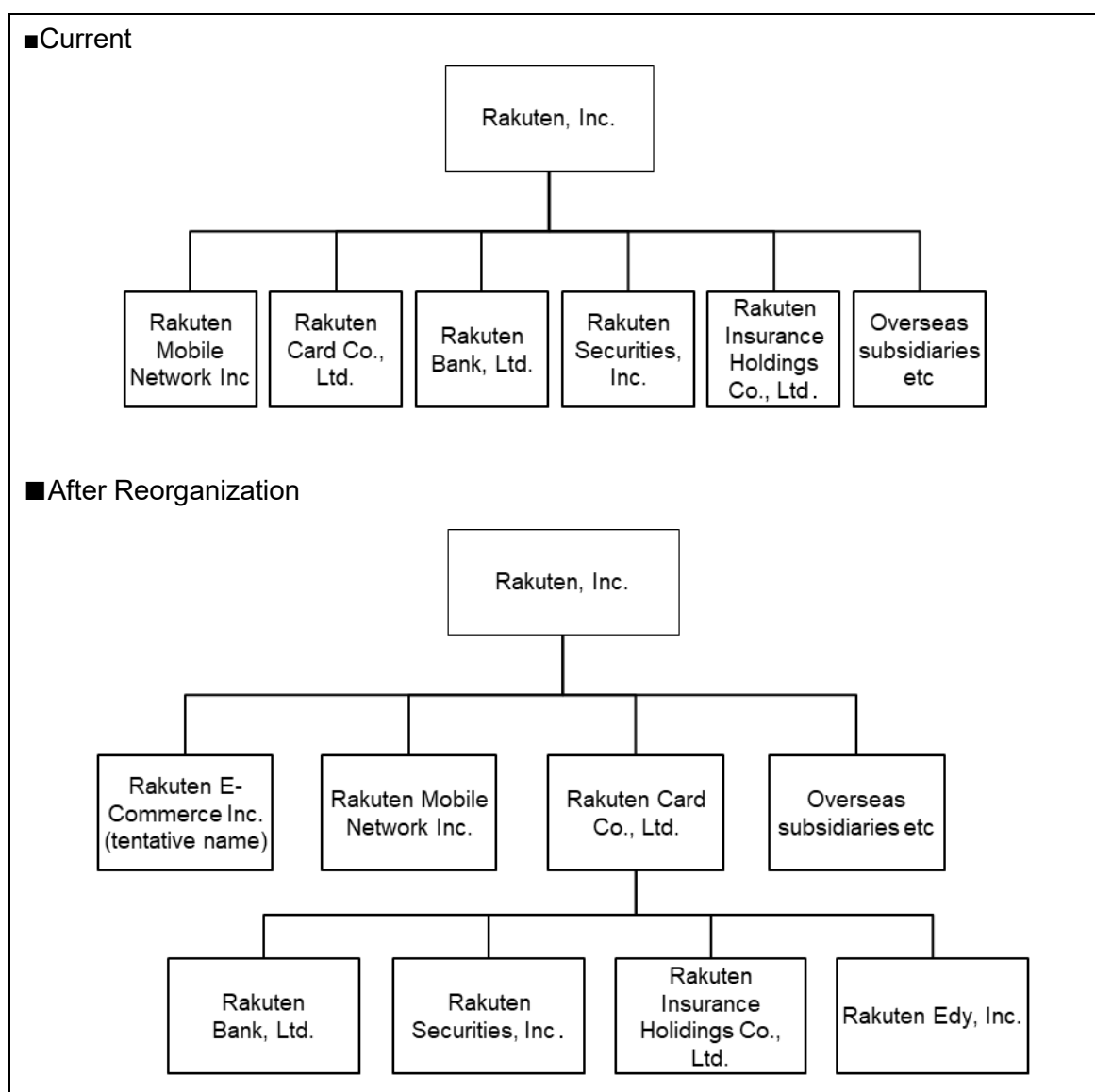
² Rakuten Bank, Ltd, Rakuten Securities, Inc., Rakuten Insurance Holdings Co., Ltd., Rakuten Edy, Inc. etc

3. Schedule of the Group Reorganization

Resolution of Board of Directors of the Company	August 6, 2018
Board meeting for absorption split contract approval	Mid-February 2019 (planned)
Signing of absorption split agreement	Mid-February 2019 (planned)
Split agreement approval at Annual Shareholders Meeting (the Company)	March 2019 (planned)
Effective Date	April 1, 2019 (planned)

End

(For reference) Group structure after the Group Reorganization



*Names of entities are tentative