

March 11, 2022

Company name: RAKSUL INC.
Representative: Yasukane Matsumoto
Representative Director, President and CEO
(TSE First Section Code No. 4384)
Contact: Yo Nagami
Director, CFO

Notice Regarding Change in Subsidiary due to Third-Party Allotment of New Shares

RAKSUL INC. (hereinafter the “Company”) hereby announces that a resolution was made today at the General Meeting of Shareholders of JOSYS INC. (hereinafter “JOSYS”), a subsidiary of the Company, to implement a third-party allotment of new shares of JOSYS with a payment date of March 31, 2022. The Company also announces that JOSYS will cease to be a consolidated subsidiary of the Company as a result of this capital increase through third-party allotment.

As this matter does not fall under the timely disclosure standards of the Tokyo Stock Exchange, some disclosure items and details have been omitted.

1. Reason for the third-party allotment

Josys, an IT Devices & SaaS integrated management cloud business started in September 2021 and has been accelerating its development following the establishment of JOSYS through company split in February 2022. The Company will conduct a third-party allotment of new shares in order to strengthen its financial standing and secure necessary funds for business operations towards further growth and expansion of the business. As a result of this capital increase, the Company's shares in JOSYS will decrease, and JOSYS will cease to be a consolidated subsidiary and become an equity method affiliate of the Company as of the payment date of March 31, 2022. The Company holds stock acquisition rights for JOSYS and can acquire majority of JOSYS's voting rights by exercising the aforementioned rights in the future.

2. Outline of the third-party allotment of new shares

(1) Number of shares issued	108,100 common shares
(2) Method of issuance	Third-party allotment
(3) Issue price	500 yen per share
(4) Number of shares outstanding after the capital increase	118,100 shares
(5) Increase in capital	27,025,000 yen
(6) Amount of capital after the capital increase	127,025,000 yen
(7) Payment date	March 31, 2022
(8) Allottee	We will not be disclosing this information due to confidentiality reasons.
(9) Percentage of voting rights held by the Company	35.6% (Including ownership by close associates, etc. 27.1%)

3. Overview of the subsidiary to be transferred

(1) Company name	JOSYS INC.
(2) Location	2-24-9 Kami-Osaki, Shinagawa-ku, Tokyo
(3) Representative	Yasukane Matsumoto, Representative Director and President

(4)	Business overview	IT devices & SaaS integrated management cloud business	
(5)	Share capital	100,000,000 yen	
(6)	Date of establishment	February 1, 2022	
(7)	Major shareholders and shareholding ratio	RAKSUL INC. 100.0%	
(8)	Relationship with the Company	Capital relationship	The Company owns 100.0% of the shares of JOSYS.
		Personnel relationship	The company has dispatched 1 director to JOSYS.
		Business relationship	There are business transactions between the Company and JOSYS.

4. Future Outlook

The impact of the change on the Company's consolidated results is expected to be minimal.