



Full Year Consolidated Financial Forecast for the Fiscal Year Ending July 31, 2022

RAKSUL INC. (TSE First Section: 4384)

February 1, 2022





FY2022 Full-Year Consolidated Forecast

- Disclosing consolidated financial forecast including the financials of DANBALL ONE, Inc. (“DANBALL ONE”), whose acquisition was completed as of today
- We expect to achieve growth far exceeding our initial forecast and our mid-to-long term financial policy of over 30% in gross profit
- While the most important financial indicator remains to be the gross profit, we have shifted our profit/CF indicator from operating profit (non-GAAP) to EBITDA (non-GAAP)⁽²⁾

	FY2022 Full-year (2021/8-2022/7)		FY2021 Full-year ⁽¹⁾ (2020/8-2021/7)	
	Consolidated Forecast (New Revenue Recognition Standard)	Disclosed on 2021/12 Non-consolidated Forecast (New Revenue Recognition Standard)	Non-consolidated Result (New Revenue Recognition Standard)	YoY Growth
Revenue	JPY35.6~36.6Bn	Over 33.2Bn	JPY 25.5Bn	+39~43%
Gross Profit	JPY10.2~10.6Bn	Over 9.3Bn	JPY 7.09Bn	+44~49%
Gross Margin	28.7~29.0%	-	27.8%	+0.9~1.2pt
EBITDA (non-GAAP) ⁽²⁾	JPY1.44~1.54Bn	-	JPY 1.03Bn	+40~49%
Operating Profit (non-GAAP) ⁽²⁾	JPY1.0~1.1Bn	Over 1.0Bn	JPY0.83Bn	+20~32%
Reference index				
EBITDA Margin	4.0~4.2%	-	4.0%	+0.0~0.2pt
EBITDA (excl. Ad Spend, non-GAAP)	JPY 4.3~4.4Bn	-	JPY 2.98Bn	+44~47%
ROE	4.2~4.8% ⁽³⁾	-	2.3%	+1.9~2.5pt

Notes

- (1) Since consolidated accounting was not conducted prior to FY2021, non-consolidated accounting results and growth rates are provided for reference. The same applies hereinafter
- (2) EBITDA (non-GAAP)=Operating Profit + Depreciation + Amortization of goodwill + Stock compensation expense
Operating Profit (non-GAAP)=Operating Profit + Stock compensation expense
- (3) As the fiscal year ending July 2022 is the first year of consolidation, the figure is calculated by dividing the forecast for profit (loss) attributable to owners of the parent (JPY 330-370MM) by the assumed amount of equity capital at the end of the fiscal year

Financial Implications

Gross profit

- Continue to achieve more than 40% gross profit growth while maintaining EBITDA Margin
- DANBALL ONE's contribution to financials results has started from 3Q. Gross profit growth of around 30% YoY in 2Q, with continued growth of organic businesses

Gross Margin

Company-wide gross margin is expected to improve to the mid to high 28% range as a result of the change in accounting standards for Novasell and the acquisition of DANBALL ONE as a wholly owned subsidiary

EBITDA (non-GAAP, excl. Ad Spend)

All advertising expenses are variable costs, and cashflow (which is controllable) is steadily increasing. Depending on the economic environment, it is possible to steer the company to generate even more profit

ROE

ROE is expected to land at around 4.5% for the current fiscal year

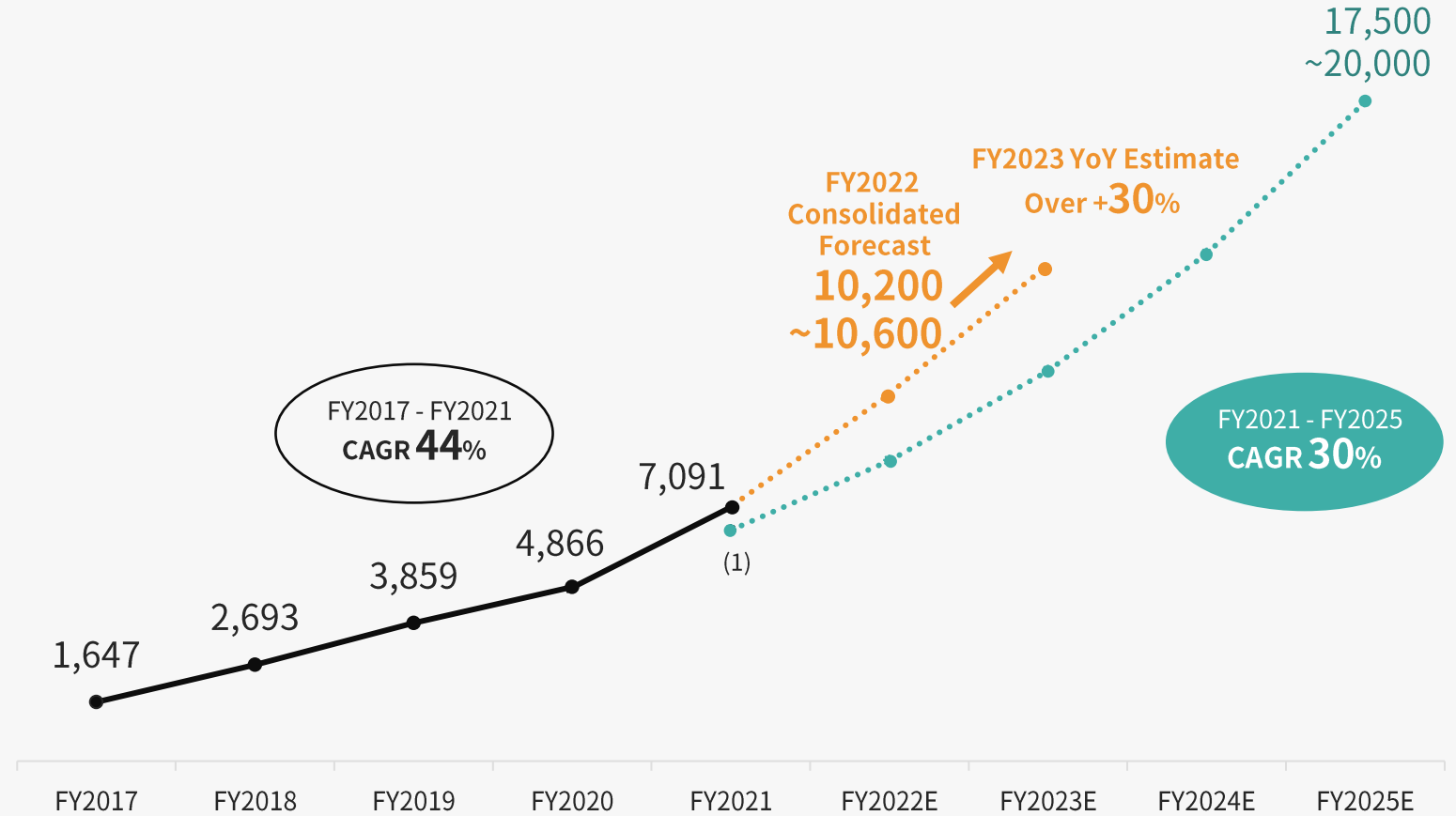
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Medium-to-Long Term Financial Targets and Policies

- Our medium-to-long-term target of JPY 17.5-20.0Bn in gross profit for FY2025 is expected to be achieved at an early stage, due to the continued growth of our organic businesses and the acquisition of DANBALL ONE as a wholly owned subsidiary
- Gross profit growth of more than 30% and higher EBITDA (non-GAAP) expected in FY2023 (next fiscal year)
- As a listed company, we are conscious of capital efficiency and aim to achieve 10% ROE/ROIC in the medium term

Gross Profit: Medium-to-Long Term Target

(in JPY MM)



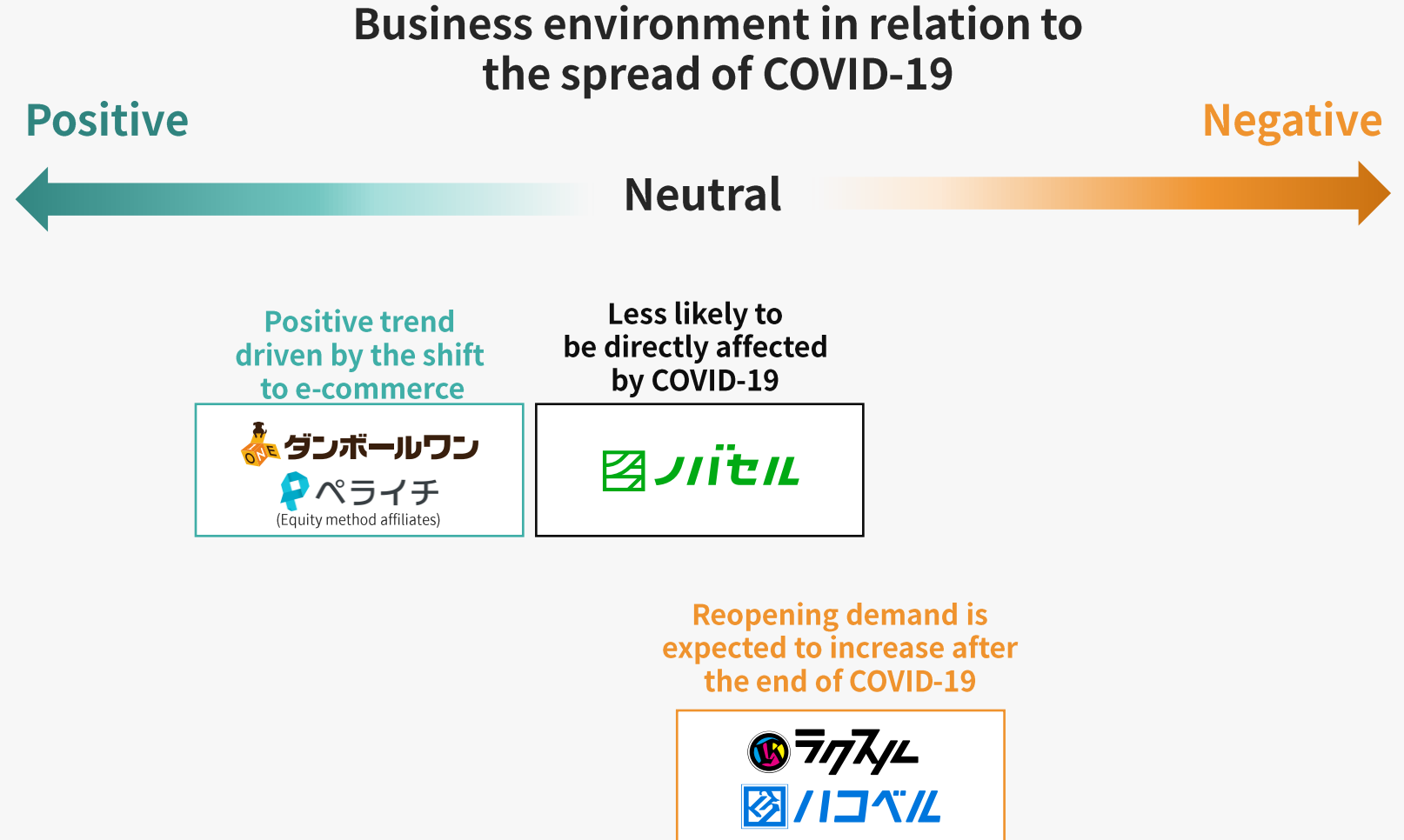
Notes

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

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Managing COVID-19 Impact through our Business Portfolio

- We have built a business portfolio capable of sustained company-wide growth even if COVID-19 persists longer or converges





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Better Systems, Better World



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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