

July 26, 2019  
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 RS Empowerment, Inc.

At a Board of Directors meeting held today, Rakuten, Inc. (hereinafter the "Company") resolved to merge its wholly-owned subsidiary RS Empowerment, Inc., an investment business, into the Company effective October 1, 2019, 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 optimize management resource allocation.

2. Summary of merger

(1) Schedule

Merger resolution by the Board of Directors	July 26, 2019
Merger contract date	July 26, 2019
Expected merger date (effective date)	October 1, 2019

(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, RS Empowerment, 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 RS Empowerment, 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

RS Empowerment, Inc. has not issued any subscription rights to shares and any bonds with stock acquisition rights.

3. Overview of companies in merger

Company name	Rakuten, Inc. (Company surviving absorption type merger)	RS Empowerment, 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	Hiroshi Takasawa
Main business	Internet services	Acquisition and holding of securities
Shareholders' equity	205,924 million yen	66 million yen
Date of establishment	February 7, 1997	November 28, 2007
Outstanding no. of shares	1,434,573,900 shares	13,100 shares
Fiscal year end	December 31	December 31
Major shareholders and percentage of shares held	Crimson Group, LLC. 16.75% Hiroshi Mikitani 13.04%	Rakuten, Inc. 100%

Business results

	Rakuten, Inc. (Consolidated, IFRS)
Fiscal year	Year ended December 31, 2018
Total equity attributable to owners of the parent company (million yen)	774,473
Total assets (million yen)	7,345,002
Total equity attributable to owners of the parent company per share (yen)	572.83
Revenues (million yen)	1,101,480
Operating income (million yen)	170,425
Income before income tax (million yen)	165,423
Net income attributable to owners of the parent company (million yen)	142,282
Net income attributable to owners of the parent company per share (yen)	105.43

	RS Empowerment, Inc. (Non-consolidated, J-GAAP)
Fiscal year	Year ended December 31, 2018
Net assets (million yen)	2,491
Total assets (million yen)	3,114
Net assets per share (yen)	190,198
Sales (million yen)	85
Operating income (million yen)	66
Ordinary income (million yen)	66
Net income (million yen)	65
Net income per share (yen)	5,033

(Note) The fiscal year of RS Empowerment, Inc. ended December 31, 2018 comprises the financial results for nine months between April 1- December 31, 2018 because of the change in fiscal year.

#### 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.