

July 26, 2019

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

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

Rakuten, Inc. (hereafter "the Company") announces that with an effective date of October 1, 2019 (expected), the Company has decided that "Rakuten Cash" business conducted by the Company will be succeeded to Rakuten Edy, Inc., a wholly-owned subsidiary of Rakuten Payment, Inc. which is wholly-owned subsidiary of the Company, 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 has been omitted from this announcement.

1. Purpose of the company split

The Company decided the company split to increase operational efficiencies and achieve more integral promotion of the payment business operated by the Group.

2. Summary of the company split

(1) Outline of the company split

Resolution date by the Board of Directors	July 26, 2019
Contract date	July 26, 2019
Effective date of the company split	October 1, 2019 (Expected)

Note: Since this company split corresponds to simplified absorption-type split prescribed in Article 784, Paragraph 2 of the Company Act, a shareholder meeting 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 Rakuten Edy, Inc. is the successor company.

(3) Details of allotments related to the company split

The Company plans to receive one ordinary share of Rakuten Payment, Inc., the parent company of Rakuten Edy, Inc., 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 obligations to be succeeded

Rights and obligations such as assets, liabilities and contractual positions regarding the company split which is prescribed in the 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. Overview of companies involved in the company split (As of December 31, 2018)

	Splitting company in absorption-type split	Successor company in absorption-type split
Company name	Rakuten, Inc.	Rakuten Edy, Inc.
Head office	1-14-1 Tamagawa, Setagaya-ku, Tokyo	1-14-1 Tamagawa Setagaya-ku, Tokyo
Representative	Hiroshi Mikitani	Kei Wada
Main business	Internet services, etc	Planning and operation of prepaid e-money services, Rakuten Edy, issuance of prepaid e-money card, development of member stores, administration of Rakuten Edy brand
Capital (million yen)	205,924 million yen	75 million yen
Date of establishment	February 7, 1997	May 9, 2016
Outstanding no. of shares	1,434,573,900 shares	1,500 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%

Note: Rakuten Edy, Inc. became a wholly-owned subsidiary of Rakuten Payment, Inc. due to the Group reorganization effective from April 1, 2019.

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
Revenue (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

	Rakuten Edy, Inc. (Non-consolidated, J-GAAP)
Fiscal year	Year ended December 31, 2018
Net assets (million yen)	2,155
Total assets (million yen)	56,612
Net assets per share (yen)	1,436,750.41
Sales (million yen)	7,872
Operating income (million yen)	53
Ordinary income (million yen)	53
Net loss (million yen)	(126)
Net loss per share (yen)	(84,650.56)

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

(1) Business to be split

The online e-money service operated by Rakuten Group which is available at Rakuten Pay member stores, etc.

(2) Business results of division to be split

Revenue: JPY 67 million (For the year ended 2018)

(3) Assets and liabilities to be split (As of March 31, 2019)

Current assets (million yen)	258	Current liabilities (million yen)	811
Fixed assets (million yen)	-	Fixed liabilities (million yen)	-
Total assets (million yen)	258	Total liabilities (million yen)	811

Note: We will finalize the above amount by adding/subtracting any increase/decrease up until the effective date.

5. Post-company split details

Following this company split, there are no changes to the company name, main business, head office, title and name of representative, shareholders' equity and fiscal year end of the company.

6. Impact on business results

No material impact on Rakuten Group consolidated financial results