



In 1995, the city of Kobe, where Hiroshi Mikitani grew up, was devastated by what was then one of the worst earthquakes in Japan’s history. Mikitani describes seeing the destruction—combined with the loss of relatives and friends—as a turning point. “It made me realize that I wanted to revitalize Japan’s economy,” he says, recalling his decision to resign from the Industrial Bank of Japan (IBJ) and launch his own venture.

With an interest in aiding owners of small businesses, as well as Japanese society as a whole, Mikitani began working on a web-based shopping mall. “At the time, the Internet was at an early stage,” he notes. “No one was buying things online in Japan.” Working with three partners, he developed a platform to help mom-and-pop retail stores sell their products online. Rather than rely on outside investors, Mikitani funded Rakuten with his own money, taking a significant personal risk, and recruited his wife, Haruko (an IBJ colleague), to run the back office.

In the 15 years since, Mikitani has built Rakuten—which roughly translates to “optimism”—into one of Japan’s most successful businesses and a thriving global enterprise. Through savvy investments, strategic partnerships, and acquisitions, he has expanded the company rapidly and diversified its holdings. Today Rakuten’s business units include travel, e-books, credit cards, online shopping, banking, and the Rakuten Golden Eagles baseball team.

With 10,000 employees worldwide, Rakuten currently has a market capitalization of approximately \$14 billion. It is the number one e-commerce company in Japan and competes globally with the likes of Amazon.com and eBay. The company has acquired Buy.com in the United States, Ikeda in Brazil, Play.com in the United Kingdom, and Kobo in Canada, and it recently made international headlines for spearheading a \$100 million investment in Pinterest, the social bookmarking pioneer.

MBA 1993

**HIROSHI
MIKITANI**

**CHAIRMAN
AND CEO,
RAKUTEN, INC.**

“W

E BUILT A VERY STRONG ECOSYSTEM IN JAPAN.

TIMELINE

1965 BORN, KOBE, JAPAN

1972 FAMILY MOVES TO UNITED STATES FOR TWO YEARS

1988 EARNS COMMERCE DEGREE, HITOTSUBASHI UNIVERSITY

1988 JOINS INDUSTRIAL BANK OF JAPAN

1995 EARTHQUAKE DEVASTATES KOBE

1997 FOUNDS RAKUTEN

2000 RAKUTEN IPO

2010 INSTITUTES “ENGLISH-NIZATION” AT RAKUTEN

2012 RAKUTEN LEADS \$100 MILLION PINTEREST INVESTMENT

Remarkable success, however, has not satisfied Mikitani’s ambition to empower his homeland. “Our mission is to be the number one Internet company in the world,” he says, dressed casually in his Tokyo office. That goal is a key factor in the decision he made in 2010 to establish English as the official language of Rakuten. “From this day forward, I will speak only in English,” he announced at his weekly *asakai*—the company-wide staff meeting. Within two years, he declared, all employees would be required to demonstrate proficiency in English.

The motivation for “Englishnization,” a term he coined, Mikitani explains, was twofold. “There’s no way Japan can compete globally if we can’t communicate,” he observes. “This is important for Rakuten, and it is important for Japan.” The fact that the announcement made waves throughout Japan—and is the subject of an HBS case study—illustrates Rakuten’s place as a leading player in the global marketplace.

Mikitani himself learned to speak English at the age of seven when his family spent two years in Connecticut while his father taught economics at Yale. After earning a degree in commerce from Tokyo’s Hitotsubashi University and working at IBJ (now Mizuho), he returned to America to attend HBS. Newly married and sponsored by his employer, Mikitani recalls feeling nervous when he arrived at Soldiers Field, but he quickly adapted. “My sectionmates were very friendly, and they accepted me,” he says, noting that his personal and professional ties to HBS classmates continue to be strong. In addition, it was during business school that he and some friends first came up with the idea for what would become Rakuten. “Before HBS, I never would have considered being an entrepreneur,” recalls Mikitani, who now spends summers in Silicon Valley, bringing his wife and two young children along with him.

For Mikitani, the 2011 earthquake and subsequent tsunami in northeastern Japan brought back memories of the earlier disaster. This time, however, he was in a position to help. In addition to donating generous sums to the rebuilding effort, he mobilized Rakuten’s merchants in the south to help disaster victims in the north. The Rakuten Eagles, whose crimson uniforms symbolize

NOW WE ARE EXPANDING IT TO COMPETE GLOBALLY.”



CLOCKWISE FROM TOP: MIKITANI TAKES A BREAK BETWEEN CONFERENCE CALLS; WORKING IN HIS TOKYO OFFICE; SPENDING TIME WITH HIS FRIEND AND MENTOR, MUNEAKI MASUDA.

the role that Harvard has played in Mikitani's life, are based in the region hit hard by the disaster, and the team helped deliver supplies donated by Rakuten to those in need.

On April 29, 2011, the Eagles returned to their stadium to play their first home game since the disaster seven weeks earlier. With tremendous effort, the heavily damaged facility had been repaired, and the Eagles were greeted by a sell-out crowd of more than 20,000 fans. Mikitani participated in the opening ceremonies, which included a heartfelt rendition of the Japanese national anthem sung by two schoolgirls. Not surprisingly given Hiroshi Mikitani's record of success, the evening closed nine innings later with the crimson team victorious. ▽