

Rakuten Makes Major Global Expansion Move With Acquisition of Buy.com

Companies Share Strategic Vision of Global Ecommerce Marketplace

TOKYO and ALISO VIEJO, May 20, 2010 – In a move signaling an acceleration of its global expansion plans, Japan’s leading internet company, Rakuten, announced today that it has reached a definitive agreement to acquire Buy.com, a leading U.S. retail marketplace. Combined, the two companies represent one of the world’s largest online retail marketplaces, offering consumers more than 60 million products from close to 35,000 merchants around the globe. The acquisition, valued at approximately \$250 million (USD), will be carried out by Rakuten’s U.S. subsidiary, Rakuten USA.

Across Asia, Rakuten has established itself as an ecommerce powerhouse, empowering tens of thousands of merchants to build personal relationships with their customers through its innovative approach of combining shopping and entertainment – called Rakuten Ichiba. In 2005, Rakuten established a presence in the U.S. through its acquisition of LinkShare, a leading performance marketing company. In North America and much of Europe, Buy.com has recently surged as a major online marketplace, having experienced profitable growth for the past three years. Among its own innovations, Buy.com was the first online retailer to offer enhanced shopping features such as BuyTV, which enables consumers to watch product video reviews and learn about products before purchase.

“As we evaluated how to accelerate our global expansion, it became clear that a partnership with Buy.com made perfect sense,” said Hiroshi Mikitani, Founder, Chairman and CEO of Rakuten. “As a company, Buy.com shares our vision for the future of ecommerce - as a platform to give consumers the best value no matter their location, and to merge shopping with entertainment, and to help retailers build deep and lasting consumer relationships.”

Rakuten has recently begun to expand its e-commerce business globally. With its vision of borderless ecommerce, Rakuten seeks to enable consumers anywhere on the globe to buy products sold by merchants based in any country. Buy.com presents a unique opportunity to accelerate the notion of borderless ecommerce in both directions – from East to West, and West to East.

“At Buy.com we have made it our mission to develop a destination site that stands for the best of online shopping – great deals, strong product insights and special features that make the online shopping experience convenient and affordable,” said Neel Grover, CEO and President of Buy.com. “Given Rakuten’s global success, their leadership and strengths will help take Buy.com to an entirely new level of competition in online retailing.”

As the two companies merge, Rakuten expects to deploy product innovations across its global platform, to empower retailers with unique cross-sale opportunities, and to introduce new sales and marketing programs leveraging collaboration opportunities between its various operating groups.

About Buy.com

With more than 14 million customers, Buy.com is a leading retail marketplace, focused on providing its customers with a great shopping experience and a broad selection of retail goods at everyday low prices. Buy.com offers millions of products in a range of categories, including consumer electronics, computer hardware and software, cell phones, books, music, DVDs, games, toys, bags, fragrance, home and outdoor, baby, jewelry, shoes, apparel and sporting goods. Founded in June 1997, Buy.com is headquartered in Aliso Viejo, California. Buy.com® and The Internet Superstore™ are trademarks of Buy.com Inc.

Buy.com was advised by Lazard, Catalina Securities and Dorsey & Whitney LLP.

About Rakuten

In Japan, Rakuten has approximately 64 million registered members and sales in 2009 totaled US\$3.2 billion. Its core business “Rakuten Ichiba” is Japan’s largest Internet shopping mall and offers more than 50 million products by over 33,000 merchants, some of whom have turnover of more than US\$1 million per month. In addition to its Internet shopping mall, Rakuten, which has more than 6,000 employees, is engaged in other Internet businesses such as travel agency and financial services.

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