

January 10, 2024  
Company name Rakuten Group, Inc.  
Representative Hiroshi Mikitani  
Chairman and CEO  
(Stock Code: 4755  
Tokyo Stock Exchange Prime Market)

## Announcement of Impairment Losses, etc.

Rakuten Group, Inc. (Head Office: Setagaya-ku, Tokyo, Chairman and CEO: Hiroshi Mikitani, hereinafter “the Company”) announces that it expects to record an impairment loss in its consolidated financial statements for the fiscal year ended December 31, 2023 (IFRS) and also an impairment loss and loss on valuation of stocks of subsidiaries and affiliates in its non-consolidated financial statements (J-GAAP).

### **1. Details**

As announced in the press release “Rakuten and Seiyu to Make Rakuten Seiyu Netsuper, Inc. a Wholly-owned Subsidiary of Rakuten”, dated December 20, 2023, the Company will fully acquire Rakuten Seiyu Netsuper, Inc. and continue to operate Rakuten Seiyu Netsuper, Inc. and the fulfillment center-based online grocery delivery service.

The Company will make even greater use of the Rakuten Ecosystem, with its flagship Rakuten Points loyalty program and membership base encompassing more than 100 million Rakuten IDs in Japan, while also leveraging the technology and assets cultivated through its various e-commerce businesses, including Rakuten Ichiba and other services, for the fulfillment center-based online grocery delivery service. Moreover, Rakuten will further support the digital transformation of retail businesses nationwide through its online supermarket platform Rakuten Zenkoku Super.

In order to improve profitability in the fulfillment center-based online grocery delivery service as soon as possible, the Company will further increase the speed and agility of decision-making processes by implementing a variety of measures at optimal opportunities. Following the change in how the business is operated, signs of impairment were recognized and an impairment test was performed; the test showed that the expected recoverable amount related to the fulfillment center-based online grocery delivery service is likely to be lower than its book value. The following initiatives are aimed at improving profitability as soon as possible:

- Acquire new customers through further utilization of the Rakuten Ecosystem and expansion of the service’s business area
- Increase the number of purchases and value of purchases via accelerated customer development drivers such as hit products and categories

- Improve gross profit margins by reviewing and enhancing product lineups
- Improve delivery efficiencies through restructuring of logistics networks based on profitability

The Company will continue to provide customers with convenient online grocery delivery services through Rakuten Seiyu Netsuper without changing the service, and is committed to becoming a leader in the growing online grocery delivery market.

## **2. Impact on business performance and outlook**

The Company expects to record an impairment loss of approximately 16 billion yen in its consolidated financial results (IFRS) for the fiscal year ended December 31, 2023.

Furthermore, the Company expects to record an impairment loss of approximately 12 billion yen and a loss on valuation of stocks of subsidiaries and affiliates of approximately 17 billion yen as extraordinary losses in its non-consolidated financial results (J-GAAP) for the fiscal year ended December 31, 2023.