Company name: RAKSUL INC.

Representative: Yasukane Matsumoto

Representative Director, President and CEO

(TSE First Section Code No. 4384)

Contact: Yo Nagami

Director, CFO

Announcement of Completion of Acquisition of DANBALL ONE. Inc. as a Wholly Owned Subsidiary, Recording of Extraordinary Gain and Notice concerning Consolidated Financial Forecast in connection with Commencement of Consolidated Accounting

As announced on December 9, 2021 in the "Notice on the acquisition of additional shares of DANBALL ONE. Inc.", RAKSUL INC. (the "Company") acquired additional shares of DANBALL ONE. Inc. ("DANBALL ONE") and made it a wholly owned subsidiary. Accordingly, the Company has decided to introduce a consolidated accounting system from the third quarter of the fiscal year ending July 31, 2022. The Company is also expecting to record extraordinary gain as detailed below.

1. Consolidated Financial Forecast for the Fiscal Year Ending July 31, 2022 (August 1st, 2021 - July 31st, 2022)

	Revenue	Operating Profit (Loss)	non-GAAP EBITDA	Ordinary Profit (Loss)	Profit (loss) attributable to owners of the parent	Earnings (Loss) per Share
	In JPY MM	In JPY MM	In JPY MM	In JPY MM	In JPY MM	In JPY
Full year	35,600	330	1,440	(210)	320	11.06
	~36,600	~380	~1,540	~(160)	~370	~12.78

- (1) Non-GAAP profits are calculated by deducting or adjusting non-recurring items and other specific adjustable items from GAAP profits (Japan GAAP) based on certain rules. We disclose non-GAAP figures as we believe they are useful in understanding our fundamental business performance. Specifically, we adjust certain one-off profits and losses that we deem deductible (mainly stock-based compensation, depreciation and goodwill amortization expenses).
- (2) As the Company did not consolidate accounts for the fiscal year ending July 31, 2021, the percentage change from the previous fiscal year is not shown.

2. Overview of Consolidated Financial Forecast

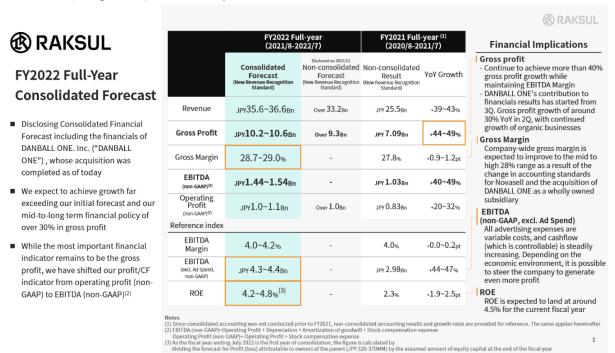
The above consolidated financial forecast figures reflect the financial forecast of DANBALL ONE for the period from February 1, 2022 to July 31, 2022, following its consolidation as a subsidiary.

In addition, since it is necessary to prepare consolidated financial statements retrospectively from the beginning of the fiscal year due to the commencement of consolidated accounting in the middle of the fiscal year, the equity method investment gains and losses (including the amount equivalent to amortization of goodwill) from August 1, 2021 to January 31, 2022 of DANBALL ONE which was an affiliate at the beginning of the fiscal year, and the equity method investment gains and losses (including the amount equivalent to amortization of goodwill) of Peraichi Inc. and Net Square Co., Ltd. are factored in.

Notes:

(1) The forecasts presented are based on the information currently available to the Company. The actual results may differ due to various factors in the future.

(2) For further details, please refer to the "Full Year Consolidated Financial Forecast for the Fiscal Year Ending July 31, 2022" (excerpt below) disclosed today.



3. Non-consolidated financial forecast

In conjunction with the announcement of the consolidated financial forecast, we will only disclose the consolidated financial forecast going forward, thus the non-consolidated financial forecast will be withdrawn.

4. Recording of extraordinary gain

The Company expects to record an extraordinary gain of approximately ¥750 million as a valuation gain (gain on step acquisition) due to the revaluation of its previously held stake in DANBALL ONE at the market price as at the time of the additional acquisition.