

Company name: RAKSUL INC.  
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 Representative Director, President and CEO  
 (TSE Prime Market Code No. 4384)  
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 Director, CFO

### Announcement of revision of consolidated financial forecast

After reviewing recent business trends, RAKSUL INC. (the “Company”) has decided to revise the consolidated financial forecast for the fiscal year ending July 31, 2022, which was announced on February 1, 2022, as follows.

The Company also expects to record deferred tax assets for the fourth quarter of the fiscal year ending July 31, 2022, as the Company resolved to transfer the Hacobell (logistics platform) business through company split and establish a joint venture (the “JV”) as per “Notice on Establishment of a Joint Venture with Seino Holdings Co., Ltd. through a Company Split (Simplified Incorporation-type Company Split), Transfer of Shares and Capital Increase by Third Party Allotment of the New Subsidiary” disclosed today.

#### 1. Revision of consolidated financial forecast for FY2022 (August 1, 2021 - July 31, 2022)

	Revenue	Gross Profit	Operating Profit	non-GAAP Operating Profit	Ordinary Profit (Loss)	Net Profit Attribute to Owners of Parent	Earnings per Share
Previously announced forecast (A)	In JPY MM 35,600 ~36,600	In JPY MM 10,200 ~10,600	In JPY MM 330 ~380	In JPY MM 1,440 ~1,540	In JPY MM (210) ~(160)	In JPY MM 320 ~370	In JPY 11.06 ~12.78
Revised forecast (B)	33,400 ~33,800	9,600 ~9,800	330 ~380	1,440 ~1,540	(250) ~(200)	880 ~930	30.00 ~32.00
Difference (B-A)	(2,200) ~(2,800)	(600) ~(800)	-	-	(40) ~(40)	560 ~560	18.94 ~19.22
Difference in percentage (%)	(6.2) ~(7.7)	(5.9) ~(7.5)	-	-	(19.0) ~(25.0)	151.4 ~175.0	150.4 ~171.2

Notes:

- (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 expenses).
- (2) Results for the previous year ended July 31, 2021 is not shown as consolidated accounting was introduced from the third quarter of the fiscal year ending July 31, 2022.

#### 2. Reasoning for the revision of forecast

For the revenue of the current fiscal year, we expected to see a decrease from the previously announced figures. The Raksul segment has been affected by the external environment as semi-state of emergency COVID-19

measures were continuously extended, while the revenue from Novasell segment decreased as demand from startup companies, our main customers of this segment, weakened resulting from changes in the financing environment. Regarding profits, as we have been focused on improving gross margins in each business, we expect the gross profit, which is the source of enterprise value, to be ¥9.6 billion - ¥9.8 billion. This is mainly due to growth of SaaS profits and profit contribution from DANBALL ONE, Inc. (“DANBALL ONE”), which became our wholly owned subsidiary in February 2022.

Based on our continuous efforts on cost management with a stronger focus on return on investment for SG&A expenses, we expect the EBITDA (non-GAAP) to be ¥1.44 billion - ¥1.54 billion and the operating profit to be ¥330 million - ¥380 million, the same level as the previously announced forecast.

The figures for ordinary profit and below include the equity method investment gains and losses as we prepared 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, as well as the valuation gain (gain on step acquisition) of DANBALL ONE due to the additional acquisition as per previous announcement. It also factors in the recording of deferred tax assets as described in section 3 below.

Notes:

- (1) The forecasts presented are based on the information currently available to the Company. The actual results may differ depending on a range of factors.
- (2) For further details, please refer to “Financial Results for the 3rd Quarter of Fiscal Year Ending July 31, 2022” (excerpts below) disclosed today.



### FY2022 Full-Year Consolidated Forecast

- Although both revenue and gross profit has been revised downward by around 6% from the February forecast due to continuously extension of semi-state of emergency COVID-19 measures and other changes in the macro environment, we will continue to achieve strong growth of more than 30%. Profits are expected to be in line with the previous forecast
- As for 4Q, a quiet period for all businesses, revenue growth is expected to be 39-45% YoY, gross profit growth to be 43-54% YoY, and EBITDA (non-GAAP) to be around JPY 490-590MM

(in JPY Bn)	FY2022 Full-year (2021/8-2022/7)			FY2021 Full-year (2020/8-2021/7)		Financial Implications
	Revised Forecast	Disclosed on 2022/2 Previously Announced Forecast	Difference	Non-consolidated Result	YoY	
Revenue	33.4 - 33.8	35.6 - 36.6	-7.7% - -6.2%	25.5	+31% - +32%	<b>Gross profit</b> Continuous achievement of more than 35% gross profit growth while maintaining EBITDA Margin
Gross Profit	9.6 - 9.8	10.2 - 10.6	-7.5% - -5.9%	7.09	+35% - +38%	
Gross Margin	28.7% - 29.0%	28.7% - 29.0%	+0.0pt - +0.1pt	27.8%	+1.0pt - +1.2pt	<b>Gross Margin</b> Companywide gross margin is expected to improve to around 29%, driven by pricing of organic business and the acquisition of DANBALL ONE as a wholly owned subsidiary
EBITDA (non-GAAP)	1.44 - 1.54	1.44 - 1.54	-	1.03	+40% - +49%	
Operating Profit (non-GAAP)	1.0 - 1.1	1.0 - 1.1	-	0.83	+20% - +32%	<b>EBITDA (non-GAAP) Operating Profit (non-GAAP)</b> Profits are expected to be in line with the previous forecast; EBITDA (non-GAAP) growth to exceed gross margin growth
Reference index						
EBITDA Margin	4.3% - 4.6%	4.0% - 4.2%	+0.3pt - +0.3pt	4.0%	+0.3pt - +0.5pt	<b>ROE</b> ROE is expected to land at around 11% for the current fiscal year
EBITDA (excl. Ad Spend, non-GAAP)	Around 4.2	4.3 - 4.4	-4.5% - -2.3%	2.98	-41%	
ROE <sup>(1)</sup>	Around 11%	4.2 - 4.8%	+6.2pt - +6.8pt	2.3%	+8.7pt	

Notes  
<sup>(1)</sup> As the fiscal year ending July 2022 is the first year of consolidation, the figures are calculated by dividing the forecast for Profit (loss) attributable to owners of the parent by the assumed amount of equity capital at the end of the fiscal year

### 3. Recording of deferred tax assets

As a result of careful consideration of the recoverability of deferred tax assets based on the latest forecast of the Company and DANBALL ONE taking into account the JV announced today, we have decided to record deferred tax assets for the portion where recoverability is probable (including temporarily recoverable portion generated by the JV), and incorporate deferred tax assets of approximately ¥745 million as adjustments to income taxes (gain) in the fourth quarter of the fiscal year ending July 31, 2022.