

January 4, 2023
Company name Rakuten Group, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange Prime Market)

Notice of Valuation Loss on Securities

Rakuten Group, Inc. (hereafter the “Company”) announces that in the non-consolidated financial results for the fiscal year ending December 31, 2022 (J-GAAP), the Company expects to record an impairment loss on its investee Lyft, Inc. (hereafter “Lyft”) and hence record a valuation loss on securities. There will be no material impact on the consolidated financial statements.

1. Details

In the Company’s non-consolidated financial results for the fiscal year ending December 31, 2022 (J-GAAP), as a result of evaluating the fair value of the shares of Lyft, which is an investee of the Company, an impairment will be recorded, and the Company expects to record a loss on valuation of securities of 200.4 billion yen.

2. Impact on financial results and earnings forecasts

The loss on valuation of securities will be recorded as an extraordinary loss in the Company’s non-consolidated financial results. In addition, since the Company prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), valuation losses on securities are incorporated in financial results on a quarterly basis. In addition, valuation gains and losses are hedged by the collar contract of prepaid forward contract for shares of Lyft, so there is no material impact on consolidated results.