



March 3, 2017

Mr. Hiroshi Mikitani
 Chairman and CEO
 Rakuten, Inc.
 Shinagawa Seaside Rakuten Tower
 4-12-3 Higashi-shinagawa
 Shinagawa-ku
 Tokyo, Japan
 Tel: +81 6387 1111

Re: Appeal to Cease All Rakuten Group's Elephant Ivory Product Sales

Dear Mr. Mikitani:

I am writing on behalf of the undersigned organizations, representing millions of citizen consumers worldwide, to urge you to cease all elephant ivory product sales by the Rakuten Group. Rakuten Ichiba, your flagship company, currently hosts thousands of ivory products for sale in Japan. In the midst of a global elephant poaching crisis, we urge you to end Rakuten's role in the ivory trade. Please note that we have previously contacted your offices to request that Rakuten end all ivory sales, and received no response to date.

After 20 years of growth, the Rakuten Group has dozens of subsidiaries and affiliates worldwide and 2017 is an important year as Rakuten further expands its brand and seeks to become a household name. In its Code of Ethics, the Rakuten Group states its commitment to "staunchly reject any request to engage in illegal or morally questionable activity," yet Rakuten is a leader in ivory sales linked to the poaching of African elephants. As a global brand, it is crucial to appeal to consumers, including potential consumers, who want to see elephants protected from ivory trade. While Rakuten Inc. is directly contributing to the trade in elephant ivory, it cannot be considered a progressive global brand.

Poaching for ivory is driving the slaughter of 20,000 – 30,000 African elephants each year. A recent continent-wide census showed that elephant populations in southern and eastern Africa had declined

by nearly 30 percent from 2007 to 2014. It is the main cause of decline in Africa's elephants and the trade in ivory: fuels, and is fueled by corruption; undermines the rule-of-law; costs the lives of rangers and community members; and is having a destabilizing effect on rural communities, many of whom rely on elephant-based ecotourism.

It is now widely recognized that all ivory markets contribute to the illegal trade. The vast majority of African elephant range states support banning the ivory trade and there is a clear global momentum to close down all ivory markets. In October 2016, at the 17th meeting of the Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Parties agreed by consensus to adopt a resolution urging nations to close domestic ivory markets in response to the current poaching and trafficking crisis facing elephants in Africa. The resolution recommends that "all Parties and non-Parties in whose jurisdiction **there is a legal domestic market for ivory that is contributing to poaching or illegal trade**, take all necessary legislative, regulatory and enforcement measures to close their domestic markets for commercial trade in raw and worked ivory as a matter of urgency." (emphasis added) All legal ivory markets are linked to the poaching problem and contribute to illegal trade – that is the nature of a global market.

Several nations with ivory markets already taking steps to close down domestic ivory trade. The United States finalized a near-total ivory ban in 2016, China is implementing its ban this year, and Hong Kong SAR has announced plans to end domestic ivory trade. There is also extensive public support for closure of domestic ivory markets globally, including in Europe. For example, an opinion poll carried out in September 2016 in the United Kingdom suggested that 85 percent of respondents supported a complete ban on all trade in ivory. In contrast, the Government of Japan insists on maintaining its legal domestic ivory market even though there is evidence that Japan has failed to effectively regulate its ivory market and its systemic loopholes contribute to illegal trade – we continue to urge the Government of Japan to take steps to close its ivory market. Retailers that continue to sell ivory are stimulating and perpetuating the demand for ivory products and facilitating loopholes that enable the laundering of illicit ivory, and we urge Rakuten, as well as its main competitor, Yahoo! Japan, to end the trade in ivory to protect elephants.

As the number one web brand in Japan, Rakuten Ichiba is an important channel for ivory e-commerce sales in Japan, perpetuating the loopholes plaguing the Government of Japan's control system. For example, a 2015 investigation documented more than 6,400 ads for ivory products for sale on Rakuten Ichiba's shopping site on a single day with a sales value of US\$2.6 million. In response to the growing crisis, most major retail companies worldwide – Rakuten's global competitors – have adopted policies to ensure endangered and threatened species are protected from commercial trade in their products. For example, Amazon.com, Google, eBay, Etsy, as well as Asian e-commerce companies Alibaba, Tencent, and Taobao, have already enacted laudable policies that prohibit the sale of elephant ivory products on all of their sites globally. While the global community waits for the Government of Japan to assume responsibility and end its domestic trade in ivory, private sector companies that retail ivory can opt to take more progressive steps than the loose Japanese law requires. For example, three Japanese *hanko* name seal companies recently announced they are ending the sale of ivory, two of which stated their decision is in response to the CITES resolution urging the closure of domestic ivory markets.

We applaud Rakuten's 2014 decision to cancel sales of whale meat products on the Rakuten Ichiba marketplace, going beyond Japan's response to the International Court of Justice ruling. We also note that Rakuten previously banned advertisements for the promotion of ivory sales and issued a new wildlife-related policy in August 2016 to comply with the law, but urge you to go further and end all ivory sales on Rakuten platforms. Ending the sale of elephant ivory would demonstrate a comprehensive and progressive global commitment to sustainability and protecting wildlife species.

Rakuten has the opportunity to make its 20th anniversary year the year it ends its role in perpetuating the illegal ivory trade. We respectfully urge the Rakuten Group to adopt a company-wide policy to ban all sales of elephant ivory, and hope this progressive policy change is imminent.

We would be grateful to speak with you or your representative about these concerns and this request. Please contact Allan Thornton, President of the EIA, at +1 (202) 483-6621 or allanthornton@eia-global.org to reply to our correspondence.

Thank you in advance for your positive reply to our appeal to help protect Africa's iconic elephants.

Sincerely,



Allan Thornton, OBE
President
Environmental Investigation Agency

On behalf of:

Kaddu Kiwe Sebunya, President, African Wildlife Foundation
Jan Creamer, President, Animal Defenders International
Cathy Liss, President, Animal Welfare Institute
Will Travers, OBE, President and Chief Executive Officer, Born Free Foundation
Adam M. Roberts, Chief Executive Officer, Born Free USA
Sarah Uhlemann, International Director, Center for Biological Diversity
Angela Sheldrick, Chief Executive Officer, The David Sheldrick Wildlife Trust
Oliver Smith, Chief Executive Officer, The David Shepherd Wildlife Foundation
Andrea Crosta, Executive Director & Co-Founder, Elephant Action League
Dr. Joyce Poole, Co-Director, ElephantVoices
Iris Ho, Program Manager - Wildlife, Humane Society International
Grace Ge Gabriel, Asia Regional Director, International Fund for Animal Welfare
Kumi Togawa, President, Japan Tiger and Elephant Fund
Motokazu Ando, President, Japan Wildlife Conservation Society
Dr. Christoph Schmidt, Chair of the Board, Pro Wildlife
Trevor Jones, PhD, Director, Southern Tanzania Elephant Program
Airi Yamawaki and Dr. Asuka Takita, Co-Founders and Co-Directors, Tears of the African Elephant
Peter Knights, Co-founder and Executive Director, WildAid
Priscilla Ma, Executive Director, World Animal Protection US

Enclosure: *The Dirty Secrets of Japan's Illegal Ivory Trade*

CC: Masayuki Hosaka, Vice Chairman and Representative Director
Yoshihisa Yamada, CFO & CRO | Group Executive VP | President, Investment Company
Hiroshi Takasawa, President, Investment Company