

November 9, 2023
Company name Rakuten Group, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange Prime Market)

**Notice Regarding Absorption-type Merger (Simplified Merger, Short Form Merger)
of a Subsidiary (Rakuten DX Solution G.K.)**

Rakuten Group, Inc. (Representative Director, Chairman and President: Hiroshi Mikitani, hereinafter the "Company") announces that at the Board of Directors meeting held today, we resolved to merge our subsidiary Rakuten DX Solution G.K. (Executive Officer: Kazunori Takeda, hereinafter "RDXS") with an effective date of January 1, 2024 (planned), as follows.

The Company plans to complete the merger by January 1, 2024 without delivering any of the Company's shares to RDXS. The Company's capital and reserves will not be increased upon this merger. Please note that this merger targeting RDXS will be a simplified merger according to rules in Company Law article 796 clause 2, so some disclosure items and content have been omitted from the disclosure.

1. Purpose of the merger

The merged company ("RDXS") was established as a subsidiary of the Company to support the promotion of digital transformation of offline retail stores. The Company and KKR & Co. Inc. (hereinafter "KKR"), a global investment company, since investing in Seiyu Holdings Co., a wholly-owned parent company of Seiyu Co., Ltd. (together with Seiyu Co., Ltd. hereinafter "Seiyu") through RDXS has supported Seiyu's growth in a wide range of areas, including product quality, customer experience, store operations and renovations, etc, together with Seiyu's third-party shareholder, Walmart Inc. (hereinafter "Walmart"). In conjunction with the transfer of Seiyu shares held by RDXS to KKR, the merger will be carried out for the purpose of integrating digital transformation promotion operations for offline retail stores into the Company and streamlining operations.

2. Summary of the merger

(1) Schedule

Merger resolution by the Board of Directors	November 9, 2023
Merger contract date	November 9, 2023
Expected merger date (effective date)	January 1, 2024 (planned)

(Note 1) According to simplified merger rules in Company Law article 796 clause 2, the Company is proceeding with the merger without receiving approval at the Annual General Shareholders Meeting.

(Note 2) According to rules in Company Law article 793 clause 1, RDXS will conduct the merger after obtaining the consent of all employees.

(2) Merger method

As a result of the absorption-type merger in which the Company is the surviving company and RDXS is the dissolving company, the Company will continue to exist and inherit all rights and obligations related to RDXS, and RDXS shall be dissolved.

(3) Contents of allocation related to the reorganization

As this is an absorption-type merger of a wholly owned subsidiary, there will be no issuance of new shares, increase in shareholders equity, and no payment as a result of this merger.

(4) Handling of subscription rights to shares and bonds with subscription rights to shares of the dissolved company

RDXS has not issued any subscription rights to shares and any bonds with stock acquisition rights.

3. Overview of companies in merger (As of June 30, 2023)

Company name	Rakuten Group, Inc. (Company surviving absorption type merger)	Rakuten DX Solution G.K. (Company absorbed in absorption type merger)
Head office	1-14-1 Tamagawa, Setagaya-ku, Tokyo	1-14-1 Tamagawa, Setagaya-ku, Tokyo
Representative	Hiroshi Mikitani, Representative Director, Chairman, President and CEO	Kazunori Takeda, Executive Officer
Main business	Internet Services, FinTech, Mobile, Others	Execution of businesses related to retail and consulting etc.
Shareholders equity	444,945 million yen	150 million yen
Date of establishment	February 7, 1997	January 20, 2021
Outstanding no. of shares	2,138,419,700 shares	—
Fiscal year end	December 31	December 31
Major shareholders and percentage of shares held	Crimson Group LLC. 10.59% Hiroshi Mikitani 8.25%	Rakuten Group, Inc. subsidiary

Financial position and operating results for the most recent fiscal year

	Rakuten Group, Inc. (Consolidated, IFRS)
Fiscal year	Year ended December 13, 2022
Total equity attributable to owners of the parent company	791,351 million yen
Total assets	20,402,281 million yen
Total equity attributable to owners of the parent company per share	497.56 yen
Revenue	1,920,894 million yen
Operating income (loss)	(371,612) million yen
Income (loss) before income tax	(415,612) million yen
Net income (loss) attributable to owners of the parent company	(377,217) million yen
Net income (loss) attributable to owners of the parent company per share	(237.73) yen

(Note) The Company has adopted IFRS 17 “Insurance Contracts” from the beginning of the current fiscal year, and reflected the cumulative effect of this accounting standard change on the date of transition of January 1, 2022. As a result, the operating results and financial position for the above fiscal year are based on the retrospective application of these standards.

	Rakuten DX Solution G.K. (Non-consolidated, J-GAAP)
Fiscal year	Year ended December 31, 2022
Net assets	9,747 million yen
Total assets	9,748 million yen
Net assets per share	—
Revenue	0 yen
Operating income (loss)	(734,000) yen
Ordinary income (loss)	(734,000) yen
Net income (loss)	(1,899,000) yen
Net income (loss) per share	—

4. Post-merger details

Following this merger, there are no changes to the business name, head office, title and name of representative, main business, shareholders equity and fiscal year end of the Company.

5. Impact on business results

Since this is a merger of a wholly-owned subsidiary, the impact on Rakuten Group consolidated financial performance is limited.