



KKR Increases Majority Stake in Seiyu With Acquisition of Rakuten Shares

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- *KKR's increases its majority stake in the local innovative value retailer of choice to 85%*
- *Rakuten and Seiyu to continue leveraging retail expertise across online grocery delivery, cashless payments and data-driven marketing*

TOKYO--(BUSINESS WIRE)-- KKR, a leading global investment firm, and Rakuten Group, Inc., ("Rakuten") today announced the signing of definitive agreements under which a fund managed by KKR will purchase Rakuten's stake in Seiyu (the "Company"), a leading, nationwide supermarket chain in Japan. With this purchase, KKR increases its stake in Seiyu from 65% to 85%¹.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20230511006023/en/>

KKR and Rakuten, together with Seiyu's third shareholder, Walmart, have collaborated to support Seiyu's growth since KKR and Rakuten completed their investments in the Company in 2021. Support initiatives have included: improving product quality, user experiences, and store operations, and renovating and refurbishing stores, which have enabled Seiyu to deliver greater value and convenience. Customers have benefited from a range of initiatives, such as:

- The convenience of cashless payment methods in Seiyu stores, including Rakuten Pay and Rakuten Edy, as well as Japan's leading membership loyalty program, Rakuten Points.²
- Improved quality and selection of products, especially for fresh produce and delicatessen
- Optimized and improved store operations and processes as a result of leveraging KKR's operational expertise; and
- Enhanced online-merges-with-offline (OMO³) initiatives as a result of strategic collaboration amongst Seiyu's shareholders

Following this transaction, Rakuten will continue to be an important strategic partner to Seiyu and will work closely with the Company's management and shareholders to further strengthen Seiyu's offering to customers, prioritizing value and convenience.

Hiro Hirano, Co-Head of Private Equity for KKR Asia Pacific and CEO of KKR Japan, said, "We are pleased to deepen our relationship with Seiyu, an iconic Japanese brand in which we continue to see strong promise. We look forward to unlocking the company's full potential through the continued strategic partnership with Rakuten and Walmart, which brings together our respective expertise in investing behind a company's growth, global best-in-class practices, and thoughtful customer experience. Together, we remain focused on helping Seiyu continue to deliver greater value and convenience to its customers across Japan and maintain its strong growth."

Tsuneo Okubo, President and Representative Director of Seiyu Holdings Co. and Seiyu Co., Ltd., said, "Seiyu aims to become Japan's No. 1 supermarket and online supermarket by 2025, in line with our medium-term management plan, building on the new management structure introduced in 2021. Seiyu is focused on building a virtuous cycle of investment in our human capital, information systems, and stores, with greater profits and value generated through better quality products and strengthened sales capability. While maintaining our philosophy of "Every Day Low Price," we strive to provide services and products that increase customer satisfaction through improved freshness and quality. We are pleased that our operating income in FY22 saw a 50% year-on-year growth, which is evidence that our business transformation program is progressing well. Through our ongoing strategic partnership with Rakuten, we will continue to strengthen our digital marketing and aim to become the leading OMO retailer in Japan."

Kazunori Takeda, Director and Group Executive Vice President and President of Commerce & Marketing Company, Rakuten Group, Inc., said, "With the strong support and retail expertise of KKR, our collaboration with Seiyu has been extremely fruitful, with strong growth in the popular Rakuten Seiyu Netsuper online grocery delivery service, introduction of Rakuten cashless payment options and strengthening customer acquisition programs and product promotions by utilizing Rakuten Points. We will continue working together to deliver greater levels of convenience to our customers."

KKR is making its investment from its Asian Fund IV. Further details of the investment have not been disclosed.

About KKR

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life, and reinsurance products under the management of Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

About Seiyu

Established in 1963, Seiyu is a nationwide supermarket chain in Japan with more than 300 retail units. Through its supermarket and hypermarket formats and Rakuten Seiyu Netsuper delivery service, Seiyu offers customers a broad assortment including fresh food, general merchandise, and apparel products across Japan from Hokkaido to Kyushu. In pursuit of our mission, “Making our customers’ everyday life better with Seiyu,” Seiyu continues to innovate to become a leading OMO retailer, enhancing its EDLP strategy by ensuring thorough operational efficiency & technological excellence powered by KKR, Rakuten and Walmart.

About Rakuten

Rakuten Group, Inc. (TSE: 4755) is a global leader in internet services that empower individuals, communities, businesses and society. Founded in Tokyo in 1997 as an online marketplace, Rakuten has expanded to offer services in e-commerce, fintech, digital content and communications to approximately 1.7 billion members around the world. The Rakuten Group has approximately 32,000 employees, and operations in 30 countries and regions. For more information visit <https://global.rakuten.com/corp/>.

¹ On the basis of shares with voting rights.

² Source: “Survey on Points Systems.” Valid responses: 1,000. Online survey conducted by MyVoice Communications, Inc., November 2022.

³ Online Merges with Offline” (OMO) refers to breaking down barriers between online services and offline brick-and-mortar stores in the retail space in order to provide customers with seamless, personalized experiences.

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