

June 21, 2012

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

Granting of Stock Options (Subscription Rights to Shares)

At the meeting of the Board of Directors held today, based on "Issuance of Subscription Rights to Shares as Stock Options" approved at the 15th Annual General Shareholders' Meeting held on March 29, 2012, Rakuten, Inc. (hereinafter the "Company") resolved to issue Subscription Rights to Shares as stock options to employees of the Company on July 1, 2012.

Regarding the said matter, the determination about contents of issuance is delegated to the Board of Directors, based on proposals resolved at the 15th Annual General Shareholders' Meeting held on March 29, 2012.

1. Reason for issuing the Subscription Rights to Shares on especially favorable conditions

Aim to increase the Group's overall corporate value by recruiting and retaining excellent staffs together with enhancing motivation and morale to encourage higher performance of employees of the Company.

2. Outline of the issuance of the Subscription Rights to Shares

(1) Persons to whom Subscription Rights to Shares will be allotted, the number of the persons, and the number of Subscription Rights to Shares to be allotted

Total of 3,521 units of Subscription Rights to Shares to 2,529 employees of the Company

(2) Class and number of shares to be issued upon exercise of Subscription Rights to Shares

Common stock of the Company 352,100 shares

When the Company made a 100-for-1 stock split for shares of its common stock on July 1, 2012, the number of shares above was adjusted according to the following formula.

$$\begin{array}{l} \text{Number of shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of shares} \\ \text{before adjustment} \end{array} \times \text{Ratio of split or consolidation}$$

In addition, if the Company carries out a merger, a company split, share exchange, share transfer, etc. that makes it necessary to adjust the number of shares, the number of shares shall be adjusted within a reasonable range, taking into account the conditions of the merger, company split, share exchange, share transfer, etc.

(3) Total number of Subscription Rights to Shares to be issued

3,521 units

As stipulated in (2) above, 100 shares shall be issued for each Subscription Right to Shares, due to adjustment in the number of shares as a result of stock split on July 1, 2012.

(4) Cash payment for Subscription Rights to Shares

No cash payment is required for Subscription Rights to Shares.

(5) Value of the assets to be contributed upon exercise of Subscription Rights to Shares

The value of the assets to be contributed upon the exercise of each Subscription Rights to Shares is equal to the amount of payment per share (hereinafter referred to as the "Exercise Price") multiplied by the number of shares to be issued upon the exercise of such rights (these include shares held as treasury stock in replacement for an issuance of new shares; the same applies whenever referred to hereinafter) and the Exercise Price is set at one yen. In the case that the Company splits or consolidates its common stock after the date of issuance of Subscription Rights to Shares (hereinafter referred to as the "Issue Date"), the exercise price shall be adjusted according to the following formula. If any fraction less than one yen per share arises as a result of the adjustment, such fraction shall be rounded up.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times (1 / \text{Ratio of split or consolidation})$$

In addition to the above, following the Issue Date, if the Company carries out a merger or similar deals that give rise to the necessity of adjusting the Exercise Price, the Exercise Price shall be properly adjusted within an appropriate and reasonable range.

(6) Exercise period of Subscription Rights to Shares

From March 30, 2016 to March 28, 2022; however, when the last day of the exercise period of Subscription Rights to Shares is the holiday of the Company, the preceding business day shall become the last day.

(7) Conditions for exercise of Subscription Rights to Shares

- 1) Those who received the allotment of issue of Subscription Rights to Shares shall remain Directors, Executive Officers, Company Auditors or employees of the Company, or its subsidiaries or affiliates at the time of exercising such rights; provided however that, this shall not apply to cases where it is allowed as an exceptional case by the Board of Directors in consideration of circumstances.
- 2) Subscription Rights to Shares shall not be inherited, however exceptional treatment may be allowed in this regard upon acceptance by the Board of Directors in consideration of circumstances.
- 3) Subscription Rights to Shares shall not be offered for pledge or disposed of in any other way.

(8) Matters concerning increase in capital stock and capital reserve by issuing of shares upon exercise of Subscription Rights to Shares

- 1) Amount of increase in capital stock by issuing shares upon exercise of Subscription Rights to Shares shall be half of the upper limit of capital increase as calculated pursuant to the provisions of Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, where any resultant fraction less than one yen shall be rounded up.
- 2) Amount of increase in capital reserve by issuing shares upon exercise of Subscription Rights to Shares shall be the upper limit of capital stock increase as described in 1) above less the amount of increase in capital stock set out therein.

(9) Reasons and conditions for the acquisition of Subscription Rights to Shares

- 1) In case that the proposal of any merger agreement under which the Company is dissolved, or any absorption-type company split (kyushu-bunkatsu) agreement or incorporation-type company split (shinsetsu-bunkatsu) plan in which the Company will be a splitting company, or any share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary of another company is approved at a General Shareholders' Meeting of the Company, the Company may acquire Subscription Rights to Shares at the date specifically determined by the Board of Directors of the Company without any compensation therefor.

- 2) In case that a holder of Subscription Rights to Shares becomes inapplicable to the conditions pursuant to the provision in (7) 1) before exercising such rights, the Company may acquire such Subscription Rights to Shares at the date specifically determined by the Board of Directors of the Company without any compensation therefor.

(10) Restriction on the acquisition of Subscription Rights to Shares by transfer

Any acquisition of Subscription Rights to Shares by transfer shall require an approval of the Board of Directors of the Company by its resolution.

(11) Treatment of Subscription Rights to Shares in case of organizational restructuring of the Company

In the event the Company merges (limited to cases where the Company becomes a dissolving company), performs an absorption-type company split or an incorporation-type company split, or conducts a share exchange or a share transfer (hereinafter collectively referred to as "Organizational Restructuring"), Subscription Rights to Shares of a corporation described in Article 236, Paragraph 1, Items 8.1 through 8.5 of the Companies Act (hereinafter "Restructured Company") shall be delivered under the following conditions to each those who received the allotment of issue of Subscription Rights to Shares remaining unexercised (hereinafter "Remaining Subscription Rights to Shares") at the time when Organizational Restructuring takes effect. In this case, the Remaining Subscription Rights to Shares will lapse and the Restructured Company will issue new Subscription Rights to Shares. However, the foregoing shall apply only to cases in which the delivery of Subscription Rights to Shares of the Restructured Company according to the following conditions is stipulated in the merger agreement, the absorption-type company split agreement, and the incorporation-type company split plan, the share exchange agreement or the share transfer plan.

- 1) Number of Subscription Rights to Shares of the Restructured Company to be delivered
The Restructured Company shall deliver Subscription Rights to Shares, the number of which shall equal the number of Subscription Rights to Shares held by the holder of the Remaining Subscription Rights to Shares.
- 2) Class of shares of the Restructured Company to be issued upon the exercise of Subscription Rights to Shares
Shares of common stock of the Restructured Company
- 3) Number of shares of the Restructured Company to be issued upon the exercise of Subscription Rights to Shares
To be decided according to (2) and (3) above after taking into consideration the conditions, etc. of the Organizational Restructuring.
- 4) Value of the assets to be contributed upon the exercise of Subscription Rights to Shares
The value of the assets to be contributed upon the exercise of each Subscription Right to Shares shall be the amount obtained by multiplying the amount paid after Organizational Restructuring which is the adjusted amount of the Exercise Price determined in (5) above by the number of shares of the Restructured Company to be issued upon the exercise of Subscription Rights to Shares determined in accordance with 3) above, after taking into consideration the conditions, etc. of the Organizational Restructuring.
- 5) Exercise period of Subscription Rights to Shares
Starting from the later of either the first date of the exercise period of Subscription Rights to Shares as stipulated in (6) above, or the date on which the Organizational Restructuring becomes effective and ending on the expiration date for the exercise of Subscription Rights to Shares as stipulated in (6) above.
- 6) Matters concerning increase in capital stock and capital reserve to be increased by issuing of shares by the Restructured Company upon the exercise of Subscription Rights to Shares
To be determined in accordance with (8) above.

- 7) Restriction on acquisition of Subscription Rights to Shares by transfer
Acquisition of Subscription Rights to Shares by transfer shall be subject to the approval of the Board of Directors of the Company under Organizational Restructuring (or by the majority decision of directors if such company is not a company with board of directors).
- 8) Reason and conditions for acquisition of Subscription Rights to Shares
To be determined in accordance with (9) above.

(12) Rules pertaining to fractions of less than one share arising from the exercise of Subscription Rights to Shares

Fractions of less than one share in the number of shares to be delivered to holders of Subscription Rights to Shares who exercised Subscription Rights to Shares shall be discarded.

(Reference)

- (1) Resolution date of the meeting of the Board of Directors for the discussion at the Annual General Shareholders' Meeting: February 20, 2012
- (2) Resolution date of the Annual General Shareholders' Meeting: March 29, 2012