

August 8, 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 Signature Japan Co., Ltd.

At a Board of Directors meeting held today, Rakuten, Inc. (hereinafter the "Company") resolved to merge its wholly-owned subsidiary Signature Japan Co., Ltd., which operates "Rakoo", which provides online dining reservations services, automobile inspection services and car services, 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 dining services. "Rakoo" will be terminated on Sunday, September 29, 2019. Going forward, Rakuten plans to further expand its touchpoint with customers on its online dining reservations services by strengthening its collaboration with Gurunavi.

Rakuten will succeed the automobile inspection services and the car services operations.

2. Summary of merger

(1) Schedule

Merger resolution by the Board of Directors	August 8, 2019
Merger contract date	August 8, 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, Signature Japan 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 Signature Japan 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

Signature Japan Co., Ltd. has not issued any subscription rights to shares and any bonds with stock acquisition right.

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

Company name	Rakuten, Inc. (Company surviving absorption type merger)	Signature Japan 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	Koji Okamoto
Main business	Internet services	Dining services, Car services
Shareholders' equity	205,924 million yen	80 million yen
Date of establishment	February 7, 1997	July 23, 1996
Outstanding no. of shares	1,434,573,900 shares	30,028 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

	Signature Japan Co., Ltd. (Non-consolidated, J-GAAP)
Fiscal year	Year ended December 31, 2018
Net assets (million yen)	271
Total assets (million yen)	516
Net assets per share (yen)	9,033.01
Sales (million yen)	1,050
Operating income (million yen)	80
Ordinary income (million yen)	80
Net income (million yen)	44
Net income per share (yen)	1,484.80

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.