

September 28, 2006

Rakuten, Inc. (JASDAQ 4755)
Hiroshi Mikitani, President &
Representative Director
Contact: Ryota Matsuzaki,
Executive Officer
Tel.: +81-3-4523-8001

Rakuten Statement Regarding an Article in the Weekly Shincho Published on September 28 (October 5 Issue)

Rakuten, Inc. today expresses extreme regret that an article published on September 28 in (the October 5 edition of) the Weekly Shincho is groundless, with malicious misrepresentation, and seeks to undermine the reputation of the Company, as well as the article published on August 31 in (the September 7 edition of) the magazine.

For an example of fatal misrepresentation and distortion of the facts, the article describes as if Mr. Mikitani, the President and Representative Director, had visited Hawaii from July 7 to July 11 then stayed in a hotel in Tokyo until July 14, and had been questioned by the Tokyo District Public Prosecutors without working during the period. However, in fact, he energetically worked in Japan from July 7 to July 14. On July 7 (Fri) Mr. Mikitani had an interview with the president of a system consultant company and internal meetings for whole day. After the days off of July 8 (Sat) and 9 (Sun), he made a presentation to approximately 100 investors at the Deutsche Bank Japan Conference on July 10 (Mon). He attended "Rakuten EXPO", an event for approximately 150 merchants of our internet shopping mall "Rakuten Ichiba" at Keio Plaza Hotel Sapporo on July 11(Tue). On July 12 (Wed), he received a visit from executives of a foreign securities company and held internal meetings. He also attended "Rakuten EXPO" held in Sendai with approximately 150 merchants on July 13 (Thu). On July 14 (Fri), he held the board meeting and some internal meetings, and received a visit from foreign guests.

Accordingly, it is an absolute misrepresentation of the facts that the article described as if Mr. Mikitani had stayed in Hawaii and had been out of the office from the July 7 to July 14. In addition,

writing the article without any interviews with our company is seriously lacking in good sense and too far from their statement of “reporting based on investigation and detailed interviews with lots of related people is the responsibility of journalists”, in the reply by Shinchosha Publishing Co. dated on September 5 to our opposition against the article published on August 31 in (the September 7 edition of) the Weekly Shincho. We feel strong resentment toward such irresponsibility of the publisher and firmly believe the facts as above stated are the proof of the absence of the truth in the article.

We can find descriptions based on factual error other than the above stated. The leaked personal information never included any credit card information, unlike what the magazine had written. Also, the article stated that the leak of personal information was discovered in May, but we were informed for the first time of the possible leak from a system consultant on July 16. Needless to say, Mr. Mikitani never instructed anyone to hide the leak. The article also indicated that our company violated antitrust law, however, we have received a legal opinion from a legal expert that there were no violations in our corporate conduct. Additionally, there is grave error in the number of retired employees of Rakuten, Inc cited in the article. We had only 29 retired employees in July versus the misstated “from 220 to 230” in the article.

It is very clear that the article is composed of the grave factual errors. Therefore, the Company strictly opposes the articles and Shinchosha Publishing Co. in these matter, and will file a complaint with the court within days.