April 23, 2021

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

Announcement of Succession of “Rakuten Delivery” and “Rakuten Realtime Takeout” Businesses to Gurunavi, Inc. by Company Split (Simplified absorption-type split)

Rakuten Group, Inc. (hereinafter “Rakuten”) announces that with an effective date of July 1, 2021 (expected), the company has decided that the “Rakuten Delivery” and “Rakuten Realtime Takeout” business conducted by the company will be succeeded to Gurunavi, Inc. (hereinafter “Gurunavi”), by way of a company split (hereinafter referred to as the "Company Split"), as described below.

1. Purpose of the company split

Rakuten and Gurunavi signed a capital and business alliance agreement in July 2018, whereby Rakuten acquired 4,677,600 shares (9.61% of the total number of issued shares) of Gurunavi in August. Also, collaboration between Rakuten Member IDs and Gurunavi Member IDs started from October 2018, and we have promoted our business alliance mainly in the field of online reservations, making it possible to earn Rakuten Super Points for Gurunavi's online reservations, etc.

In addition, after Rakuten additionally acquired 2,339,700 shares (4.81% of the total number of issued shares) of Gurunavi in May 2019, we strengthened the alliance through collaboration between “Rakuten Realtime Takeout”, a takeout support service for restaurants which Rakuten started amidst the Coronavirus crisis and the Gurunavi website, etc. Due to these initiatives, Rakuten has improved service convenience through the great ability of attracting customers and huge network with restaurants of Gurunavi. On the other hand, Gurunavi has increased touch points with users by utilizing the “Rakuten Ecosystem”. By enhancing the value proposition, Gurunavi will accelerate the expansion of number of Gurunavi users and online reservations, aiming for improvement in sending customers to restaurants.

In order to realize a stronger alliance and further business growth by utilizing both company’s assets efficiently, Rakuten decided to transfer “Rakuten Delivery” and “Rakuten Realtime Takeout” to Gurunavi. “Rakuten Delivery” launched its service in February 2002, and has grown into a service that allows customers to order from a wide range of menus from more than 12,000 stores nationwide.“Rakuten Realtime Takeout” launched in May 2020, has cooperated with Gurunavi as a takeout support service for restaurants that allows customers to pre-order and settle restaurant products and receive them at the store at a specified time. By consolidating Rakuten's restaurant-

related businesses into Gurunavi through the company split, we will provide comprehensive food services that realize cross-use such as delivery and take-out services in addition to eat-in reservations. In addition to improving user convenience, Gurunavi expects to increase the number of affiliated stores by expanding its service area.

Rakuten will continue to promote collaboration with Gurunavi through the cooperation of Rakuten IDs and “Rakuten Points,” aiming to gain market share through a system centered on the expansion of the “Rakuten Ecosystem” in the restaurant area.

2. Summary of the company split

(1) Outline of the company split

Gurunavi Board of Directors resolution	April 23, 2021
Rakuten Board of Directors resolution	April 23, 2021
Contract date	April 23, 2021
Effective date of the company split	July 1, 2021

Note） Since this company split corresponds to simplified absorption-type split prescribed in Article 784, Paragraph 2 of the Company Act for Rakuten and Article 796, Paragraph 2 of the Company Act for Gurunavi, a shareholders meeting of the Company to approve this company split will not be held.

(2) Split method

An absorption-type company split in which Rakuten is the splitting company and Gurunavi is the successor company.

(3) Details of allotments related to the company split

Rakuten plans to receive a payment of JPY 13 million from Gurunavi as a consideration of the company split.

(4) Handling of subscription rights to shares and bonds accompanying the company split

There is no corresponding matter.

(5) Increase / Decrease of capital

There is no corresponding matter.

(6) Rights and obligations to be succeeded

Rights and obligations such as assets, liabilities and contractual positions regarding the company split which is prescribed in absorption-type company split contract will be succeeded.

(7) Prospect of fulfillment of obligations

The company split has no impact on the successor company's ability to fulfill obligations.

3. Evidence of allotments related to the company split

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

Regarding the calculation of the money received by Rakuten in the Company Split, data such as the past performance of the business subject to the split, the number of current users and affiliated stores, the competitive environment in the domestic food delivery / takeout market, and future business growth was considered, and the value of this project was calculated after taking into consideration the growth potential of the business in the future, and the decision was made after discussions between the two companies.

(2) Matters related to calculation

In this case, we have not obtained a calculation report from a third-party calculation organization, but we calculated it using a general corporate value calculation method such as the DCF method, and determined that the consideration for the business to be split is appropriate.

(3) Expectation of delisting and reasons thereof

There is no corresponding matter.

(4) Measures to ensure the fairness

There is no corresponding matter.

(5) Measures to avoid conflicts of interest

There is no corresponding matter.

4. Overview of companies involved in the company split

(1) Splitting company in absorption-type split (As of December 31, 2020)

(1)	Company name	Rakuten Group, Inc.
(2)	Head office	1-14-1 Tamagawa, Setagaya-ku, Tokyo
(3)	Representative	Hiroshi Mikitani, Chairman, President and CEO
(4)	Main business	Internet Services, FinTech etc.
(5)	Capital	205,924 million yen
(6)	Date of establishment	February 7, 1997
(7)	Total number of issued shares	1,434,573,900 shares
(8)	Fiscal year end	December 31

(9)	Number of employees	23,841
(10)	Main business partner	Rakuten Card Co., Ltd. Rakuten Payment, Inc.
(11)	Main financing banks	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited MUFG Bank, Ltd. Development Bank of Japan Inc.
(12)	Major shareholders and percentage of shares held	Crimson Group, LLC (16.62%) Hiroshi Mikitani (12.94%)
(13)	Relationship between Rakuten and Gurunavi	
	Capital	Rakuten holds 7,017,300 shares of Gurunavi (shareholding ratio 14.42% of outstanding no. of shares).
	Personnel	2 executives of Rakuten are serving as outside directors of Gurunavi. In addition, employees are seconded to both Gurunavi and Rakuten and its consolidated subsidiaries.
	Business	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 Gurunavi. Also, Gurunavi is an equity-method affiliate of Rakuten.
(14)	Financial position and business performance for the last three years	

Fiscal year (consolidated)	Year ended December 31, 2018	Year ended December 31, 2019	Year ended December 31, 2020
Total equity	776,207	737,200	629,014
Total assets	7,345,002	9,165,697	12,524,438
Total equity attributable to owners of the Company per share (yen)	572.83	542.43	446.78
Revenue	1,101,480	1,263,932	1,455,538
Operating income (loss)	170,425	72,745	(93,849)
Net income (loss)	141,889	(33,068)	(115,838)
Net income (loss) attributable to owners of the Company	142,282	(31,888)	(114,199)

	Basic earnings (loss) per share attributable to owners of the Company (yen)	105.43	(23.55)	(84.00)
	Dividend per share (yen)	4.50	4.50	4.50

* Note 1: In millions of yen unless specified otherwise.

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

(2) Successor company in absorption-type split (As of March 31, 2021)

(1)	Company name	Gurunavi, Inc.
(2)	Head office	1-2-2 Yurakucho, Chiyoda-ku, Tokyo
(3)	Representative	Akio Sugihara, President and Representative Director
(4)	Main business	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	2,334 million yen
(6)	Date of establishment	October 2, 1989
(7)	Total number of issued shares	48,675,100 shares
(8)	Fiscal year end	March 31
(9)	Number of employees	1,791
(10)	Main business partners	Food service company and restaurants in Japan, etc.
(11)	Main financing banks	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. MUFG Bank, Ltd. Rakuten Bank, Ltd.
(12)	Major shareholders and percentage of shares held	Rakuten Group, Inc. (14.96%) Hisao Taki (12.72%)
(13)	Financial position and business performance for the last three years	

Fiscal year (consolidated)	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020
Net assets	19,186	18,704	19,270
Total assets	25,457	23,797	23,979
Net assets per share (yen)	409.70	398.48	409.90
Net sales	36,226	32,728	30,927

Operating income	4,742	1,216	1,821
Ordinary income	4,809	1,289	1,894
Net income attributable to owners of parent	3,192	581	949
Basic earnings per share (yen)	68.27	12.42	20.26
Dividend per share (yen)	44.00	8.00	8.00

* Note 1: In millions of yen unless specified otherwise.

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

5. Overview of the business unit to be split and succeeded

(1) Business to be split

“Rakuten Delivery” which provides delivery and delivery order service.

“Rakuten Realtime Takeout” which provides takeout support service for restaurants.

(2) Business results of the business to be split

Revenue: JPY 915 million (For the year ended 2020)

(3) Assets and liabilities to be split

Contract acquisition assets: JPY 13 million

6. Post-company split details

Following this company split, 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. Net assets and total assets are not finalized at this time.

7. Impact on business results

No material impact on Rakuten Group consolidated financial results.