

November 5, 2019
Company name Rakuten, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange First Section)

Announcement of Impairment Loss

Rakuten, Inc. (hereafter “the Company”) announces that it expects to report an impairment loss in the consolidated financial statements for the three months ended September 30, 2019 (July 1 to September 30, 2019).

1. Details

The Company has been applying the equity method to its stock investment in Lyft, Inc. (hereafter “Lyft”), but in the three months ended September 30, 2019, an impairment loss of approximately 103 billion yen is expected to be recorded as a “Share of loss of investments accounted for using equity method” in the summary quarterly consolidated financial statements.

2. Background

The Company decided that because the market price of the shares of Lyft have fallen significantly, there is objective evidence that it is impaired. This result is based on the closing stock price on the last day of the three months ended September 30, 2019, and measuring the recoverable value and comparing it to the book value.

3. Future Outlook

Details of the Company's results for the three months ended September 30, 2019 will be announced in the Company's financial results announcement scheduled on November 7, 2019.

For the forecast of consolidated operating results for Fiscal Year 2019, the Rakuten Group aims at double-digit growth from the previous fiscal year for consolidated revenues, excluding results from the securities business which are significantly impacted by the stock market.