



## Keio Business School

### Rakuten, Inc.

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#### 〈a〉 From Foundation to Growth Phase

#### Founding of Rakuten Ichiba

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In early 1997, a company called MDM was launched in an office building in the Atago district of Tokyo. MDM stood for “Magical Digital Market,” and was suggestive of the “rakuichi/rakuza” free markets policy in Japan around the 16th century. The company started with capital of 20 million yen and five employees.

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“If I only get one life, I want to do something new.”

President Hiroshi Mikitani’s idea to launch the business was prompted by the loss of his uncle and aunt in the Great Hanshin Earthquake two years earlier. After graduating Hitotsubashi University with a commerce and management degree, Mikitani had worked for the Industrial Bank of Japan (IBJ), but decided to quit his life as an ordinary salaryman.

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At IBJ, he assisted in the mergers and acquisitions (M&As) of SoftBank, and was blessed with the opportunity to experience firsthand the venture management of SoftBank’s President Masayoshi Son. On top of this, around this time, the Internet was beginning to attract attention, and his friends in the U.S. from his student days at Harvard Business School were starting up their own businesses one after another. This also encouraged Mikitani to do the same.

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In the autumn of 1995, Mikitani established a consulting firm called Crimson Group and set about developing a business plan. Also at this time, Mikitani happened to meet Shinnosuke Honjo, a graduate student at Keio University’s Shonan Fujisawa Campus (SFC). Honjo was hoping to get a job at IBJ, and thinking what better way to learn about the inner workings of the bank than talking with someone

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