

December 7, 2017
Company name Rakuten, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange First Section)

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

Rakuten, Inc. (hereafter "the Company") announces that with an effective date of March 30, 2018 (expected), the company has decided that part of the "Rakuten B2B" business conducted by the company (exhibition contracts with suppliers) will be succeeded to SynaBiz Co., Ltd., a subsidiary of Aucfan Co., Ltd., 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

"Rakuten B2B" is a BtoB procurement service (hereinafter referred to as "this Business") for Rakuten Ichiba merchants, operated by Rakuten from 2011. It has been used by many companies as a platform to mediate between suppliers who want to sell or wholesale goods to "buyers", who are preliminary from Rakuten Ichiba merchants. However, based on the change in the demand of the Rakuten Ichiba merchants, we decided to close this business on March 29, 2018 (expected).

With the closing of this business, the exhibition contracts with the supplier companies will be transferred to SynaBiz Co., Ltd. However, preliminary "buyers" who are Rakuten Ichiba merchants, employees of the company engaged in this business, and all assets and liabilities related to this business, are not included in this contract.

2. Summary of the company split

(1) Outline of the company split

Contract date	December 7, 2017
Effective date of the company split	March 30, 2018 (Expected)

Note) Since this company split corresponds to simplified absorption-type split prescribed in Article 784, Paragraph 2 of the Company Act, shareholders 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 SynaBiz Co., Ltd is the successor company.

(3) Details of allotments related to the company split

The Company plans to receive a payment of JPY 3 million from SynaBiz Co., Ltd 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 obligation to be succeeded

Rights and obligation such as assets, liabilities and contractual positions regarding the company split which is prescribed in 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. Evidence of allotments related to the company split

Calculation of money to be delivered by this Business in this absorption split was decided through consultation and negotiation with Aucfan Co., Ltd and SynaBiz Co., Ltd.

4. Overview of companies involved in the company split

	Successor company in absorption-type split	Splitting company in absorption-type split
Company name	SynaBiz Co., Ltd.	Rakuten, Inc.
Head office	1-14-6 Dogenzaka, Shibuya-ku, Tokyo	1-14-1 Tamagawa, Setagaya-ku, Tokyo
Representative	Shuichi Takenaga Representative Director	Hiroshi Mikitani Chairman, President and CEO

Main business	B2B Marketplace Business	Internet Services Company
Capital (million yen)	50	205,924
Date of establishment	July 1, 2015	February 7, 1997
Outstanding no. of shares	1000 shares	1,434,573,900 shares
Fiscal year end	September 30	December 31
Major shareholders and percentage of shares held	Aucfan Co., Ltd. 100%	Crimson Group, LLC 15.8% Hiroshi Mikitani 12.3%

Business results

	Rakuten, Inc. (Consolidated, IFRS)
Fiscal year	Year ended December 31, 2016
Total equity attributable to owners of the parent company (million yen)	680,247
Total assets (million yen)	4,604,672
Total equity attributable to owners of the parent company per share (yen)	476.89
Revenue (million yen)	781,916
Operating Income (million yen)	77,977
Income before income tax (million yen)	73,923
Net income attributable to owners of the parent company (million yen)	37,995
Net income attributable to owners of the parent company per share (yen)	26.65

	SynaBiz Co., Ltd. (Non-consolidated)
Fiscal year	Year ended September 30, 2017
Total equity (thousand yen)	924,486
Total assets (thousand yen)	1,166,734
Total equity per share (yen)	924,486.79
Revenue (thousand yen)	1,518,086

Operating income (thousand yen)	273,178
Ordinary income (thousand yen)	274,375
Net income (thousand yen)	164,921
Net income per share (yen)	164,921.37

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

(1) Business to be split

B2B procurement services mainly for Rakuten Ichiba merchants

(2) Business results of division to be split

Revenue: JPY 81 million (For the year ended 2016)

(3) Assets and liabilities to be split

There are no assets or liabilities to be succeeded by this company split.

6. Post-company split details

Following this company split, 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. Net assets and total assets are not finalized at this time.

7. Impact on business results

No material impact on Rakuten Group consolidated financial results