

October 10, 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 Book Service Co., Ltd.

At a Board of Directors meeting held today, Rakuten, Inc. (hereinafter the "Company") resolved to merge its wholly-owned subsidiary Book Service Co., Ltd. which provides telephone order OEM for publishers, into the Company effective December 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 to improve the quality of its books business.

2. Summary of merger

(1) Schedule

Merger resolution by the Board of Directors	October 10, 2019
Merger contract date	October 10, 2019
Expected merger date (effective date)	December 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, Book Service Co., Ltd. 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 Book Service Co., Ltd. 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

Book Service Co., Ltd. has not issued any subscription rights to shares and any bonds with stock acquisition rights.

3. Overview of companies in merger (As of December 31, 2018)

Company name	Rakuten, Inc. (Company surviving absorption type merger)	Book Service Co., Ltd. (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	Katsushi Kawakubo
Main business	Internet services	Telephone order OEM for publishers
Shareholders' equity	205,924 million yen	50 million yen
Date of establishment	February 7, 1997	October 14, 1986
Outstanding no. of shares	1,434,573,900 shares	3,100 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

	Book Service Co., Ltd. (Non-consolidated, J-GAAP)
Fiscal year	Year ended December 31, 2018
Net assets (million yen)	94
Total assets (million yen)	120
Net assets per share (yen)	30,487
Sales (million yen)	97
Operating loss (million yen)	(41)
Ordinary loss (million yen)	(10)
Net loss (million yen)	(10)
Net loss per share (yen)	(3,536)

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.