



Financial Results for the Fiscal Year Ending July 31, 2021

Part 2: Business Development towards Realizing Our Vision and Our Accumulative Assets

RAKSUL INC. (TSE First Section: 4384)

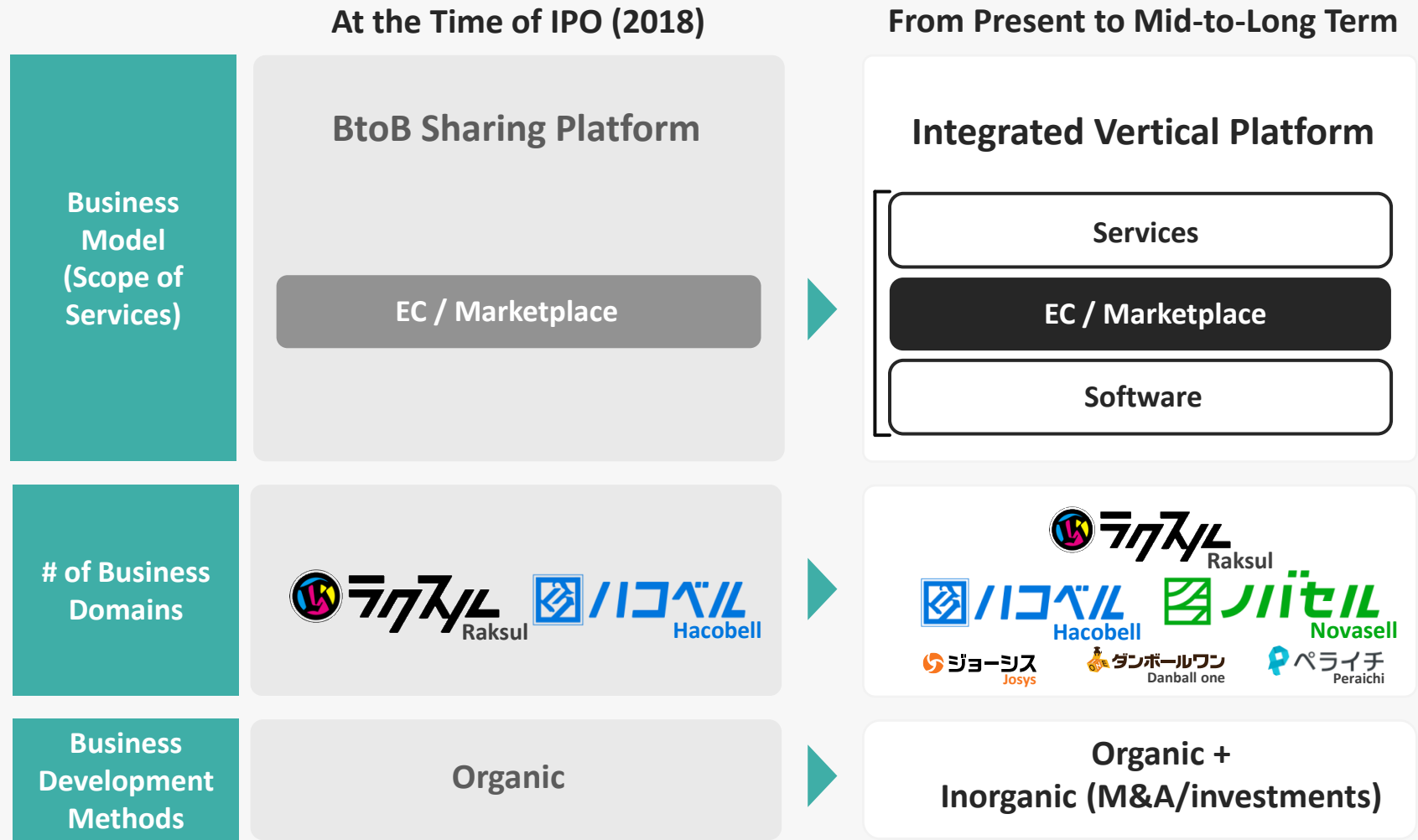
September 10, 2021



Investment Highlights

Evolving into an “Integrated Vertical Platformer”

- At the time of IPO, we positioned ourselves as a BtoB sharing platformer primarily in the printing market
- Hacobell business segment and Novasell business segment are growing, and we expect further expansion of our business domains in the future
- In addition to organic business development, we will expand TAM through inorganic means (M&A/ investments)
- RAKSUL will evolve into an Integrated Vertical Platformer that redesigns the the structure of multiple indirect cost markets



**Competitive advantage in realizing the above:
 Duplicatable business expansion
 through continuous accumulation of assets (business/organization/finance)**

- 1. Business Development Towards Realizing Our Vision**
- 2. Continuous Accumulation of Assets: Business**
- 3. Continuous Accumulation of Assets: Organization**
- 4. Continuous Accumulation of Assets: Finance**
- 5. Governance Policy that Supports Realization of Our Vision**
- 6. Reference Materials**

For FY2021 (FYE July 2021) Full Year Financial Highlights and FY2022 (FYE July 2022) Full Year Financial Forecast, please refer to “Part 1”

1

Business Development Towards Realizing Our Vision



Our Vision and What We Do

- We strongly believe in redesigning the structure and the value chain of conventional industries with the help of the Internet

Better Systems, Better World

Printing & offline advertising
Platform



Launched in Mar. 2013



Logistics
Platform



Launched in Dec. 2015



TV commercial-related services
Platform



Launched in Apr. 2020





Direction of Growth

- We will redesign the industrial structure of each indirect cost (indirect materials/services) market through our Integrated Vertical Platform
- The TAM of the peripheral markets are also large, and there is room for expansion (e.g., printing → packaging, logistics → warehousing)
- With a fragmented supply-side structure, our strength is building businesses in markets with room for EC progression

Company P&L

Revenue

—

Direct Cost

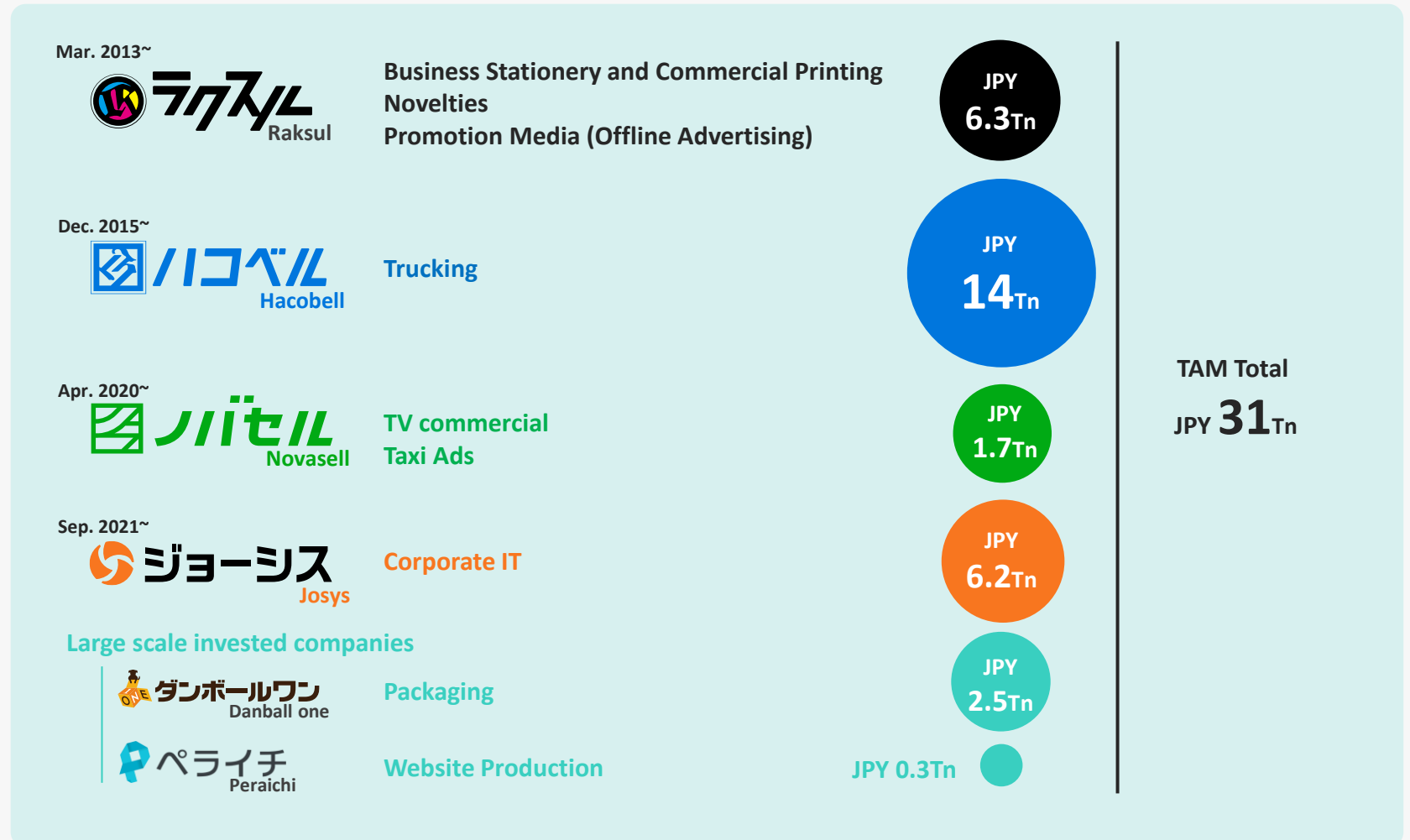
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Indirect Cost

=

Operating Profit

Domestic Indirect Cost Market JPY **140**Tn in Total

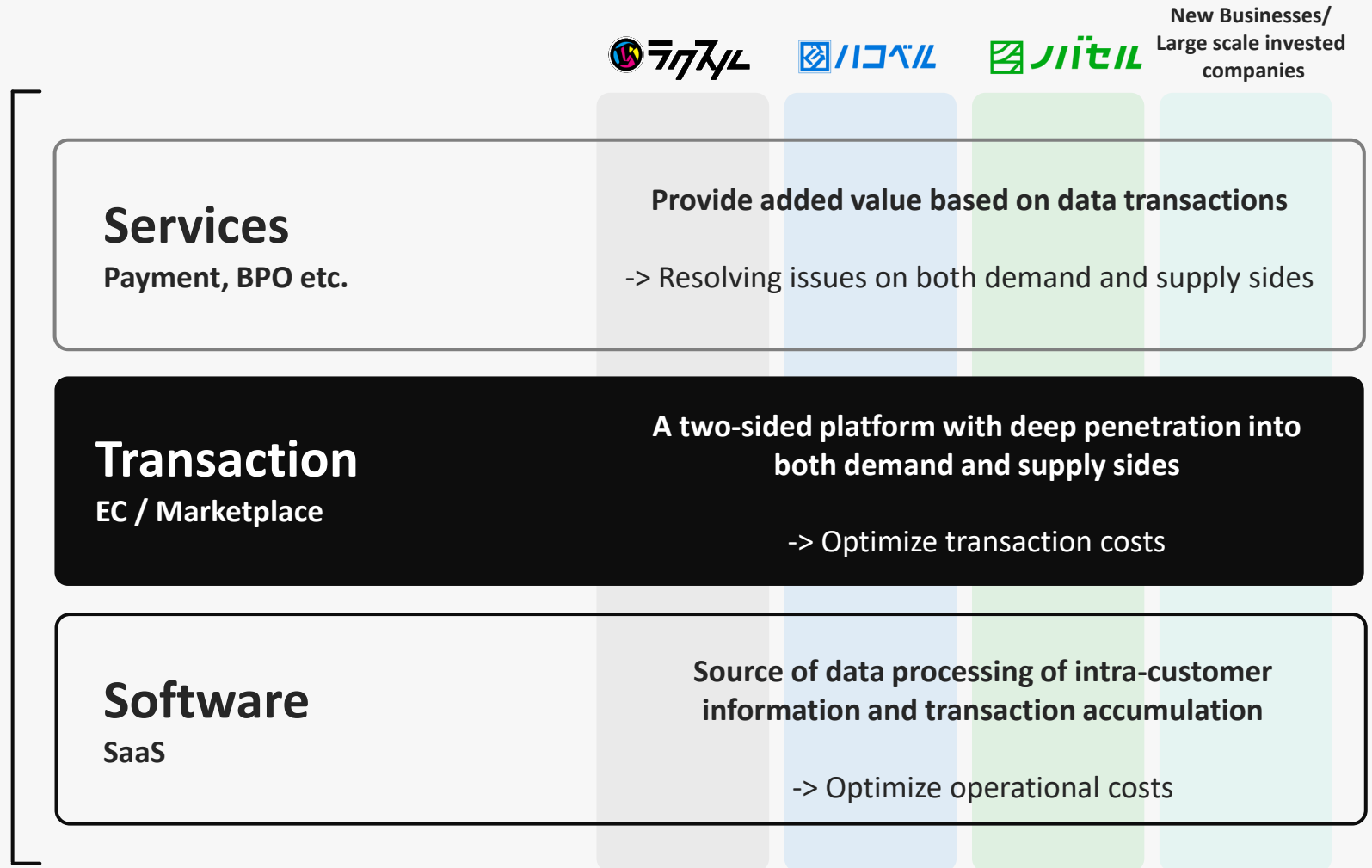




Business Model

- An Integrated Vertical Platform with “Transaction” as the primary focus as well as “Software” and “Services” for each indirect cost market
- Achieve continuous monetization from transactions (current main source of revenue) by penetrating deeply into both supply and demand sides, rather than simply matching supply and demand
- As a result, transform traditional industries into highly productive and profitable industries by improving the efficiency of transaction and operational costs

Integrated Vertical Platform

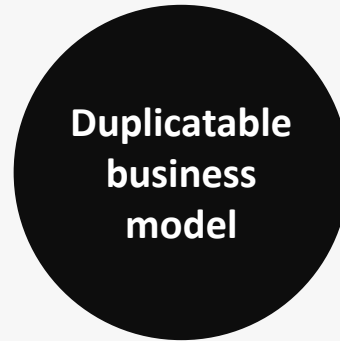




Portfolio Management of Multiple Businesses

- To further expand TAM, we have established a structure based on portfolio management of multiple businesses

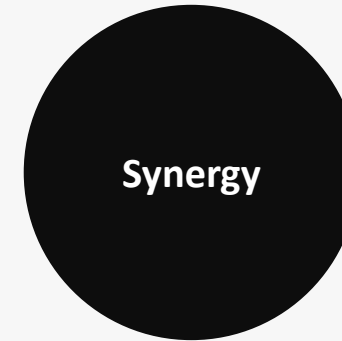
Why We Build a Business Portfolio



To utilize know-how gained from building an online printing service



To absorb time needed for each business to penetrate its market



To share customer base and teams (technology and corporate functions)

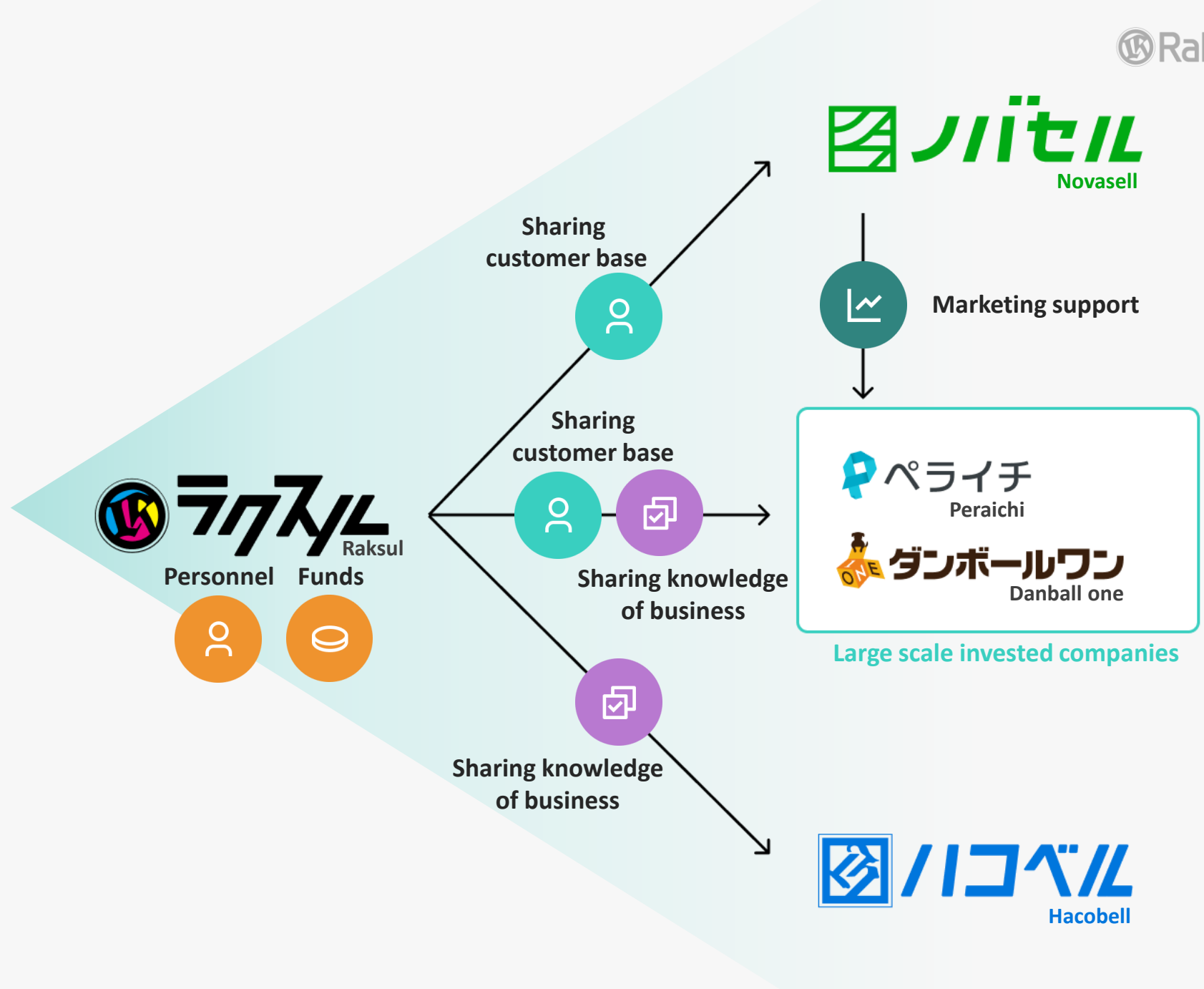


To increase competitiveness by combining forces as a portfolio company



Synergy between Business Segments

- Our system ensures the launch of each business by sharing customer base and know-how, dispatching personnel and providing funds from the Raksul business segment





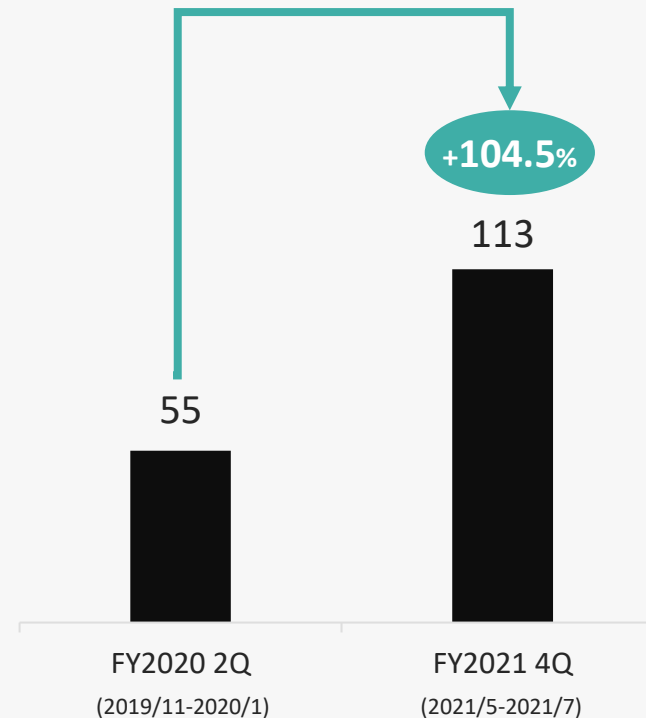
Approach to M&A and the Progress of Existing Two Investments

- With a sound BS, we are actively expanding our businesses through M&A/investments in addition to organic business development
- There are two criteria for M&A/investments: (1) Expansion of target areas (2) Within existing areas, the objective is not just to expand the scale, but to strengthen and integrate the value we provide
- PMI is progressing well for both Peraichi and Danball One, companies in which we acquired 49% stake (non-consolidated) last year. Both businesses continued to grow even under the COVID environment

Peraichi (Invested in October 2020)

- Business model: SaaS
- Gross margin: approximately 80%
- Key PMI actions: Review of service plan, expansion of engineering organization, and software development process enhancement

Revenue (in JPY MM)

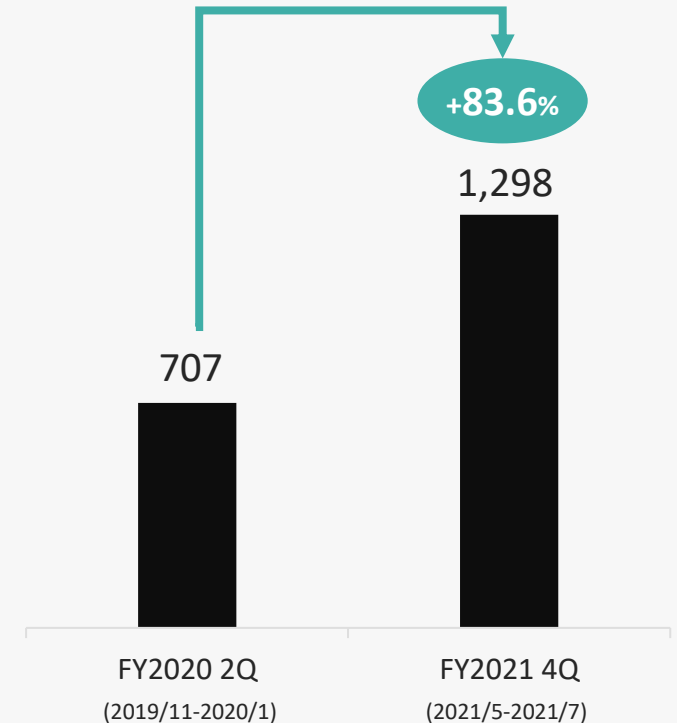


Danball One

(Invested in December 2020)

- Business model: EC (fables)
- Gross margin: approximately 30%
- Key PMI actions: Marketing support, expansion of operations/engineering organizations

Revenue (in JPY MM)



2

Continuous Accumulation of Assets: Business





Customer and Supplier Base by Business Segment

- Customer base and supplier/partner base accumulated over the years is a strong entry barrier

	Customers	Suppliers
Raksul	# of registered users 1.53M Users	# of Suppliers 130 Partners (Approximately)
Hacobell	# of Registered Users 43k Users	# of Registered Vehicles 29k Vehicles
Novasell	Total # of Customers (Cumulative) 335 Companies	National TV Stations Major taxi companies in Tokyo



Customer/Supplier Value Created “After Raksul”

- Focus on creating value towards our customers and suppliers over the long term, rather than simply matching supply and demand

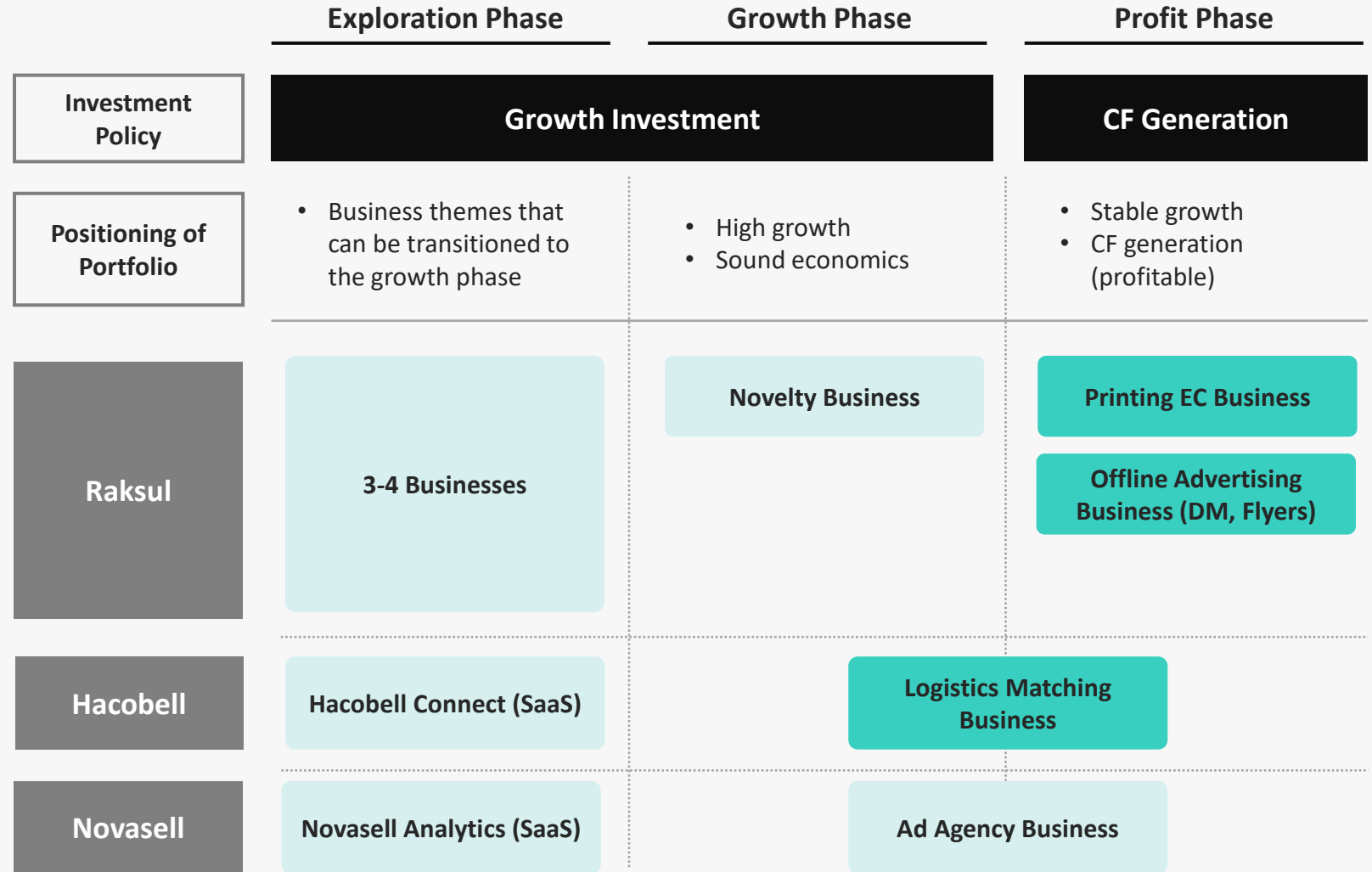
		Before	After
Raksul	Customers	<ul style="list-style-type: none"> - Unable to reduce costs - Inefficient purchasing 	<ul style="list-style-type: none"> - Able to place orders at a lower cost - Smoother purchasing experience that increases operational efficiency
	Suppliers	<ul style="list-style-type: none"> - Low profitability due to subcontracting, unable to grow 	<ul style="list-style-type: none"> - New demand created from businesses nationwide - Improve profitability and productivity through our material procurement support and sharing of knowledge
Hacobell	Customers	<ul style="list-style-type: none"> - Takes time and effort to find trucks - Unit price increasing 	<ul style="list-style-type: none"> - Able to arrange trucks hassle-free at low cost by matching directly with shipping companies digitally
	Suppliers	<ul style="list-style-type: none"> - Low profitability due to low utilization rate - Inefficient operations using phone and fax - Unable to allocate time for what needs to be done 	<ul style="list-style-type: none"> - Improve utilization rate by drivers finding delivery orders in their spare time - Digitization of operations reduce operational costs
Novasell	Customers	<ul style="list-style-type: none"> - Cost is too high - Unable to see effectiveness - Not knowing how to broadcast 	<ul style="list-style-type: none"> - Small-lot production at low cost - Visualize/maximize effectiveness - Easy to broadcast
	Suppliers	<ul style="list-style-type: none"> - # of companies using TV ads not increasing, and heavy dependence on large-scale projects 	<ul style="list-style-type: none"> - # of companies using TV ads increase, leading to a stable customer base



Organic Business Development System 1

Business Portfolio Management

- Business portfolio management that clearly identifies points for generating CF and points for investment
- In the exploration phase, we invest in multiple themes with the aim of fostering growth phase businesses
- In the growth phase, we strengthen investments based on sound economics
- Compared to the time of listing, the number of businesses in the exploration and growth phases has increased while cash generation have been strengthened



: Main business structure at the time of IPO



Organic Business Development System 2

Project System that Supports Continuous Growth

- Implemented “project” system before going public to create discontinuous value in businesses and to develop business leaders

Purpose of the Project System

- To set and solve problems by thinking backwards from the discontinuous value that we want to create in the future, which is different from the continuous operational approach of businesses
- Develop business leaders through projects

Results (Examples) from Past Projects

RakSul	Hacobell	Novasell
<ul style="list-style-type: none"> • Automatic data checking and processing system for printing data • Online design creation function • Optimal ordering infrastructure for suppliers 	<ul style="list-style-type: none"> • Automated matching mechanism • Discontinuous improvement in gross margin 	<ul style="list-style-type: none"> • Launch and service development of Novasell business (as a new business)



Core Technology

- Our competitive advantage is our capabilities to develop an Integrated Vertical Platform that can innovate the industrial structure from multiple perspectives such as purchasing experience, operational process, and ordering process
- Rather than relying on a specific technology, we can provide optimal solutions by combining multiple technologies

Core Technology

Integrated Vertical Platform Development Capabilities

Infrastructure that innovates purchasing experience and operational/ordering processes by industry

Capabilities that Enable Our Core Technology

Design

skills to maximize customer experience

Product Management

skills to provide solutions based on high resolution to each industry

Engineering

skills that incorporate such core technology into software and logic

Examples of Solutions Created in Each Business

Raksul

- Automatic generation of print designs
- Automation of the print data generation process

Hacobell

- Algorithm for optimal order placement to transportation companies (contractors)
- System to simplify truck ordering operations for clients (SaaS)

Novasell

- Real-time visualization of effectiveness of TV commercials (patented)



Brand Recognition

- We have established a high level of recognition in all business segments and will aim for further expansion



Online Printing Companies Recognition

No.1



Vehicle Allocation Planning System of Interest

No.1



Programmatic TV Commercial Services

Effectiveness Visualization Tool

Frequency of Usage / Recognition

No.1

3

Continuous Accumulation of Assets: Organization



Current Organizational Status

Number of Employees ⁽¹⁾

399 Employees
(357 employees for Raksul JP)

Male/Female Ratio ⁽¹⁾

Male **63.2%** (61.3% for Raksul JP)
Female **36.8%** (38.7% for Raksul JP)

Average Age ⁽²⁾

33.5 Years old
(33.9 years old for Raksul JP)

Average Years of Service ⁽²⁾

2.3 Years
(2.5 years for Raksul JP)

Notes

(1) Includes non-regular employees and India/Vietnam entities, headcount based

(2) Regular employees only, includes India/Vietnam entities



HR Organization Policy

- Organizational design with the overall objective of realizing our vision and maximizing long-term enterprise value

<p>Our Vision and Raksul Style</p>	<ul style="list-style-type: none"> • Organizational design that places the highest priority on our vision “Better Systems, Better World” and the Raksul Style (Code of Conduct)* to realize such vision <p>*Reality/System/Co-operation</p>
<p>Strengthening Our Technology Team</p>	<ul style="list-style-type: none"> • Investment in technology is essential to redesign the structure of the industry, and we will focus on strengthening our teams in Japan and overseas • We have established development centers in India and Vietnam, with plans to expand
<p>Diversity & Inclusion</p>	<ul style="list-style-type: none"> • We will take advantage of the fact that the ratio of female employees in the company is already about 37% and the ratio of foreign nationals is about 10%, and provide an environment and opportunities to recruit and retain the best talent from both Japan and overseas • In the future, we plan to increase the ratio of female and foreign national members in management positions
<p>Productivity Improvement</p>	<ul style="list-style-type: none"> • To improve productivity (gross profit divided by labor cost) by year is the long-term policy for new hire planning in each business
<p>Incentive design linked to long-term equity value</p>	<ul style="list-style-type: none"> • In addition to cash remuneration, we have introduced a stock-based compensation system (stock options and restricted stock), which provides compensation for individual performance through long-term increase in equity value



Strengthening Equity Incentives

- Our basic purpose and approach to equity incentives has remained the same since our disclosure of the RS system implementation in FY2019 4Q

<p>Purpose</p>	<ul style="list-style-type: none"> • To align the incentive and commitment of officers and employees with the maximization of long-term shareholder value • To ensure the competitiveness of our compensation level in order to attract and retain talent which is the foundation of our competitive advantage
<p>Structure</p>	<ul style="list-style-type: none"> • Structure: restricted stock (RS) and stock options • Simple design that both investors and recipients can expect
<p>Dilution</p>	<ul style="list-style-type: none"> • Expected dilution of up to 10% over the next 10 years (around 1% per year) • Designed with flexibility for variation in each year • Our percentage of dilutive shares was 7.3% at IPO and 5.5% as of the end of fiscal year ending July 2021 – lower than other growing companies (see next page for stock incentive balance)
<p>Impact on P&L/CF</p>	<ul style="list-style-type: none"> • Stock-based compensation expense for FY2021 was JPY 612MM per year • Stock-based compensation expense for FY2022 will be around JPY 750-850 MM per year ⁽¹⁾ • As impact is neutral in terms of cash flow, non-GAAP profits excluding the impact of RS are disclosed

Notes

(1) Estimated as of September 2021. The amount will be affected by stock price



Stock Incentive Balance

- Total stock-based compensation has been increased from the past and is fully utilized for talent acquisition and retention

		FY2019	FY2020	FY2021
Stock Options	Beginning balance	1,801,200	1,532,600	1,824,700
	Granted	0	700,000	0
	Vested	-256,600	-388,300	-367,200
	Forfeited/canceled	-12,000	-19,600	-2,000
	Ending balance	1,532,600	1,824,700	1,455,500
Restricted Stock	Beginning balance	0	0	66,817
	Granted	0	76,590	91,930
	(as % of shares outstanding at year-end)	(-)	0.27%	0.32%
	Released	0	-8,673	-27,302
	Forfeited/canceled	0	-1,100	-10,966
Ending balance	0	66,817	120,479	
Total	Beginning balance	1,801,200	1,532,600	1,891,517
	Granted	0	776,590	91,930
	(as % of shares outstanding at year-end)	(-)	2.75%	0.32%
	Vested/released	-256,600	-396,973	-394,502
	Forfeited/canceled	-12,000	-20,700	-12,966
Ending balance	1,532,600	1,891,517	1,575,979	
Equity incentive ratio (as a % of shares outstanding at year-end)		5.51%	6.69%	5.49%
Shares outstanding at year-end		27,805,200	28,270,090	28,729,220

Granted Restricted Stock Information

Amount (JPY MM)	0	275	485
Stock price (JPY)	0	3,590	5,280

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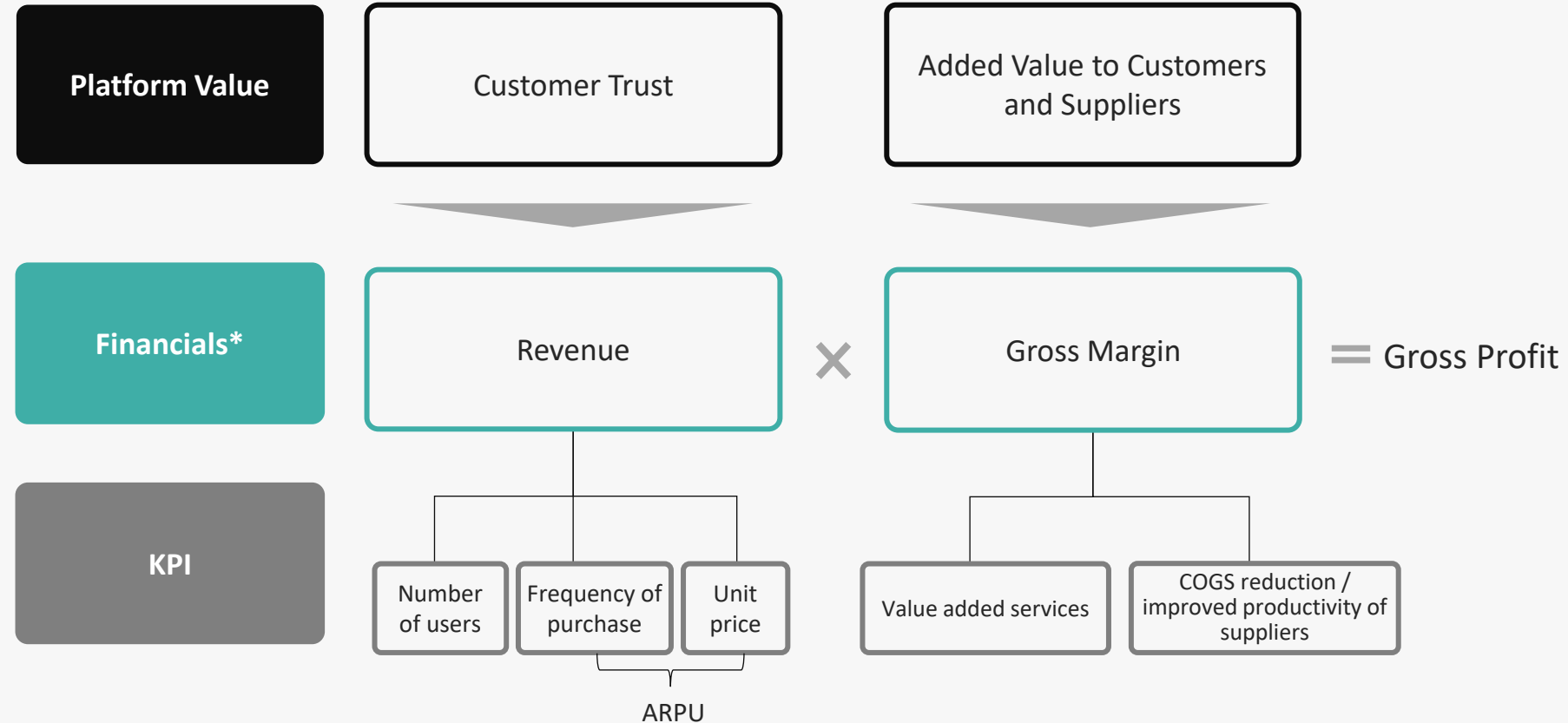
Continuous Accumulation of Assets: Finance



Our Value Creation

Formula

- We focus on growing revenue and gross profit through winning customer trust and maximizing added value to customers and suppliers
- In addition to our existing EC business (transaction based), our SaaS business is expected to expand. Although the revenue size of SaaS is small, its gross margin is high; we consider gross profit to be the indicator which directly links to enterprise value



***Accounting standards applied to our revenue and gross profit**

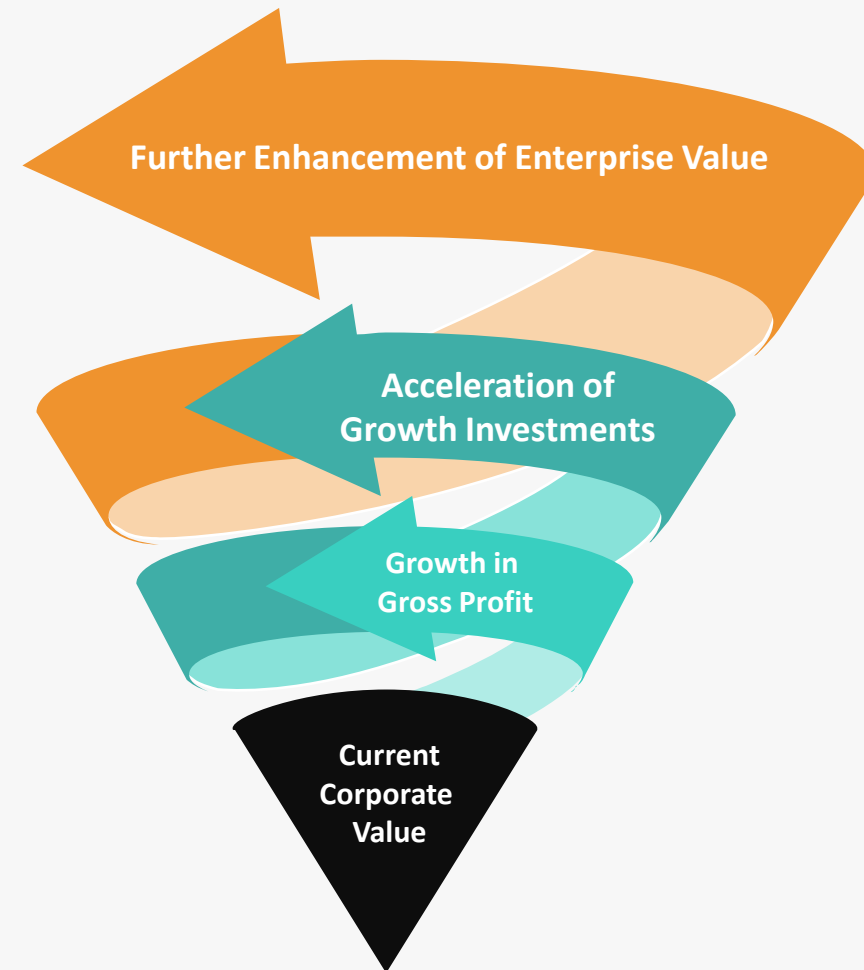
Revenue: revenues earned from all business segments are booked as gross revenue

Gross profit = gross revenue - cost of sales



Upward Spiral of Value Creation Through Reinvestment

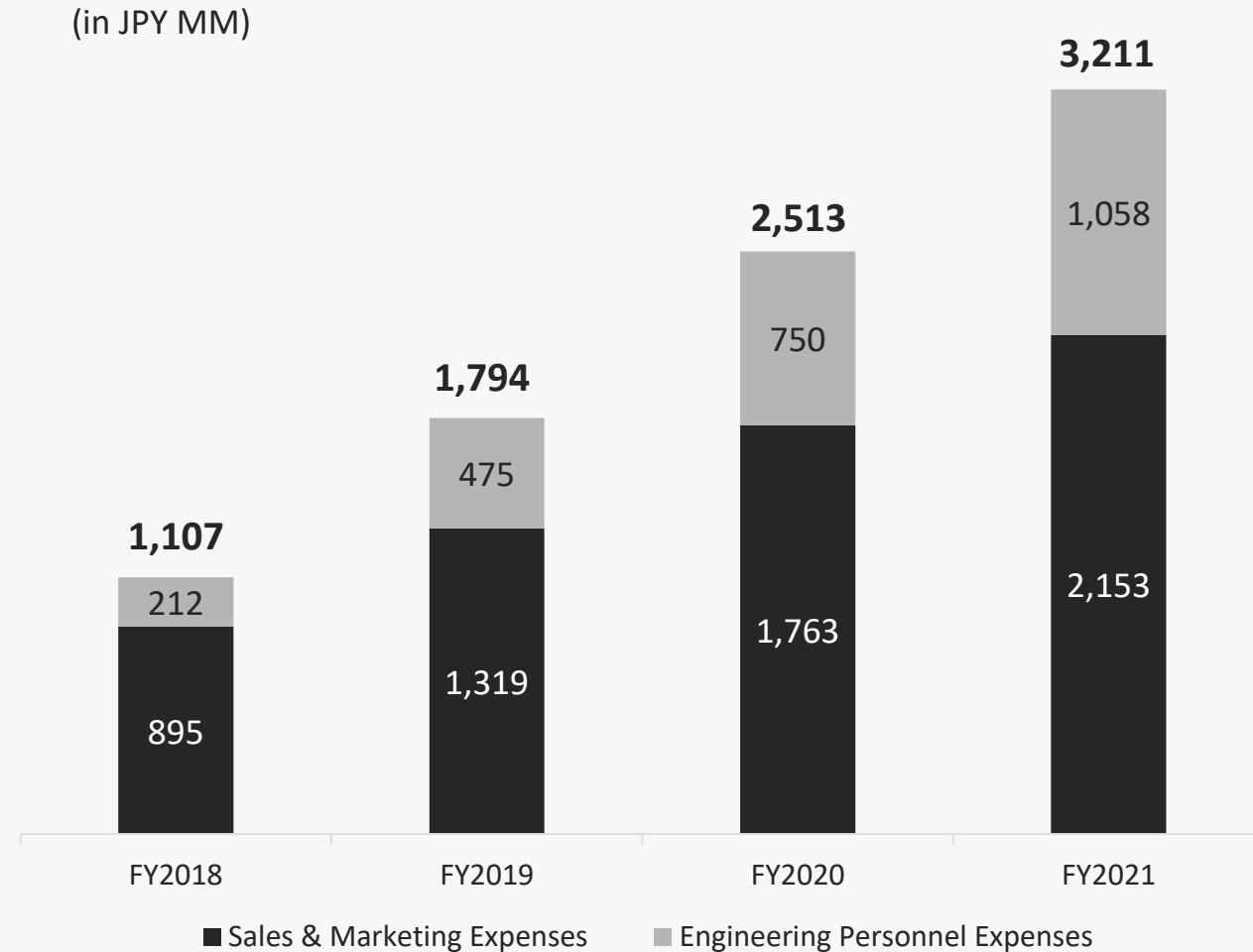
- By maximizing gross profit, we can continuously generate profit as well as reinvest towards greater platform value





Expansion of Growth Investment ⁽¹⁾

- Continuous expansion of growth investment to achieve an upward spiral of value creation through reinvestment
- On the other hand, the investment pace is managed and controlled, and operating profit can be generated at any time



Notes

(1) Growth investment = Sales & Marketing Expenses + Engineering Personnel Expenses

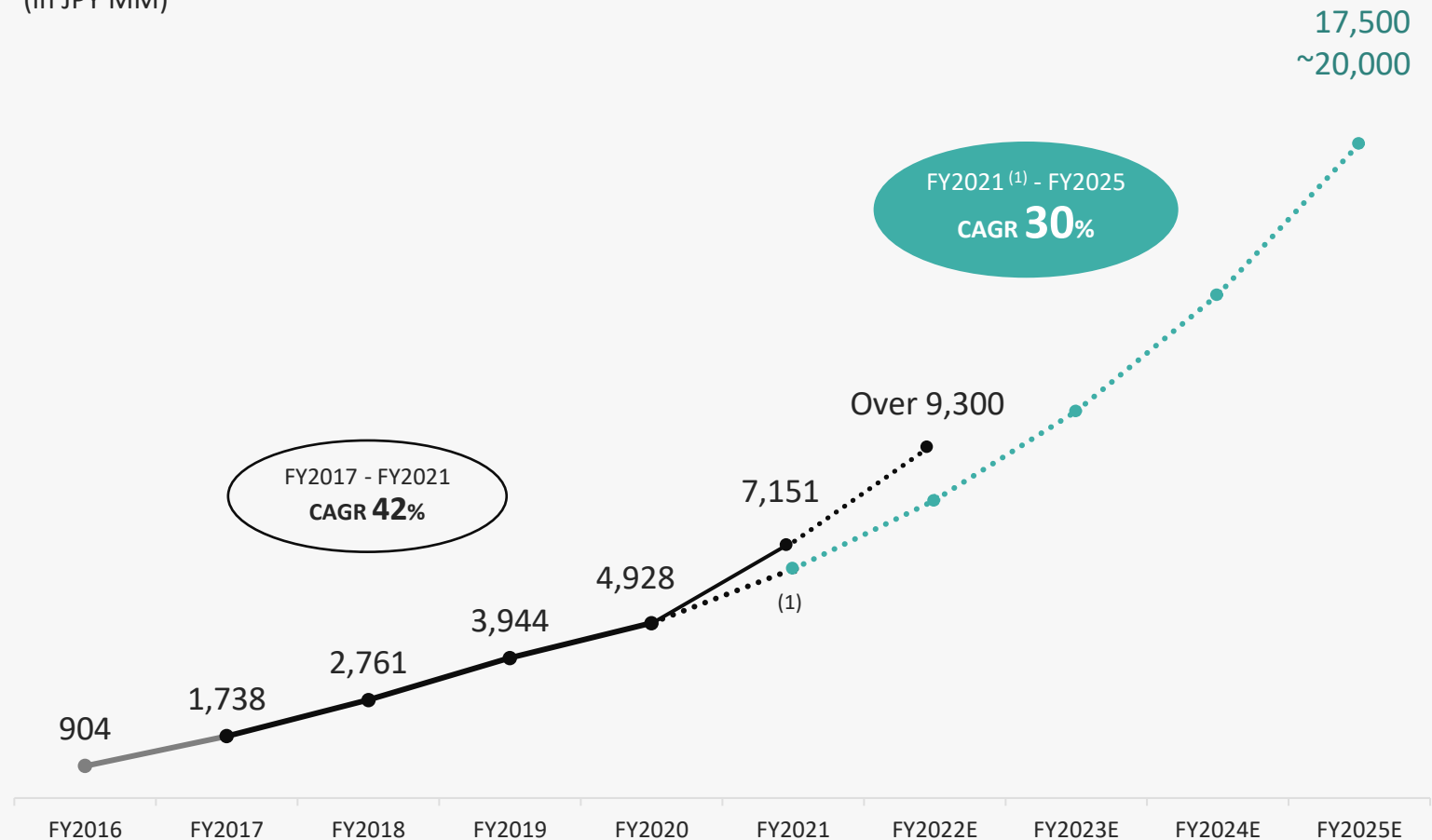


Medium-to-Long Term Financial Targets and Policies

- Our medium-to-long-term target for gross profit growth is CAGR 30%
- It is our basic policy to also increase operating profit and net profit (non-GAAP) every year (When in a temporary investment phase, it will be carried out after a thorough dialogue with shareholders)
- We aim for ROE/ROIC 10% in the mid-term with consideration of capital efficiency as a listed company

Gross Profit: Medium-to-Long Term Target

(in JPY MM)



Notes

(1) Lower range of full-year forecast disclosed on September 10, 2020



BS Policy

- By focusing on growth while managing BS in a disciplined manner, we will pursue both business portfolio construction and capital efficiency

Assets

- The maximum amount of goodwill recognized through future M&A activities shall be approximately 70% of net assets

Liabilities & Net Assets

- As CF is expected to increase in the future, priority will be borrowing and issuing bonds/CBs
- Moreover, we will raise equity when bold investments are needed
- We aim to exceed 10% of either ROE or ROIC in 4-5 years

As of July 2018

(in JPY MM)

Assets		Liabilities & Net Assets	
Cash & Deposits	6,366	Current Liabilities	1,846
Other Current Assets	1,314	Net Assets	6,675
Non-Current Assets	1,107	Non-Current Liabilities	265

As of July 2021

(in JPY MM)

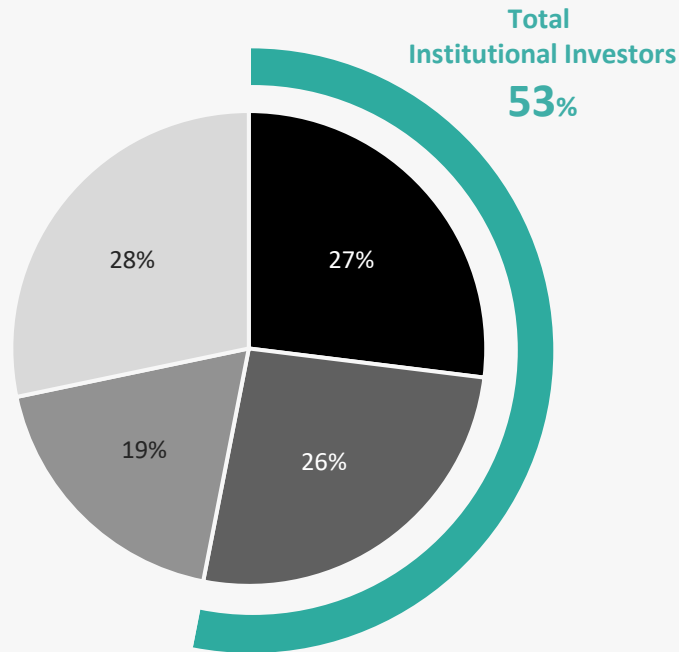
Assets		Liabilities & Net Assets	
Cash & Deposits	13,447	Current Liabilities	5,068
Other Current Assets	3,468	Non-Current Liabilities	8,851
Non-Current Assets	4,999	Net Assets	7,996



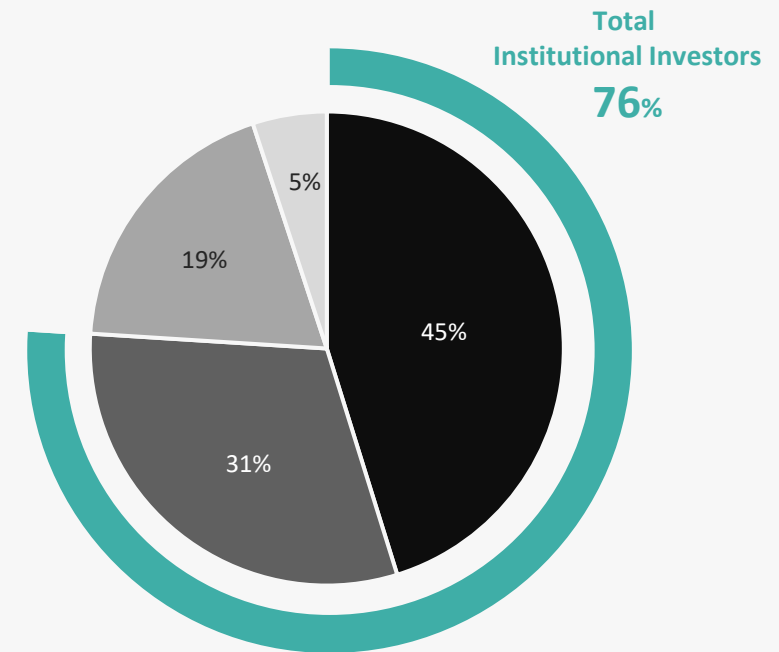
Composition of Shareholders

- Three years have passed since we went public in May 2018, and the percentage of shares held by institutional investors ⁽¹⁾ has increased to 70-80%
- There are no alleviated concerns for overhang

As of July 2018



As of July 2021



Institutional Investors (International)
 Our officers and employees

Institutional Investors (Domestic)
 Private Investors etc.

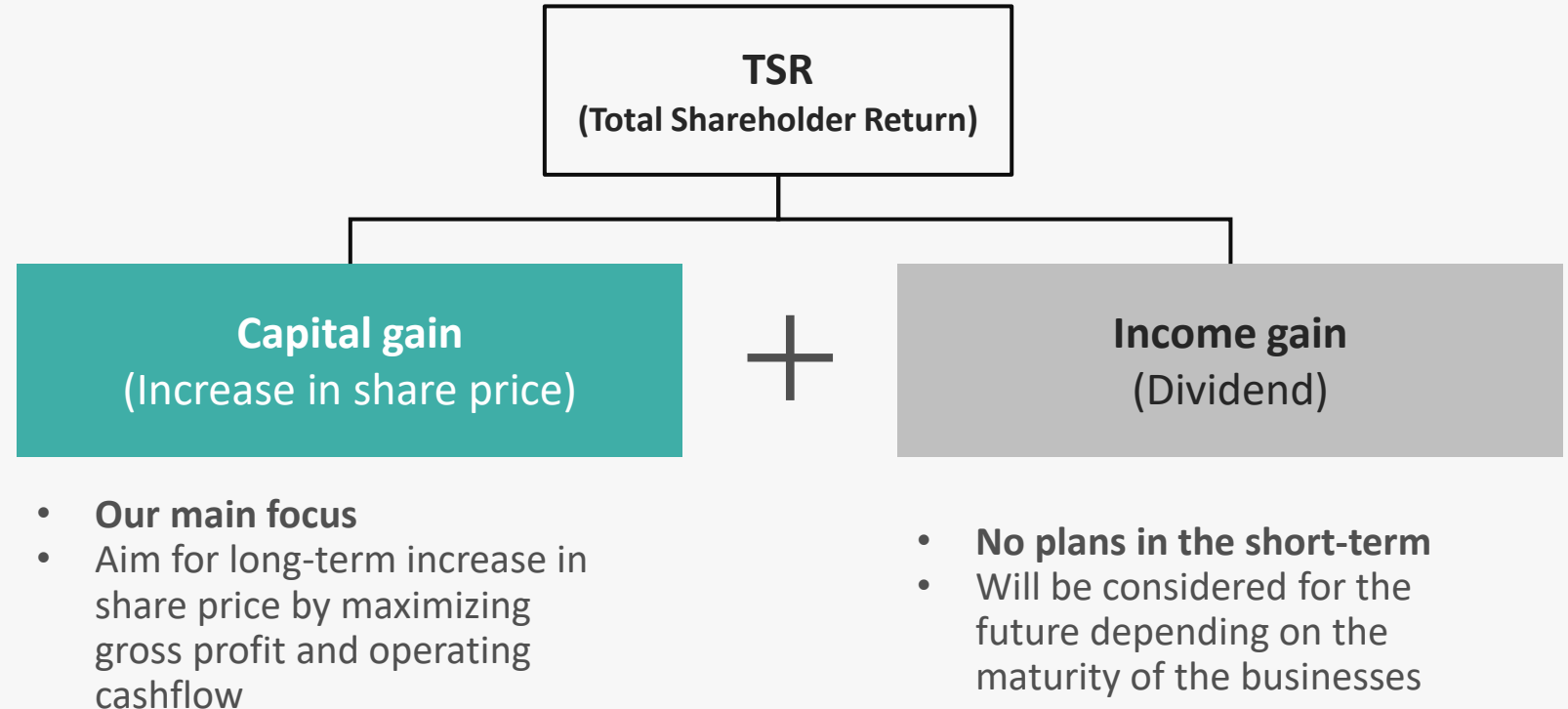
Notes

(1) Financial institutions, financial instruments business operators, and foreign corporations, etc. (other than individuals) among attributes defined in Form No. 3 of Cabinet Office Ordinance on Disclosure of Corporate Information, etc. "Part I: Corporate Information, Section 4: Status of the Submitting Company, 1. Status of Shares, etc. (5) Status by each owner."



Approach to Shareholder Return

- Focus on long-term share price increase in terms of Total Shareholder Return (TSR)
- Achieve long-term share price increase by increasing gross profit, operating profit and CF, and improving capital efficiency
- We do not plan to return to shareholders through dividends in the short term
- No plans for share buybacks for now, but may do so in the future to improve capital efficiency



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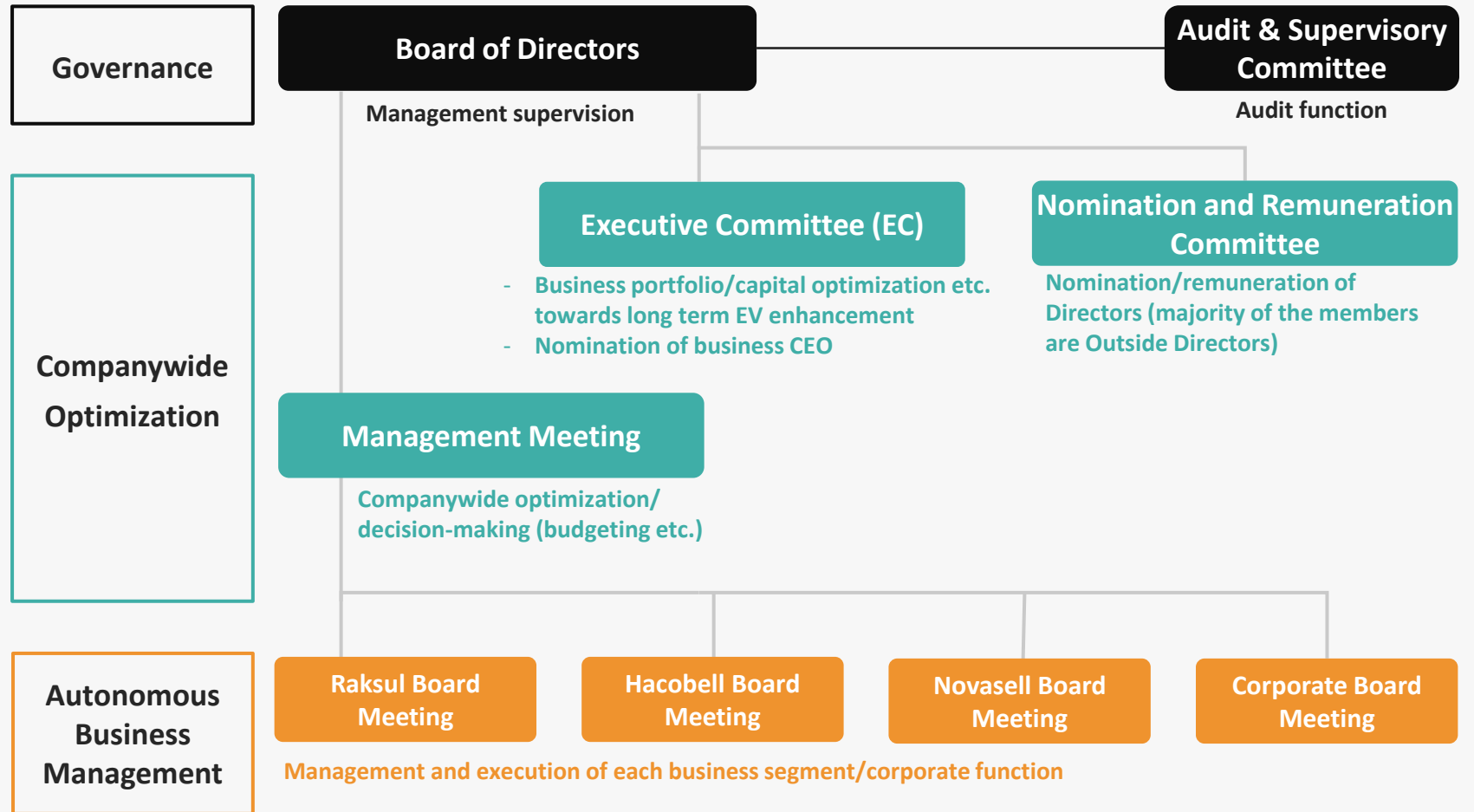
Governance Policy that Supports Realization of Our Vision



Governance System to Support Adequate Risk-Taking

- We have built a governance system that preserves and maximizes enterprise value while conducting portfolio management of multiple businesses
- We will ensure both companywide optimization and autonomous business management
- We established the Nomination and Remuneration Committee, with the majority of its members being outside directors, to ensure transparency in both nomination and remuneration

Role of each structure





Strengthening Governance Structure

- To appoint Sota Mizushima, current executive officer CPO as director to strengthen technology in management
- To appoint Yumiko Murakami as new outside director to strengthen ESG and finance perspectives

Sota Mizushima Profile

April 2005	Joined IBM Japan, Ltd.
Jan 2011	Joined DeNA Co., Ltd.
Oct 2017	Joined RAKSUL INC. General Manager Product Development Division
Jul 2019	RAKSUL INC. Executive Officer CPO (to present)
Jul 2020	RAKSUL VIETNAM COMPANY LIMITED CEO (to present)
Jan 2021	Japan CPO Association Director (to present)

Significant Concurrent Positions
Digital Agency CPO



Yumiko Murakami Profile

Aug 1989	United Nations Development Programme (Barbados)
Jan 1991	United Nations Secretariat (New York)
Sep 1991	United Nations Transitional Authority in Cambodia (Phnom Penh)
Aug 1994	Goldman Sachs International (London) Vice President
May 1997	Goldman Sachs and Co. (New York) Managing Director
Apr 2008	Goldman Sachs Japan Co., Ltd. Managing Director
Sep 2009	Credit Suisse Securities (Japan) Limited Managing Director
Sep 2013	OECD (Organization for Economic Co-operation and Development) Head of OECD Tokyo Centre
May 2021	Founded MPower Partners Fund L.P. General Partner (to present)

Significant Concurrent Positions
Daiwa Securities Group Inc.
Outside Director

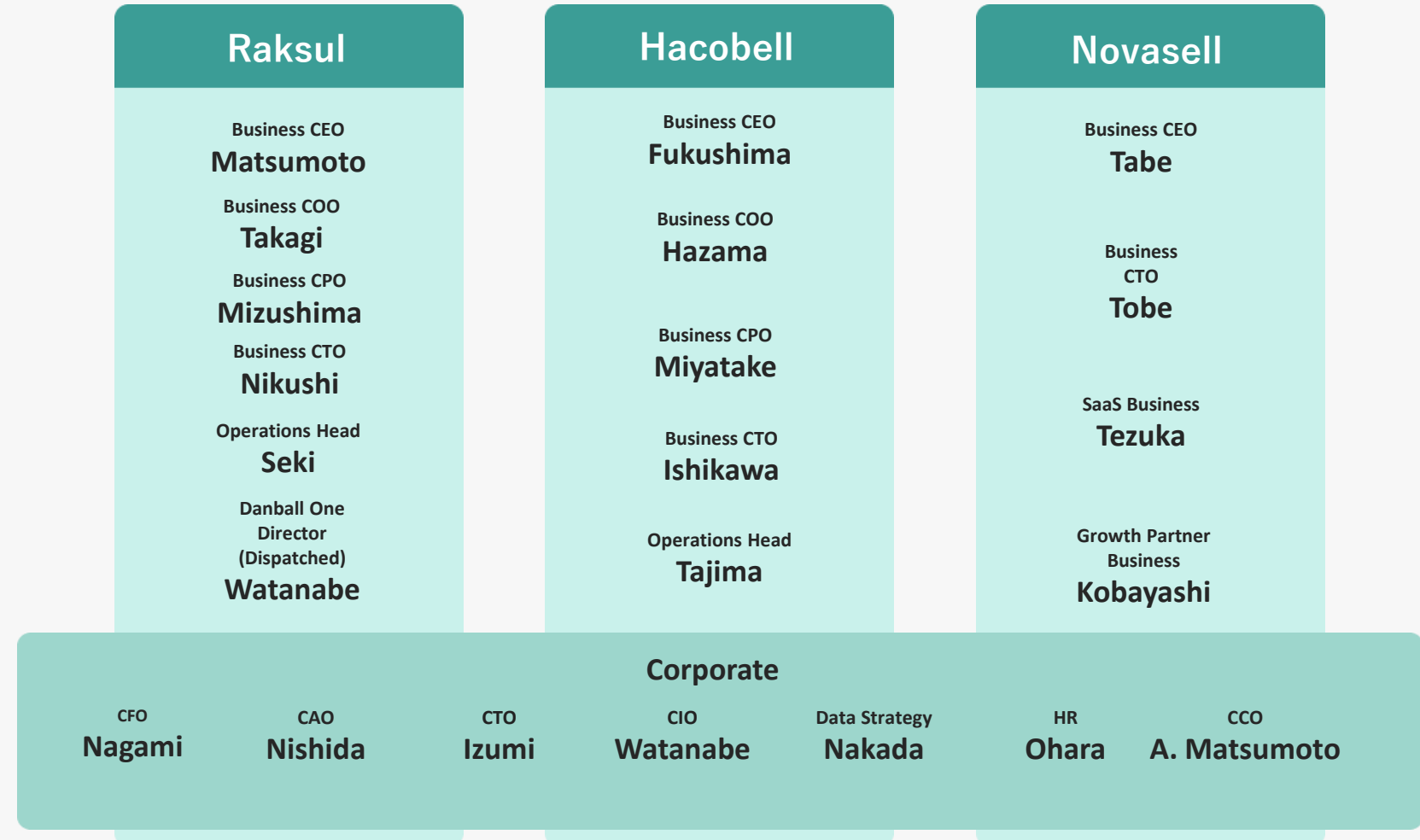




Strengthening of Leadership Team

- In the current period of multi-business portfolio management, the leadership team has been strengthened in each business and corporate function, and a strong execution structure has been established
- We focus on development and promotion of management personnel that lead the next generation

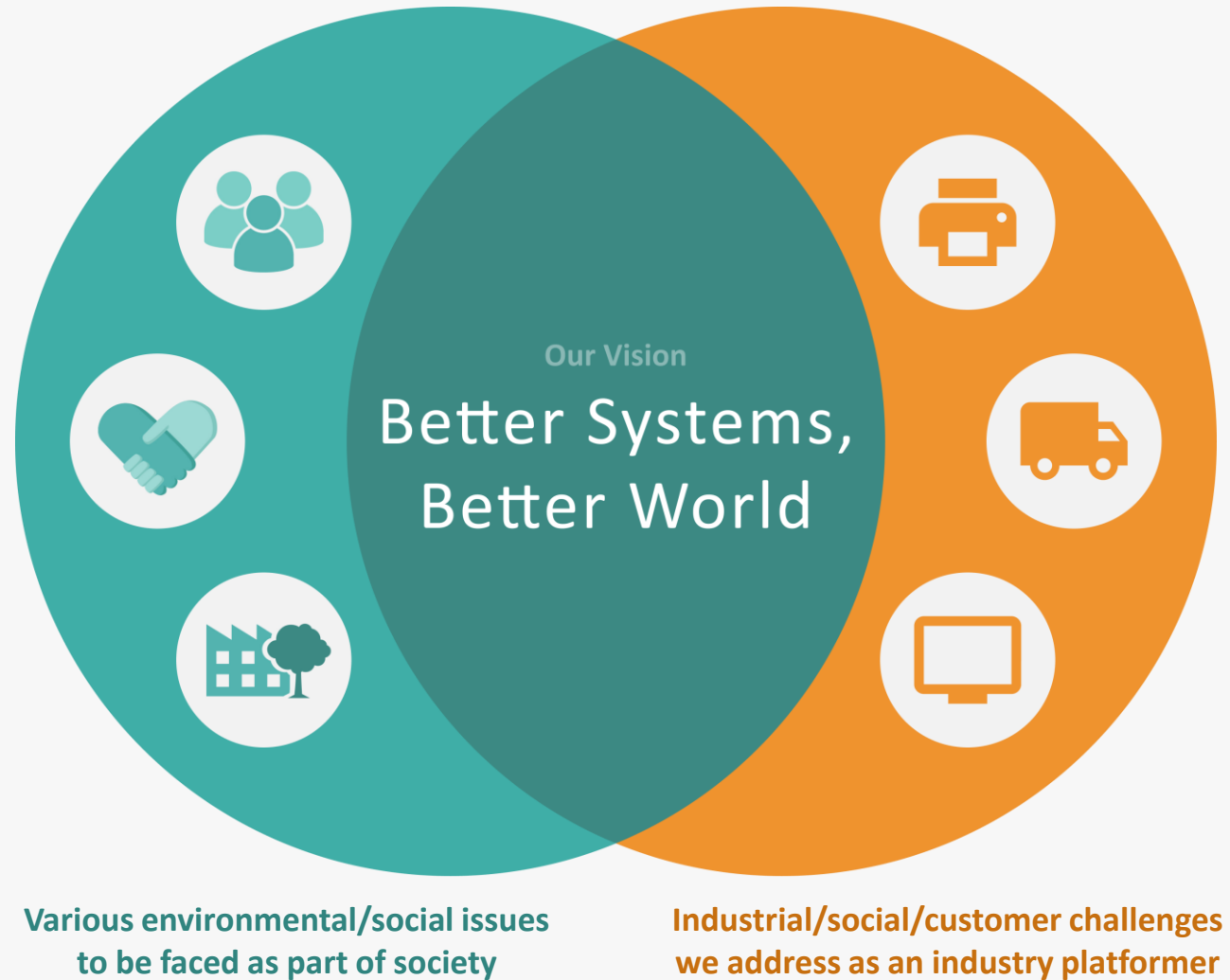
Internal Directors : CEO Matsumoto / CFO Nagami / CMO Tabe / COO Fukushima / CTO Izumi
 External Directors : Tamatsuka / Miyauchi / Kobayashi / Mori / Kotosaka / Utsunomiya





Why ESG is Important for Our Business

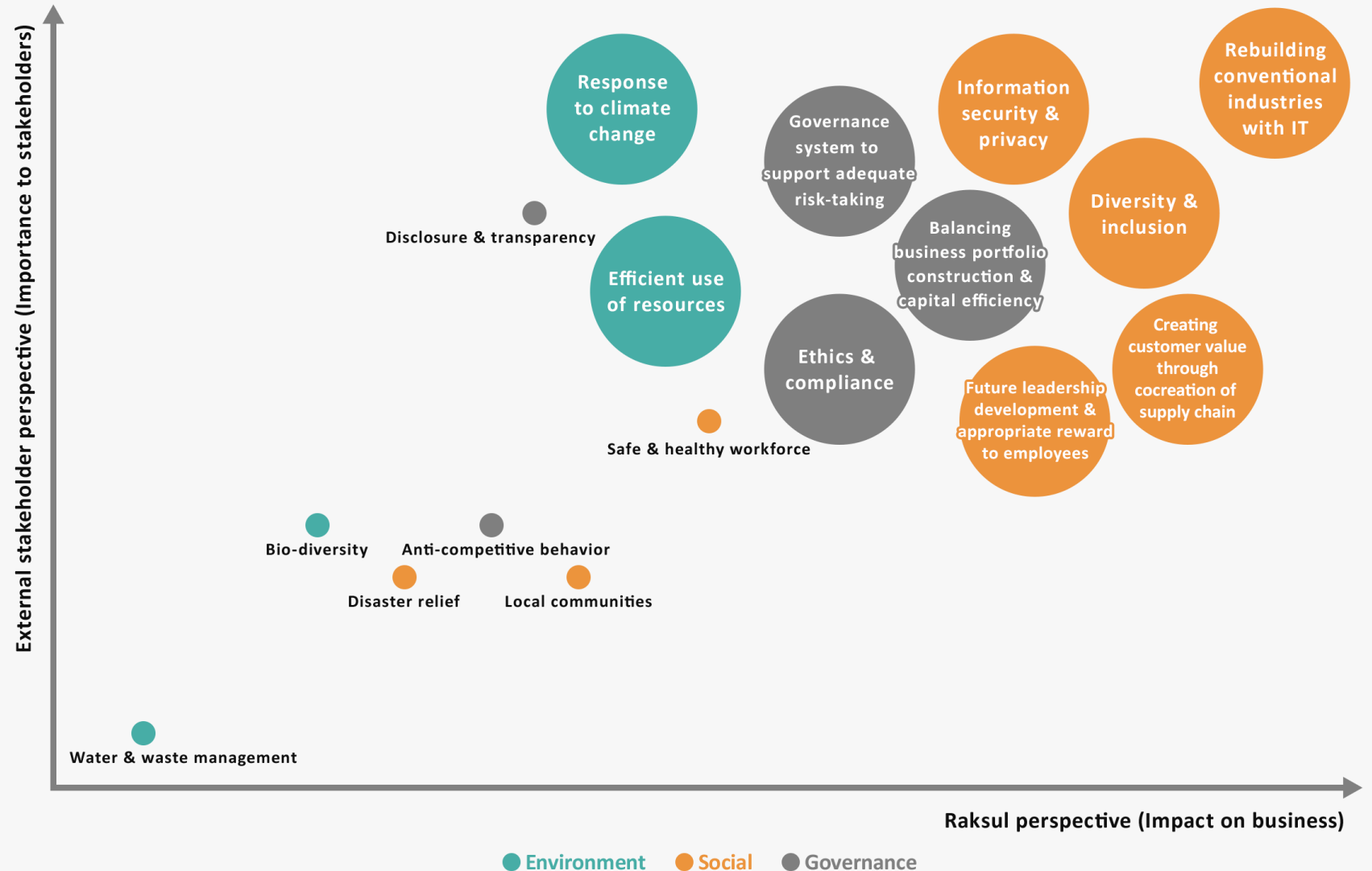
- Our corporate vision, “Better Systems, Better World” which encompasses our mission to make the society a better place, is the DNA of our company and the very purpose of our business
- Therefore, we believe our business activities based on our corporate vision and our contributions towards resolving environmental/social issues should be compatible





ESG Materiality

- We have identified our materiality by referring to external guidelines such as SASB and SDGs, as well as multiple discussions with stakeholders and the Board of Directors
- We will further strengthen our ESG initiatives in accordance with this materiality map
- We will review the map every 1-2 years, taking into account changes in social conditions and dialogues with stakeholders



6

Reference Materials





Company Overview

Name:	RAKSUL INC.
HQ:	Shinagawa-ku, Tokyo, Japan
Foundation:	September 2009
Management Team:	Yasukane Matsumoto, Founder and CEO Yo Nagami, CFO Masaki Tabe, CMO Kozo Fukushima, COO Yusuke Izumi, CTO Genichi Tamatsuka, Outside Director Yoshihiko Miyauchi, Outside Director Kenji Kobayashi, Outside Director Naomi Mori, Outside Director, Audit & Supervisory Committee Member Masahiro Kotosaka, Outside Director, Audit & Supervisory Committee Member Junko Utsunomiya, Outside Director, Audit & Supervisory Committee Member
# of Employees:	351 ⁽¹⁾ (as of July 2021)

Notes

(1) Calculated based on the conversion of FTE (full-time equivalent) values



Management Team



Yasukane Matsumoto

Founder and CEO

- Founded Raksul in September 2009
- Introduced the “Sharing Economy” model to the printing industry, in which idle assets are used more effectively
- Ex-consultant from A.T. Kearney
- Graduated from Keio University



Yo Nagami

CFO

- Joined Raksul in April 2014
- Well-versed in financial strategies with a wide range of knowledge obtained through experience in the financial and investment sectors
- Previously worked at Mizuho Securities, Carlyle Japan LLC, and DeNA
- Graduated from Keio University; MBA from The Wharton School of the University of Pennsylvania



Masaki Tabe

CMO

- Joined Raksul in August 2014
- Committed to expanding the scope of our services from marketing perspectives
- Previously worked at Marui Group and TAKE AND GIVE. NEEDS
- Graduated from Chuo University



Kozo Fukushima

COO

- Joined Raksul in July 2015
- Expert in business planning, corporate development, and production control
- Previously worked at Future Architect and ex-Principal of Boston Consulting Group
- Graduated from Keio University



Yusuke Izumi

CTO

- Joined Raksul in December 2015
- Leads the company’s overall technology vision including system engineering, creative and IT security
- Previously worked at Morgan Stanley MUFG Securities and DeNA
- Graduated from New England Conservatory



Management Team (Outside Directors)



Genichi Tamatsuka

Outside Director

- President, Representative Director of LOTTE HOLDINGS CO., LTD. (2021)
- Joined Raksul as an outside director in October 2017
- CEO of Digital Hearts (2017)
- Previously served as the CEO at Lawson (2016-2017) and the COO of Fast Retailing (2002-2005)
- Founder of Revamp (2005)
- Early career at IBM
- Graduated from Keio University



Yoshihiko Miyauchi

Outside Director

- Joined Raksul as an outside director in October 2019
- Senior Chairman of ORIX Corporation since June 2014
- Long standing career at ORIX Corporation since 1964, previous positions include the Representative Executive Officer, Chairman, and CEO
- Graduated from Kansai Gakuin University; MBA from the University of Washington



Kenji Kobayashi

Outside Director

- Joined Raksul as an outside director in October 2020
- Co-Founder of Signifiant Inc., since July 2017 to present
- Joined DeNA Co., Ltd., where he served as a director and executive officer (2009-2017)
- Joined Corporate Direction, Inc.(2005-2009)
- Graduated from The University of Tokyo; Master of Literature, Graduate School of Humanities and Sociology



Naomi Mori

Outside Director,
Audit & Supervisory Committee member

- Joined Raksul as an Outside Corporate Auditor in October 2014
- Joined Makoto Sato Accounting Office (2013)
- Joined Asahi & Co. (currently KPMG AZSA LLC)(1998)
- Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) (1997)
- Graduated from Saitama University



Masahiro Kotosaka

Outside Director,
Audit & Supervisory Committee member

- Joined Raksul as an Outside Corporate Auditor in June 2017
- Associate Professor at Faculty of Policy Management, Keio University (2016 to present)
- Associate Fellow at the Foundation France-Japon de L'École des Hautes Études en Sciences Sociales (2015)
- Associate Professor of College of Business Administration, Ritsumeikan University (2013)
- Joined McKinsey & Company, Inc. (2004)
- Graduated from Keio University; MSc. in Management Research with Distinction; D.Phil. in Management Studies from University of Oxford



Junko Utsunomiya

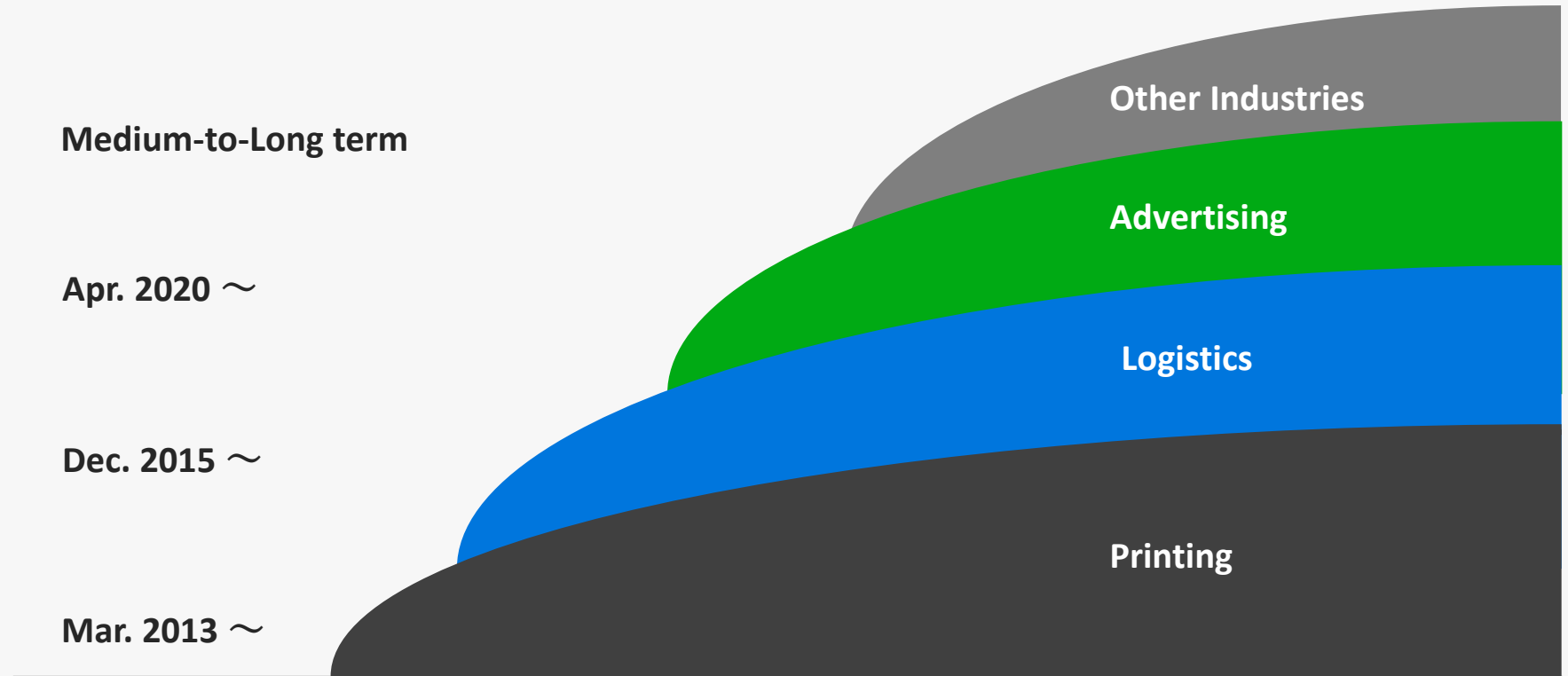
Outside Director,
Audit & Supervisory Committee member

- Joined Raksul as an Outside Corporate Auditor in October 2018
- Established the law firm, Utsunomiya Shimizu & Haruki, and assumed office as Partner (2018 to present)
- Established Utsunomiya Law Office (2011)
- Temporarily transferred to the Tokyo Stock Exchange, Inc. (2007)
- Registered as attorney at law and joined the law firm, Nagashima Ohno & Tsunematsu (2000)
- Graduated from The University of Tokyo; LL.M. from Columbia University



Innovation in Multiple Industries

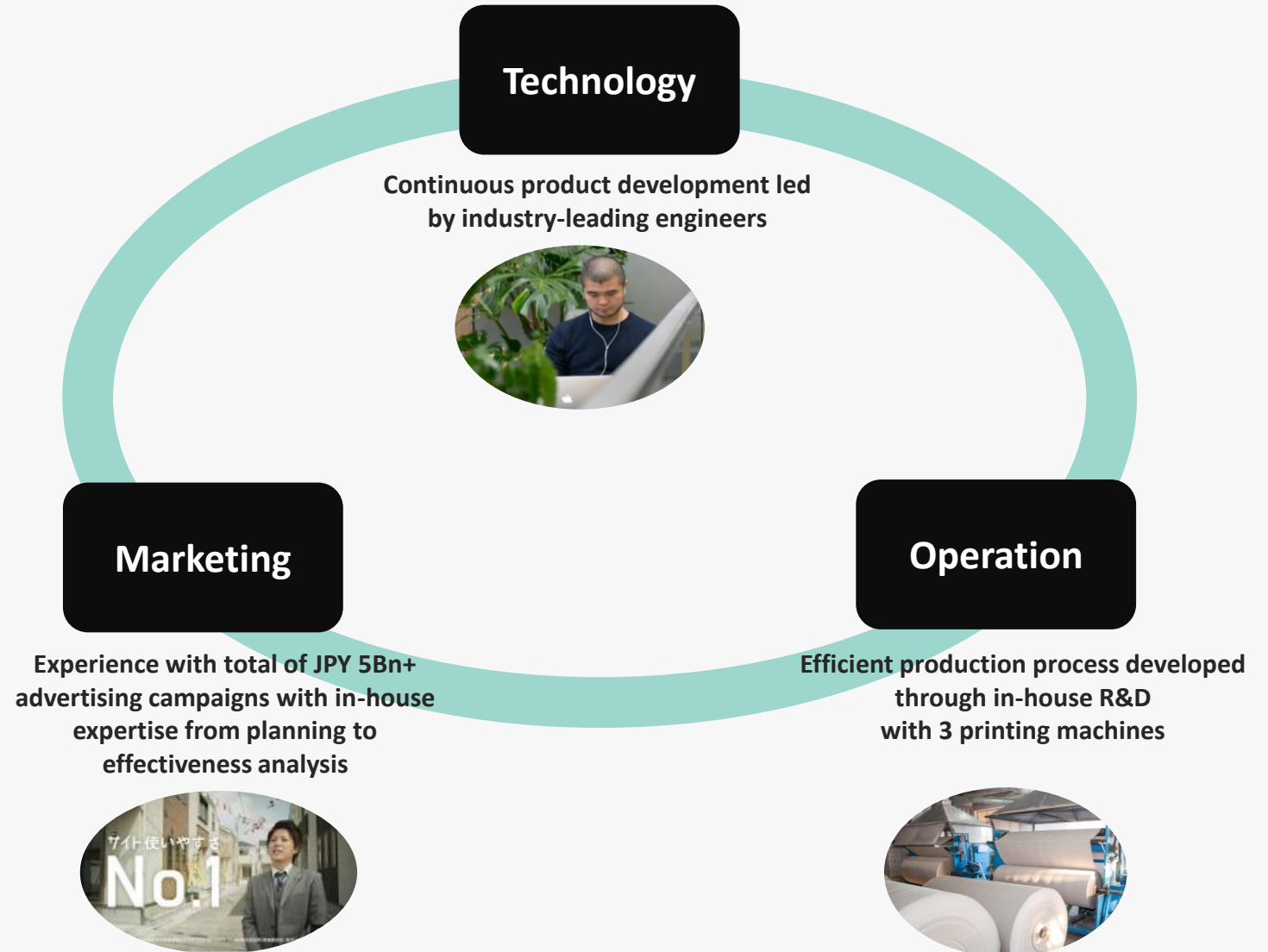
- In the medium-to-long term, we aim to expand our platforms into other industries





Organizational Structure that Enables Deep Penetration into the Industries

- Raksul is a technology company with operational know-how and marketing expertise - this is how we clearly differentiate ourselves from other pure-Internet players and legacy industry incumbents





Our New Technology Development Centers

- In order to strengthen our technology development, we have established two new technology development centers in Vietnam and India in 2020

Vietnam

- Since 2018, we have been conducting operations/service development for Raksul business segment together with local companies responsible for offshore development
- By establishing a center, we will strengthen our ability to recruit local development members and refine products and services mainly for the Raksul business segment

< Overview >

RAKSUL VIETNAM COMPANY LIMITED

Location : Ho Chi Minh, Socialist Republic of Vietnam

Establishment date : June 2020

India

- We have established a development center in Bengaluru, India, the third largest country in the world in terms of the number of IT engineers ⁽¹⁾, to strengthen our development capabilities

< Overview >

RAKSUL INDIA PRIVATE LIMITED

Location : Bengaluru, Republic of India

Establishment date : July 2020



Vietnam Office

Notes

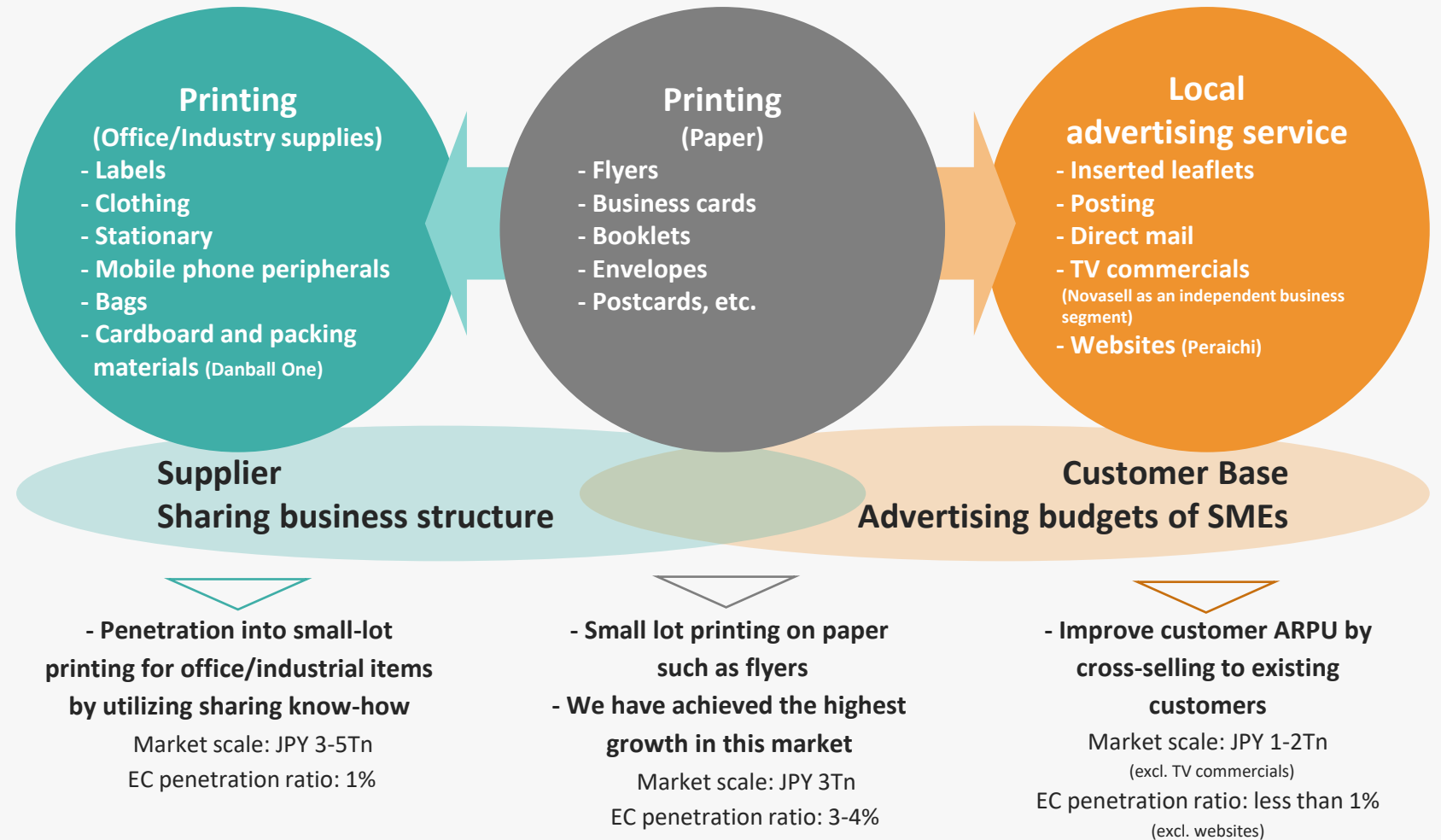
(1) Source: Human Resocia "IT Engineer Report"



Market and Growth Strategy

By utilizing the customer and supplier base we have acquired through our flyer printing business, we aim to expand TAM and increase revenue per customer through the following expansions:

- 1) Increase ARPU of existing customers by expanding offline advertising services
- 2) Expand the customer base by launching additional unique product lines





Acquisition of Shares in Peraichi Inc.

- We have acquired shares in Peraichi Inc. as part of business development in sales promotion area by leveraging the customer base of existing Raksul business

Company name: Peraichi Inc.

Business: Operation of Website creation SaaS “Peraichi”

CEO: Kazuhide Hashida

Financial standing: Monthly revenue around JPY 30MM; growth accelerating under COVID-19 environment

Deal Overview: Share purchase from existing shareholders and subscription of newly issued shares, resulting in shareholding ratio of approximately 49%



Service Overview

- A SaaS service which enables anyone to easily create a website
- Offer payment function for online shops
- Highly compatible with printing EC (commercial printing) as the service is utilized by SMEs in various industries nationwide for sales promotion and marketing purposes



Acquisition of Shares in DANBALL ONE. Inc.

- We expect synergy by utilizing our know-how in sharing, and expanding our customer base with additional product range

Company name: DANBALL ONE. Inc.
 Business: Operation of “Danball One,” an online order platform for cardboard and packing materials
 CEO: Toshihiro Tsuji
 Financial standing: Monthly Revenue around ¥350MM; increase in EC transactions due to COVID-19 and growth accelerating due to TV commercials (provided by Novasell)
 Deal Overview: Acquisition of approximately 49% of shares through purchase from existing shareholders



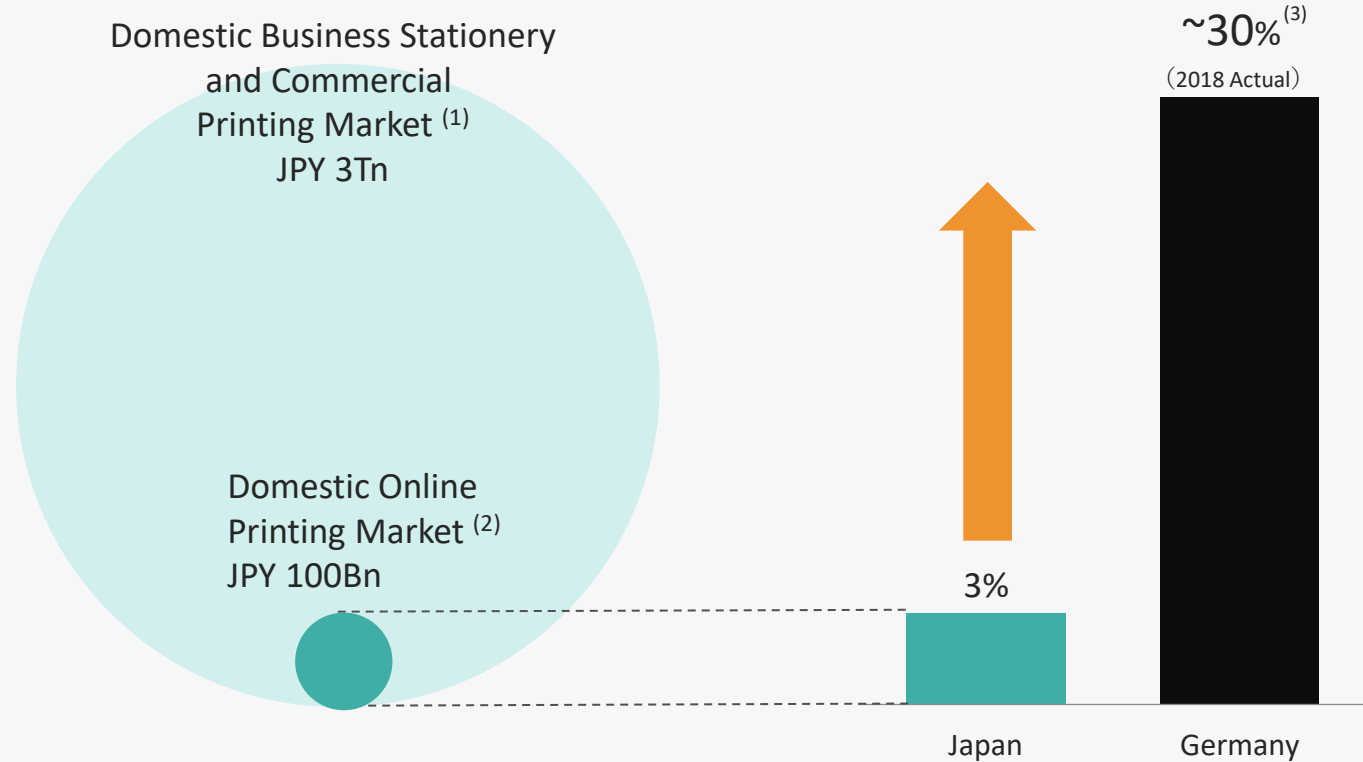
Service Overview

- No. 1 market share in Japan for 3 consecutive years in EC site for cardboard and packing materials
- Largest network in the cardboard and packing materials business
- System built to provide services at low cost and with small lots
- Majority of the customers are sole proprietors and SMEs; compatible with RakSul’s printing EC customer base



TAM Expansion Driven by Further EC Penetration

- There is still huge potential for e-commerce penetration in the printing industry



Source: Yano Research Institute, METI

Notes

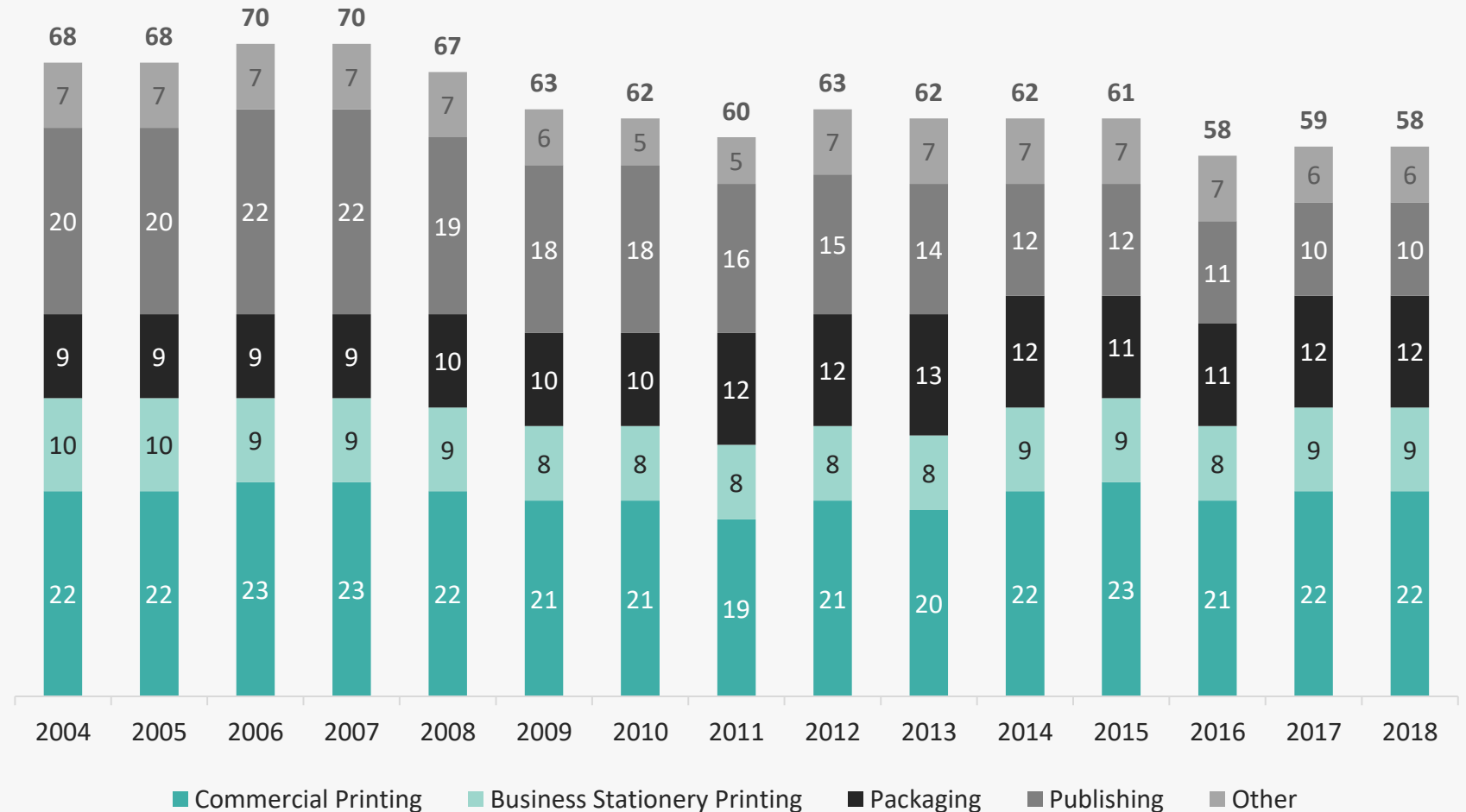
- (1) Calculated based on "Current Production Statistics: Paper, Printing, and Plastic" (METI)
- (2) Calculated based on the financial information of domestic online printing companies (2019)
- (3) Source: zipcon consulting (2019)



Historical Trends of Japanese Printing Market

- The overall printing market size decreased due to the shrinking publishing segment, while the segment size of business stationery printing and commercial printing (i.e. RakSul's target segments) remained roughly flat

(in JPY 100Bn)



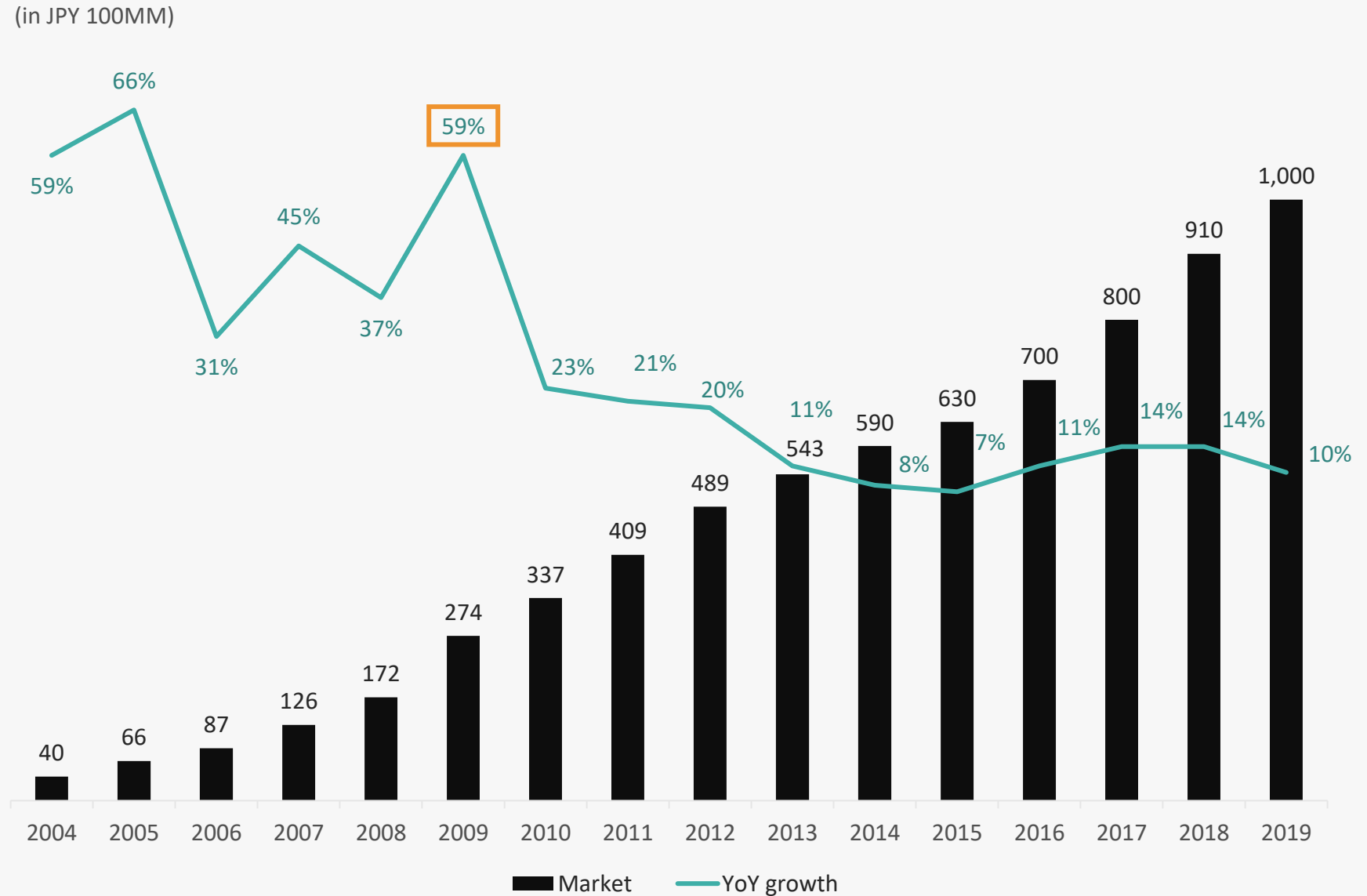
Source: Overall printing market: calculated based on "Current Production Statistics: Paper, Printing, and Plastic" (METI) on a basis of production volume



Estimated Market Size and YoY Growth of the Domestic Printing EC Market

Market

- There was significant growth in the printing EC market during the post-financial crisis recession



Source: Yano Research Institute (2004-2014), calculated based on financial information of domestic online printing companies (2015-2019)

Service Offerings

- We started with last-mile services, then expanded into intra-city and inter-city services

Hacobell's Target Market

	Last mile	Intra-city	Inter-city
Vehicle type	Light van	Small and Medium truck (2t - 4t)	Large truck (10t)
Unit price	JPY 5,000 - 10,000	JPY 20,000 - 40,000	JPY 50,000 - 100,000
Market size	JPY 4Tn ⁽¹⁾	JPY 10Tn ⁽¹⁾	
			
Suppliers / Partners	Enterprises and individuals	Enterprises only	Enterprises only

Source: Japan Trucking Association

Notes

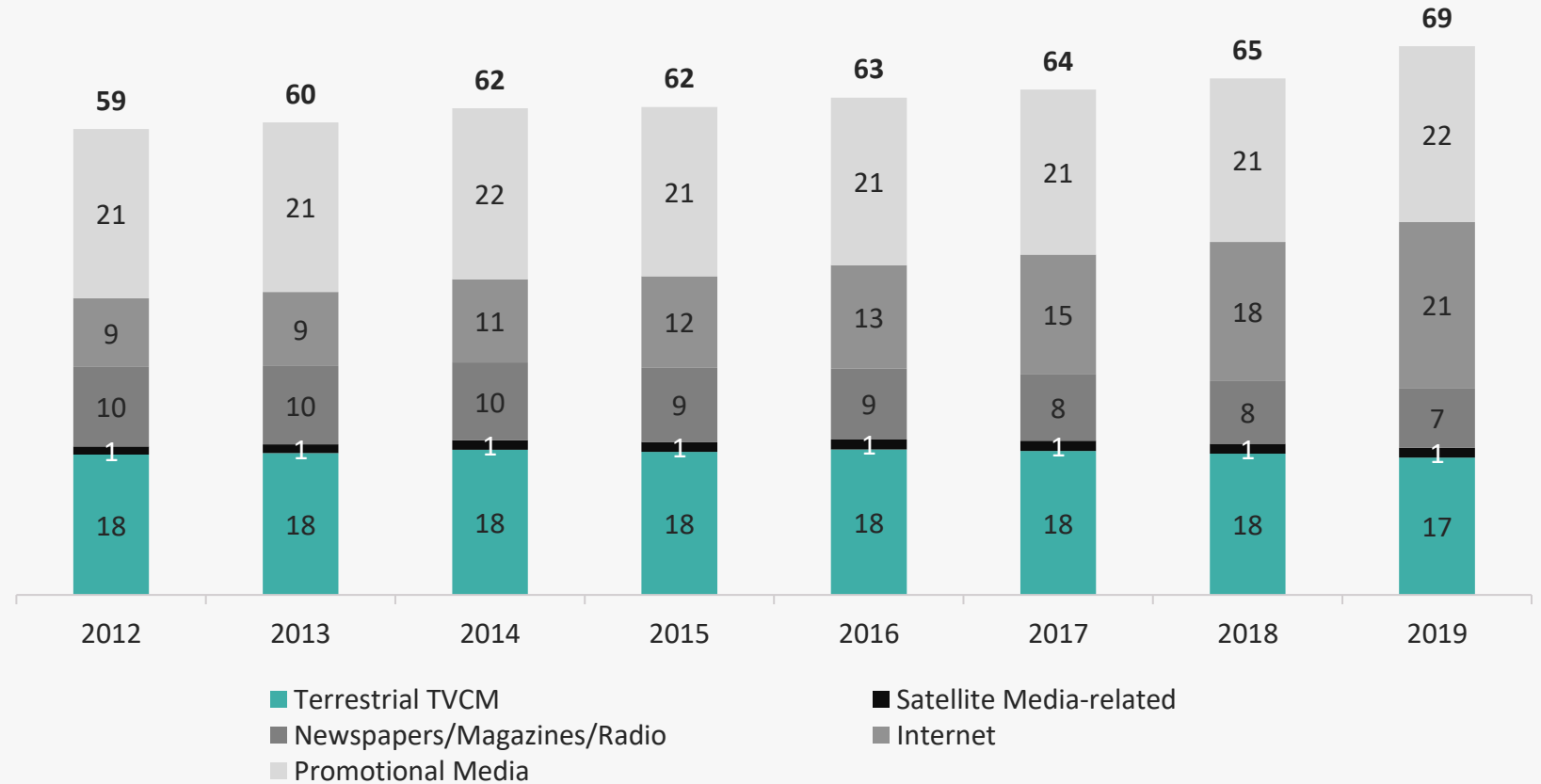
(1) Estimated based on "Japan trucking industry 2018 - current status and issues" published by Japan Trucking Association



Domestic Advertising Market

- While the Internet Advertising market grew, the Terrestrial TV Commercial market has remained roughly flat

(in JPY 100Bn)



Source: Dentsu "Advertising Expenditures in Japan" (2019)



External Ratings / Strengthening Information Disclosure

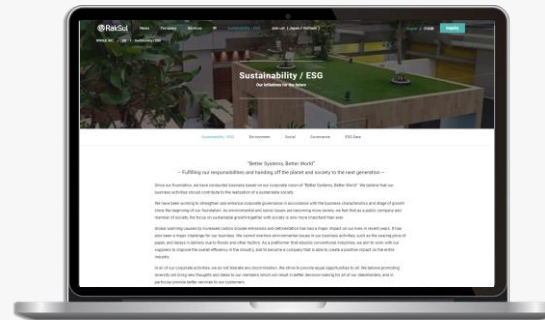
- We have been awarded a "BBB" rating by MSCI ESG Research as of April 2021. We will strive to continuously improve through constructive dialogue with stakeholders
- We launched our new "Sustainability / ESG" website in June 2021. We will strive to provide enhanced information related to ESG and disclose such information proactively, in addition to the ESG activities themselves

MSCI ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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As of 2021, Raksul Inc. received an MSCI ESG Rating of BBB.



<https://corp.raksul.com/esg/>

<https://corp.raksul.com/en/esg/>

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P7 Direction of Growth

- Indirect cost market: Total selling, general and administrative expenses of all stocks listed on the Tokyo Stock Exchange (excluding ETFs, REITs and securities investments)
- Business stationery and commercial printing market: Calculated based on “Current Production Statistics: Paper, Printing, and Plastic” (METI), production volume basis
- Novelties market: Estimate based on "Corporate Gift Market“ (Yano Research Institute report, 2020)
- Promotional media = Offline advertising Market: Total of inserts, DM, and free papers from “Advertising Expenditures in Japan” (Dentsu, 2020)
- TV commercials market: "Advertising Expenditures in Japan" (Dentsu, 2019)
- Taxi advertising market: Not added as value since it is part of the transportation digital signage market
- Trucking market: Estimated based on “Japan Trucking Industry 2018 - Current Status and Issues” (Japan Trucking Association)
- Corporate IT market = 1. Total device value in the domestic IT market shipment forecast + 2. Industry general-purpose SaaS:
 1. “Domestic IT Market Forecast by Industry Sector / Employee Size / Annual Sales Size, 2021-2025: Considering the Impact of COVID-19 as of the End of March 2021” (IDC Japan, May 2021)
 2. "2021 Current Status and Future Prospects of Cloud Computing <Market>" (Fuji Chimera Research Institute, March 2021)
- Packaging market = Board/paperboard products + flexible packaging and sealing labels: “2020 Japan Packaging Industry Shipment Statistics” (Japan Packaging Institute)
- Website production market: Estimated based on “Web Integration & Internet Advertising Platform Market Status and Outlook 2017 Edition” (Mick Economic Research Institute) + CMS providers’ revenue

P18 Brand Recognition

- **Raksul: Online Printing Companies Recognition**
 - Raksul survey on “Online Printing”
 - Scope: 500 male/female, ages 20-69, nationwide, in companies over 100 employees and revenue JPY 10Bn yen, that have ordered printing services within a year (excluding students, housewives/stay-at-home husbands, part-timers, unemployed)
 - Method: Internet
 - Survey monitor provider: GMO Research, Inc.
 - Period: Sep 11th - 14th, 2021
- **Hacobell: Vehicle Allocation Planning System of Interest**
 - Logistics Today August 30, 2021 “Top 40 Vehicle Allocation Planning System of Interest”
- **Novasell: Programmatic TV Commercial Services Effectiveness Visualization Tool Frequency of Usage / Recognition**
 - Raksul survey on “TV CM campaigns”
 - Scope: 300 directors/managers/employees in marketing/PR/corporate planning, ages 22-69, in companies with annual ad spend of over JPY 1bn with experience in TV CM campaigns
 - Method: Internet
 - Survey monitor provider: GMO Research, Inc.
 - Period: Jan 25th - 29th, 2021



Disclaimer

Handling of this material

This material includes forward-looking statements. These forward-looking statements were created based on the information available at the time they were created. They do not guarantee our future results and involve certain risks and uncertainties. Please note that actual results may differ materially from those discussed in the forward-looking statements due to changes in environments surrounding Raksul or any other factors.

The factors which may affect actual results include but are not limited to: Japanese and global economic conditions, and conditions of markets in which Raksul operates.

Raksul is not obligated to update or revise any content of the forward-looking statements within this material, even in cases such as where new information becomes available or future events take place.

Information contained within this material on other topics besides Raksul is quoted from published information and other sources. As such, the accuracy, appropriateness, etc. of such information has not been verified, nor do we guarantee them thereof.

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