

May 14, 2012

Company name Rakuten, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(JASDAQ Code: 4755)

Notice on the business and capital alliance with Stylife Corporation

Rakuten, Inc. hereby announces that it has resolved at the Board of Directors meeting held today to acquire Stylife Corporation (head office: Minato-ku, Tokyo; hereinafter “Stylife”) through concluding a business and capital alliance agreement with Stylife, which conducts mail order business and EC (e-commerce) business in the field of fashion; Samantha Thavasa Japan Limited (head office: Minato-ku, Tokyo), which is the parent company of Stylife; and BURNEDEST Japan Limited (head office: Minato-ku, Tokyo; hereinafter “BURNEDEST”).

(1) Background and reason for the business and capital alliance

Rakuten, Inc. addresses the strengthening of the business strategies based on each type of field, aiming to make its domestic operating base of Rakuten Ichiba, an Internet shopping mall, even more solid. The fashion field was previously considered to be the one that would not be overtaken by Internet shopping. At present, however, it becomes one of the fields that have achieved continuously high gross transaction value growth.

Stylife operates an Internet shopping mall on its own website that deals with a large number of fashion brands supported by highly fashion-conscious females.

Rakuten, Inc. aims at scale expansion of the fashion field, which can expect high growth in the future, based on the establishment of an alliance with Stylife. Additionally, in order to enhance the smooth progress of this alliance, Rakuten, Inc. has decided to acquire stocks of Stylife.

Acquisition of the stocks of Stylife constitutes “an activity for collection of shares” regulated under a cabinet order as an activity similar to a tender offer provided for under Article 167 paragraph 1 of the Financial Instruments and Exchange Act and the Article 31 of Order for Enforcement of the Financial Instruments and Exchange Act.

(2) Business alliance

Collaboration between an Internet shopping mall Rakuten Ichiba and the Internet shopping site of Stylife will be pursued, and mutual know-how and assets will be combined. Thereby, the further enhancement of fashion field will be materialized.

(3) Capital alliance

Acquisition cost:	JPY 497 million
Method of acquisition:	Acquisition of part of the Stylife stocks owned by BURNEDEST
Stocks to be acquired:	6,982 stocks
Percentage of the number of shares outstanding:	32.5% (as of March 31, 2012)

(4) Outline of a business and capital alliance party

Company name	Stylife Corporation
Address of head office	Minato-ku, Tokyo
Title and name of the representative	Masaaki Fujita, President
Description of business	Planning and operation of mail order and Internet mall, and various business activities related to EC
Amount of capital stock	JPY 1,494 million (as of March 31, 2012)
Date of establishment	May 12, 2000
Major shareholder and ratio of shareholding	BURNEDEST Japan Limited: 51.2% PARCO CO., LTD.: 15.0% (as of September 30, 2011)
Relationship, etc. between Rakuten, Inc. and Stylife	Capital relationship: None Personal relationship: None Transactional relationship: Normal commercial transactions, such as settlement at the EC site by Company ID and others are undertaken. Related party status: None

Business results and financial position of the alliance party in the last three years (consolidated)

(Unit: Millions of yen [excluding information per share]; Values in parentheses represents losses.)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011
Net sales	7,005	7,665	8,485
Operating income	91	4	(71)
Ordinary income	106	5	(89)
Net income	(329)	215	(138)
Net income per share (Yen)	(16,375.32)	10,820.02	(6,980.64)
Net assets	2,181	2,355	2,176
Total assets	4,884	4,902	4,833
Net assets per share (Yen)	109,576.96	118,315.83	109,313.85
Dividends per share (Yen)	2,500	2,500	1,000

(5) Schedule for the business and capital alliance

May 14, 2012: Resolution at the Board of Directors meeting on conclusion of a business and capital alliance agreement (including share acquisition)

Conclusion of the business and capital alliance agreement

May 15, 2012: Scheduled date of execution of share acquisition

(6) Financial outlook

It is expected that impact on the consolidated performance of Rakuten, Inc. of the business and capital alliance with Stylife will be immaterial.

Rakuten, Inc. and the Rakuten Group engage in businesses such as Internet-related businesses operating in a quickly changing business environment, and various financial businesses including securities business whose business performance depends on highly volatile financial markets, making it difficult to forecast their business results. Under such circumstance, no disclosure is made with respect to earnings forecasts.