

December 6, 2021
Company name Rakuten Group, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange First Section)

Notice Regarding Completion of Examination by the Japan Fair Trade Commission of the Introduction of a Free Shipping Threshold at Rakuten Ichiba

Regarding the introduction of a common free shipping threshold (hereinafter "this measure"), on Rakuten Ichiba operated by Rakuten Group, Inc. (hereinafter "the Company"), the Japan Fair Trade Commission (hereinafter "JFTC") had continued an examination on a suspected violation of Article 19 of the Antimonopoly Act (Article 2, Item 9, Paragraph 5, Ha of the same law). However, the examination will be terminated after confirmation of the implementation of the improvement measures proposed by the Company.

Since the announcement of this measure in 2019, the Company made explanations, collected opinions, and made various reviews through discussions and town hall meetings with merchants across 47 prefectures nationwide (hereinafter referred to as "merchants"), sales representatives who support merchants, and our websites for the merchants, etc.

Until now, the Company has tried to give careful explanations to merchants, but based on discussions with the JFTC, we decided to establish the following communication policy as an improvement measure, and we will inform each merchant and thoroughly explain it inside the Company too.

- On the premise of legal compliance, when requesting the introduction of this measure, or when requesting each merchant to continue the measure if they are considering not to apply for this measure, the Company will listen to the opinion about the intention of each merchant.
- For merchants that have not introduced this measure, the Company will not make any disadvantageous treatment, like prioritizing the display at the top of the search results to merchants that have introduced it as examples from JFTC, and such measures will not be suggested.
- In the unlikely event that there is an act contrary to the above, we will guide each merchant to contact the following complaint / consultation counter.

Rakuten Ichiba Complaint Reception Desk

(This desk is independent from other departments, etc., and we will objectively and fairly respond to the content of the complaint from the viewpoint of the third party. Based on the matters requested to this desk, the merchant will not be disadvantaged.)

The Company takes the suggestions from the JFTC seriously, listens to the voices of merchants and users, and will continue to strive to improve this measure.

■ Regarding the common free shipping threshold

The free shipping threshold is a rule (*1) for a common threshold for products sold by the target merchants of Rakuten Ichiba without making a separate cost for shipping, for orders of 3,980 yen or more (including consumption tax). From March 2020, we have been improving the ease of understanding of shipping costs when shopping at Rakuten Ichiba and made it a more attractive platform for users to increase sales at merchants. Participation is voluntary, but currently about 92% of merchants are participating (* 2).

After the start of this measure, user satisfaction regarding the ease of understanding of shipping costs has greatly improved, by about 15 points compared to the start of this measure (* 3). In addition, the sales growth rate of merchants who introduced this measure is about 18 points higher than that of merchants who have not-introduced this measure (* 4). As a result, over 95% of orders over 3,980 yen (including consumption tax) have had free shipping. We regard this measure as important to realize the continuous growth of Rakuten Ichiba and its merchants, and the Company will continue to provide detailed explanations to each merchant.

(*1) For delivery to Okinawa, remote islands, and some other areas, the total purchase price is set at 9,800 yen or more (including consumption tax)

(*2) As of November 2021

(*3) Survey of users who subscribe to Rakuten Ichiba newsletter in March 2020 and October 2021.

(*4) Comparison of the difference in gross merchandise sales growth rates between merchants introducing and not introducing this measure, between April 2020 to October 2021.