

October 3, 2025

Company name Rakuten Group, Inc.

Representative Hiroshi Mikitani

Chairman and CEO

(Stock Code: 4755

Tokyo Stock Exchange Prime Market)

Announcement of Impairment Loss

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 third quarter of the fiscal year ending December 31, 2025 (IFRS).

1. Details

On December 20, 2023, the Company announced in "Rakuten and Seiyu to Make Rakuten Seiyu Netsuper, Inc. a Wholly-owned Subsidiary of Rakuten" that it would make Rakuten Seiyu Netsuper, Inc. a wholly-owned subsidiary and continue to operate Rakuten Seiyu Netsuper, Inc. and the fulfillment center-based online grocery delivery service.

In making this company a wholly-owned subsidiary, the Company announced a new strategy aimed at early profit improvement by maximizing the use of the "Rakuten Ecosystem," a strong membership base centered on over 100 million Rakuten IDs and the loyalty program "Rakuten Points." In the fulfillment center-based online grocery delivery service, the strategy involved leveraging to the fullest extent the technology and assets cultivated through e-commerce businesses including "Rakuten Ichiba" and other services. At the same time, the Company indicated its policy to further support the digital transformation of retail businesses nationwide through "Rakuten Zenkoku Super," an online grocery platform.

Under this strategy, in September 2024, the service name was changed from "Rakuten Seiyu Netsuper" to "Rakuten Mart," refreshing the brand image. Furthermore, the Company has implemented a wide range of initiatives, including rebuilding the product procurement process and promoting various measures to expand the customer base. However, building the product procurement process took longer than anticipated. Furthermore, while the e-commerce penetration rate for fresh food in Japan is steadily increasing, the end of the COVID-19 pandemic has led to a trend of consumers returning to physical stores in the supermarket industry. These combined environmental changes have resulted in customer acquisition for our online grocery delivery service falling significantly short of initial projections. In light of this business situation, the Company has decided to withdraw from the Ibaraki warehouse (Kansai area).

The impairment loss was recognized because the aforementioned events indicated signs of

impairment. Following an impairment test, it was determined that the recoverable amount is expected to fall below the carrying amount, leading to the recognition of this impairment loss. The recoverable amount for this asset group was measured using its value in use. Since the future cash flows for this cash-generating unit are negative, the value in use was calculated as zero.

Moving forward, the Company will pursue the following measures to achieve an early improvement in profitability.

- Strengthening collaboration with the Rakuten Ecosystem and expanding the customer base through the introduction of a new loyalty program
- Expanding the product lineup according to customer needs and strengthening personalization
- Strengthening and streamlining the procurement system
- Restructuring and streamlining the logistics network
- Improving profitability by withdrawing from unprofitable areas

The Company will continue to focus on the growth potential of the online grocery delivery market and provide highly convenient services to customers, maintaining this business as one of the important businesses of the Rakuten Group.

2. Impact on business performance and outlook

The Company expects to record an impairment loss of approximately 27 billion yen in its consolidated financial results (IFRS) for the third quarter of the fiscal year ending December 31, 2025.