



Name of Listed Company:	<b>Gurunavi, Inc.</b>
Listed Stock Exchanges:	Tokyo Stock Exchange
Stock Code:	2440
Representative:	Akio Sugihara, President

## **Notice regarding Succession of Businesses of “Rakuten Delivery” and “Rakuten Realtime Takeout” through Simplified Absorption-type Company Split**

**April 23, 2021** – At the extraordinary meeting of the board of directors held today, Gurunavi, Inc. (the “Company”) resolved to succeed “Rakuten Delivery” business and “Rakuten Realtime Takeout” business (collectively, the “Target Businesses”) from Rakuten Group, Inc. (“Rakuten”) through a simplified absorption-type company split (the “Company Split”).

### **1. Purpose of the Company Split**

The Company and Rakuten entered into a business and capital alliance agreement in July 2018 with the aim of improving the Company's media power and customer referral capability to restaurants and expanding “Rakuten ecosystem” in the restaurant area. Since then, we have been promoting collaboration mainly in the restaurant table reservation area, such as linking member IDs and granting “Rakuten points” for Gurunavi online reservations.

The “Rakuten Delivery” business was launched in February 2002 and provides a delivery service that allows customers to order meals from over 12,000 restaurants nationwide. “Rakuten Realtime Takeout” business is a pre-order and pre-payment type take-out service that was launched in May 2020, and the Company has been collaborating in acquiring restaurants that use the service since July 2020.

The purpose of the Company Split, which will be implemented as part of the above-mentioned business and capital alliance, is to establish a comprehensive food service that realizes cross-use such as delivery and take-out services as well as table reservations by consolidating restaurant-related services into the Company. The profitability of the Target Businesses will be enhanced by increasing consumer convenience to improve the user marketing efficiency, and by improving the customer acquisition efficiency through utilization of the Company's sales system and restaurant network. In addition, after the business succession by the Company, the Company will continue to collaborate with Rakuten to expand the business value of the Target Businesses by utilizing the business assets of Rakuten in areas such as member IDs, point linking etc.

While consumers' demand for eating out has been sluggish due to the impact of the spread of COVID-19, the number of users of delivery and take-out services provided by restaurants is increasing, and the use of such services is becoming habitual. In this business environment, through the Company Split, the Company can promptly and effectively expand its support areas for restaurants in line with their changing issues, and improve its customers referral capability to restaurants by expanding the use of its service by all Rakuten users in addition to Gurunavi members, which in turn will lead to the recovery and regrowth of our business performance. Over the medium term, the Company will contribute to the development of the entire restaurant industry by providing support for product development, food procurement, and business operation improvement in the Target Businesses.

### **2. Outline of the Company Split**

#### **(1) Schedule of the Company Split**

Date of the resolution by the board of directors	April 23, 2021
Conclusion date of the absorption-type company split agreement	April 23, 2021
Effective date of the Company Split	July 1, 2021 (planned)

(Note) The Company Split is a simplified company split set forth in Article 796, Paragraph 2 of the Company Act at the Company as the succeeding company and set forth in Article 784, Paragraph 2 of the Company Act for Rakuten as the splitting company, so it will be conducted without obtaining

shareholder approval of the agreement.

(2) Method of the Company Split

The Company Split is a simplified absorption-type company split, in which the Company is the succeeding company and Rakuten is the splitting company.

(3) Details of allotment related to the Company Split

The Company plans to allot 13 million yen to Rakuten as a consideration for the Company Split. Please refer to “3. Basis of details of allotment related to the Company Split” for the calculation method of the consideration.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights with the Company Split

There will be no change in stock acquisition rights issued by the Company due to the Company Split. The Company has not issued any bonds with stock acquisition rights.

(5) Changes in capital due to the Company Split

There will be no change in the capital of the Company due to the Company Split.

(6) Rights and obligations to be succeeded by the succeeding company

The Company will succeed from Rakuten the assets, liabilities, contracts, and other rights and obligations of the Target Businesses as defined in the absorption-type company split agreement.

(7) Probability of fulfillment of obligations

The Company considers that there will be no problems with respect to the fulfillment of the obligations that are scheduled to become due on and after the effective date of the Company Split.

**3. Basis of details of allotment related to the Company Split**

(1) Basis of and reasons for details of allotment related to the Company Split

In order to ensure the fairness and appropriateness of the allotment related to the Company Split, the Company appointed Clifix FAS Co.,LTD. (“Clifix FAS”) as a third-party valuation institution, and request valuation of the Target Businesses. As a result of careful consideration of the calculation results by the third-party valuation institution, the status and future prospects of the Target Businesses, etc., and repeated discussions with Rakuten, the Company and Rakuten decided that the Company provide Rakuten with 13 million yen as consideration for the Company Split.

(2) Matters related to calculation

i) Name of valuation institution and relationship to the Company and Rakuten

Clifix FAS, who is not a related party of, and does not have any material interest in the Company or Rakuten.

ii) Overview of the valuation

Based on the premise of examining the profitability, etc. of the Target Businesses, Clifix FAS adopted to the cost approach (replacement cost method), as it is appropriate to value the Target Businesses by referring to the value required when the Target Businesses are restructured, and valued the business value of the Target Businesses at 13 million yen. The basis for this valuation is that the assets to be transferred by Rakuten (applying International Financial Reporting Standards) as of the day before the effective date are estimated to be 13 million yen in contract acquisition assets, and there are no other assets or liabilities.

With respect to the evaluation of the value of the Target Businesses and the amount of the split consideration, Clifix FAS assumed that all information provided by the Company is accurate and complete, and has not conducted any independent verification of the accuracy, completeness, or comprehensiveness of such information. In addition, Clifix FAS has not independently evaluated, appraised or assessed the assets and liabilities of the Target Businesses, nor have they requested any third-party institution to do so.

Based on the above, the Company referred to the results of the calculation by Clifix FAS and comprehensively considered the situation and future prospects of the Target Business, and finally determined that the above split consideration is appropriate.

(3) Expectation of delisting and reasons thereof

There are no expectations of delisting of the Company due to the Company Split.

(4) Measures to ensure the fairness

Not applicable.

(5) Measures to avoid conflicts of interest

Not applicable.

**4. Overview of the parties of the Company Split**

	Splitting company (As of December 31, 2020)	Succeeding company (As of March 31, 2021)
(1) Name	Rakuten Group, Inc.	Gurunavi, Inc.
(2) Address	1-14-1 Tamagawa, Setagaya-ku, Tokyo	1-2-2 Yurakucho, Chiyoda-ku, Tokyo
(3) Name and title of representatives	Hiroshi Mikitani, Chairman, President and CEO	Akio Sugihara, President and Representative Director
(4) Description of business	Internet services, FinTech etc.	Web-based information provision relating to restaurants etc. using the platform of PC and smartphones etc. Provision of support service associated with the management of restaurants etc. and other related business
(5) Capital	205,924 million yen	2,334 million yen
(6) Date of establishment	February 7, 1997	October 2, 1989
(7) The total number of shares issued	1,434,573,900 shares	48,675,100 shares
(8) Fiscal year-end	December 31	March 31
(9) Number of employees	23,841	1,791
(10) Main business partners	Rakuten Card Co., Ltd. Rakuten Payment, Inc.	Food service company and restaurants in Japan, etc.
(11) Main financing banks	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited MUFG Bank, Ltd. Development Bank of Japan Inc.	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. MUFG Bank, Ltd. Rakuten Bank, Ltd.
(12) Major shareholders and shareholding ratio	Crimson Group, LLC 16.62% Hiroshi Mikitani 12.94% Haruko Mikitani 9.73% The Master Trust Bank of Japan, Ltd. (Trust Account) 6.00% Custody Bank of Japan, Ltd. (Trust Account) 3.48%	Rakuten Group, Inc. 14.96% Hisao Taki 12.72% The Master Trust Bank of Japan, Ltd. (Trust account) 4.21% Japan Traffic Culture Association 3.97% Odakyu Electric Railway Co., Ltd. 2.41%
(13) Relationship		
Capital relationship	Rakuten holds 7,017,300 shares of Gurunavi (shareholding ratio 14.96%).	
Personnel relationship	2 executives of Rakuten are serving as outside directors of the Company. In addition, employees are seconded to both the Company and Rakuten and its consolidated subsidiaries.	
Trade relationship	Coordination of member IDs and point services, and sales of products and services of both companies, to collaborate and promote usage of services.	
Related party status	Rakuten is an other associated company and the largest and major shareholder of the Company. The Company is an equity-method affiliate of Rakuten.	

(14) Financial position and performance for the last three years							
Consolidated fiscal year ended	December 31, 2018	December 31, 2019	December 31, 2020	March 31, 2018	March 31, 2019	March 31, 2020	
Net assets (Total equity)	776,207	737,200	629,014	19,186	18,704	19,270	
Total assets	7,345,002	9,165,697	12,524,438	25,457	23,797	23,979	
Net assets per share (yen) (Total equity attributable to owners of the parent company per share)	572.83	542.43	446.78	409.70	398.48	409.90	
Net sales (Revenue)	1,101,480	1,263,932	1,455,538	36,226	32,728	30,927	
Operating income	170,425	72,745	(93,849)	4,742	1,216	1,821	
Ordinary income (Net income)	141,889	(33,068)	(115,838)	4,809	1,289	1,894	
Net income attributable to owners of parent (Net income attributable to owners of the company)	142,282	(31,888)	(114,199)	3,192	581	949	
Basic earnings per share (yen) (Basic earnings per share attributable to owners of the parent company)	105.43	(23.55)	(84.00)	68.27	12.42	20.26	
Dividend per share (yen)	4.50	4.50	4.50	44.00	8.00	8.00	

(Note 1) Rakuten changed its corporate name from Rakuten, Inc. to Rakuten Group, Inc. as of April 1, 2021.

(Note 2) The shareholding ratio is calculated based on the total number of shares issued after deduction of treasury stock.

(Note 3) Financial position and performance for the last three years are shown in millions of yen unless specified otherwise.

## 5. Overview of the business to be succeeded

(1) Details of the business to be succeeded

The “Rakuten Delivery” business, which provides delivery and delivery order services, and the “Rakuten Realtime Takeout” business, which provides support service for take-out.

(2) Financial performance of the business to be succeeded (in the fiscal year ended March 31, 2020)

Net sales 915 million yen

(3) Items and book value of assets and liabilities to be succeeded

Contract acquisition assets 13 million yen

## 6. Status of the parties after the Company Split

There will be no change in name, head office, representative, description of business, capital or account closing day of the Company respectively due to the Company Split. Net assets and total assets have not been finalized at this time.

## 7. Overview of accounting procedures

Not applicable.

## 8. Outlook

The impact of the Company Split on the Company’s business performance is currently under scrutiny, and if it becomes clear that it will have a significant impact that should be disclosed in the future, the Company will

promptly disclose it.

(Reference)

Consolidated business forecasts for the year ending March 31, 2021 (announced on February 3, 2021) and consolidated operating results for the previous fiscal year.

(Million yen)	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Consolidated business forecasts for the year ending March 31, 2021	15,800	(9,200)	(9,200)	(9,500)
Consolidated operating results for the year ended March 31, 2020	30,927	1,821	1,894	949