



June 10, 2022

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

**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**

RAKSUL INC. (the “Company”) resolved at the Board of Directors meeting held on June 10, 2022 to transfer the Hacobell (logistics platform) business through an incorporation-type company split (the “Company Split”) to a company to be established, named HACOPELL INC. (“HACOPELL”) and to transfer part of the Company’s shares of HACOPELL to Seino Holdings Co., Ltd. (“SEINO HD”) (the “Share Transfer”). Simultaneously, HACOPELL will issue new shares through third-party allotment (the “Third-Party Allotment”) to SEINO HD, and the Company concluded an agreement on the joint venture etc., with SEINO HD dated June 10, 2022. (The “Company Split,” “Share Transfer” and “Third-Party Allotment” are collectively referred to as “Transactions”). As a result of the Transactions process, HACOPELL will become an equity-method affiliate of the Company. As the Company Split will be conducted solely by the Company, some of the disclosure items and contents are omitted in this notice.

I. Reason for the Transactions

The Company launched the Hacobell business in December 2015 and operates a platform business that increases productivity of the logistics industry and optimizes supply and demand by providing a matching platform and an operation management system.

In addition, SEINO HD, our partner of the joint venture, has set forth in its current medium-term management plan that it will evolve into a “value-creating comprehensive logistics trading company” that contributes to solving customers' issues, and is working to build an "open public platform" by establishing a digital platform and collaborating with external resources, and to realize a smart supply chain that optimizes production, inventory, and delivery.

In recent years, while transportation and delivery needs have continued to increase, the challenges of the supply-demand gap, including the "2024 problem" in the logistics industry caused by the shortage of truck drivers due to the labor environment and low wages, have become increasingly critical. In this environment, we believe that bringing together the strengths of both companies to co-create new value will contribute to the realization of an efficient logistics network, as well as to the resolution of issues in the logistics industry as a whole.

By combining SEINO HD's brand, commercial logistics achievements, and customer base accumulated in the logistics industry, as well as the brand, technology, and operational capabilities that we have cultivated through our Hacobell business, we will aim to realize an "open public platform" that transcends industry and corporate boundaries to achieve "co-creation and coexistence".

II. Regarding the Company Split

1. Overview of the Company Split

(1) Company Split schedule

Resolution at Board of Directors meeting approving the Company Split plan: June 10, 2022

Date of the Company Split (effective date): August 1, 2022 (scheduled)

Note: As the Company Split meets the requirements for a simplified company split in accordance with the provisions of Article 805 of the Companies Act of Japan, the Company does not require approval at the General Meeting of Shareholders.

(2) Method of the Company Split

This is an incorporation-type company split, with the Company as the splitting company and HACOPELL INC. as the newly established company.

(3) Allocation of shares related to the Company Split

The newly established HACOPELL INC. will issue 100,000 shares of common stock and allot all of the shares to the Company.

- (4) Handling of share options and bonds with share options upon the Company Split
Not applicable.
- (5) Change in capital due to the Company Split
There will be no changes in the capital of the Company due to the Company Split.
- (6) Rights and obligations to be succeeded by the newly established company
The newly established HACOPELL INC. will succeed the assets, liabilities, contractual status, and other rights and obligations with respect to the business prescribed in the incorporation-type company split plan. By assuming these obligations, HACOPELL INC. will release the original obligor from the obligations.
- (7) Prospects for fulfilling financial obligations
The Company foresees no concerns in the certainty of fulfillment of financial obligations borne by the newly established HACOPELL INC. pertaining to the Company Split.

2. Outline of the splitting company and the newly established company

| | Splitting company (As of June 10, 2022) | Newly established company (Scheduled as of August 1, 2022) | | | | | | | | | | | | | | |
|---|---|---|--------|--------------------|--------|---|-------|---|-------|--|-------|------------------------------------|-------|--|-------------|---------|
| Company name | RAKSUL INC. | HACOPELL INC. | | | | | | | | | | | | | | |
| Location | 2-24-9 Kamiosaki Shinagawaku, Tokyo, JAPAN | 2-24-9 Kamiosaki Shinagawaku, Tokyo, JAPAN | | | | | | | | | | | | | | |
| Representative | Representative Director, President and CEO Yasukane Matsumoto | Representative Director and President Kenji Hazama | | | | | | | | | | | | | | |
| Business overview | Printing & offline advertising platform “Raksul” and logistics platform “Hacobell” | Logistics platform “Hacobell” | | | | | | | | | | | | | | |
| Share capital | ¥2,683 MM | ¥300 MM (scheduled) | | | | | | | | | | | | | | |
| Date of establishment | September 1, 2009 | August 1, 2022 (scheduled) | | | | | | | | | | | | | | |
| Number of issues shared | 29,025,400 shares | 100,000 shares (scheduled) | | | | | | | | | | | | | | |
| Fiscal year-end | July 31 | March 31 | | | | | | | | | | | | | | |
| Major shareholders and shareholding ratio (As of April 30, 2022) | <table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>17.65%</td> </tr> <tr> <td>Yasukane Matsumoto</td> <td>17.18%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>6.07%</td> </tr> <tr> <td>NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON TREATY ACCOUNT 15.315 PCT</td> <td>3.65%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505303</td> <td>2.89%</td> </tr> <tr> <td>THE BANK OF NEW YORK MELLON 140051</td> <td>2.67%</td> </tr> </table> | The Master Trust Bank of Japan, Ltd. (Trust Account) | 17.65% | Yasukane Matsumoto | 17.18% | Custody Bank of Japan, Ltd. (Trust Account) | 6.07% | NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON TREATY ACCOUNT 15.315 PCT | 3.65% | STATE STREET BANK AND TRUST COMPANY 505303 | 2.89% | THE BANK OF NEW YORK MELLON 140051 | 2.67% | <table border="0"> <tr> <td>RAKSUL INC.</td> <td>100.00%</td> </tr> </table> | RAKSUL INC. | 100.00% |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 17.65% | | | | | | | | | | | | | | | |
| Yasukane Matsumoto | 17.18% | | | | | | | | | | | | | | | |
| Custody Bank of Japan, Ltd. (Trust Account) | 6.07% | | | | | | | | | | | | | | | |
| NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON TREATY ACCOUNT 15.315 PCT | 3.65% | | | | | | | | | | | | | | | |
| STATE STREET BANK AND TRUST COMPANY 505303 | 2.89% | | | | | | | | | | | | | | | |
| THE BANK OF NEW YORK MELLON 140051 | 2.67% | | | | | | | | | | | | | | | |
| RAKSUL INC. | 100.00% | | | | | | | | | | | | | | | |

3. Financial position and performance of the splitting company for the last three years

| (Unit: millions of yen, unless noted otherwise) | Fiscal year ended July 31, 2019 | Fiscal year ended July 31, 2020 | Fiscal year ended July 31, 2021 |
|---|---------------------------------|---------------------------------|---------------------------------|
| Net assets | 6,809 | 6,801 | 7,996 |
| Total assets | 9,246 | 19,379 | 21,916 |
| Net assets per share (yen) | 244.88 | 236.73 | 260.02 |
| Net sales | 16,503 | 19,434 | 25,523 |
| Operating profit | 143 | (244) | 220 |
| Ordinary profit | 130 | (368) | 130 |
| Net profit | 69 | (494) | 160 |
| Earnings per share (yen) | 2.51 | (17.64) | 5.62 |

Note: The Revenue Recognition Accounting Standards have been applied from the beginning of the fiscal year ending July 31, 2022, and the revenue for the last three years are figures after retroactive application of the aforementioned standards.

4. Overview of the business to be split

(1) Details of the business to be split
Hacobell (Logistic platform) business

(2) Financial performance of the business to be split (Fiscal year ended July 31, 2021)

Net sales ¥2,936 MM

(Note: The Revenue Recognition Accounting Standards have been applied from the beginning of the fiscal year ending July 31, 2022, and the revenue for the previous fiscal year are figures after retroactive application of the aforementioned standards)

(3) Items and book value of assets and liabilities to be split (as of May 31, 2022)

| Assets | | Liabilities | |
|--------------------|------------|-------------------------|------------|
| Items | Book value | Items | Book Value |
| Current assets | ¥898 MM | Current liabilities | ¥596 MM |
| Non-current assets | ¥88 MM | Non-current liabilities | - |
| Total | ¥986 MM | Total | ¥596 MM |

Note: The actual amount of assets and liabilities to be split will be settled after reflecting the changes in the amount up to the effective date of the Company Split.

5. Status of the Company after the Company Split

There will be no change in the Company's name, location, representative, business overview, share capital or fiscal year-end due to the Company Split.

III. About the Share Transfer and Third-Party Allotment

1. Outline of the counterparty to the Share Transfer and Third-Party Allotment

| | | | | |
|--|--|---|------------------------------|------------------------------|
| Company name | Seino Holdings Co., Ltd. | | | |
| Location | 1, Taguchi-cho, Ogaki, Gifu, JAPAN | | | |
| Representative | President Yoshitaka Taguchi | | | |
| Business overview | Trucking, freight forwarding, warehousing, air and sea freight forwarding agency, customs clearance, international intermodal transportation, etc. | | | |
| Share capital | ¥42,481 MM | | | |
| Date of establishment | November 1, 1946 | | | |
| Major shareholders and shareholding ratio (As of March 31, 2022) | Taguchi Fukujukai Foundation | | | 13.94% |
| | The Master Trust Bank of Japan, Ltd. (Trust account) | | | 10.99% |
| | Custody Bank of Japan, Ltd. (Trust account) | | | 7.63% |
| | Juroku Financial Group, Inc. | | | 3.49% |
| | Aioi Nissay Dowa Insurance Co., Ltd. | | | 2.86% |
| | Hino Motors, Ltd. | | | 2.33% |
| | The Ogaki Kyoritsu Bank, Ltd. | | | 2.17% |
| | JP MORGAN CHASE BANK 385632 | | | 2.15% |
| | Adonis Co., Ltd. | | | 1.76% |
| | Tokio Marine & Nichido Fire Insurance Co., Ltd. | | | 1.62% |
| Relationship with the Company | Capital relationship | Not applicable. | | |
| | Personnel relationship | Not applicable. | | |
| | Business relationship | There are business transactions between SEINO HD and the Company. | | |
| | Related party status | Not applicable. | | |
| Consolidated financial position and performance for the last three years | (Unit: millions of yen, unless noted otherwise) | Fiscal year ended March 2020 | Fiscal year ended March 2021 | Fiscal year ended March 2022 |
| | Net assets | 432,813 | 422,634 | 433,520 |
| | Total assets | 654,532 | 672,247 | 685,266 |
| | Net assets per share (yen) | 2,175.29 | 2,297.61 | 2,375.05 |
| | Net sales | 625,626 | 592,046 | 607,657 |
| | Operating profit | 29,697 | 24,560 | 27,545 |
| | Ordinary profit | 31,505 | 27,751 | 30,269 |
| | Net profit attribute to owners of parent | 25,848 | 16,660 | 17,255 |
| | Earnings per share | 128.41 | 89.31 | 94.59 |
| Dividend per share (yen) | 39.00 | 27.00 | 29.00 | |

Note: The Revenue Recognition Accounting Standards have been applied from the beginning of the fiscal year ended March 31, 2022, and the aforementioned standards have been applied for the figures for the fiscal year ended March 2022.

2. Overview of the Third-Party Allotment

| | |
|--|---|
| Number of shares issued | 42,858 shares |
| Total issuance amount | 1,500,030,000 yen |
| Number of issued shares after capital increase | 142,858 shares |
| Allottee | Seino Holdings Co., Ltd. |
| Payment date | August 8, 2022 (scheduled) |
| Number of shares held and ratio of voting rights held after the capital increase | 100,000 shares (Ratio of voting rights held: 70%) |

3. Number of shares transferred and status of shareholding ratio before and after the Share Transfer

| | |
|--|--|
| Number of shares held prior to the Share Transfer | 100,000 shares (Ratio of voting rights held: 70%) |
| Number of shares to be transferred | 28,714 shares |
| Number of shares held and ratio of voting rights held after the Share Transfer | 71,286 shares (Ratio of voting rights held: 49.9%) |

The Company does not disclose the transfer price in compliance with the non-disclosure agreement signed between the counterparty to the Share Transfer Agreement. The price has been decided upon mutual agreement after discussion and negotiations, therefore, the price is considered to be a fair and reasonable value.

4. Schedule

| | |
|--|----------------------------|
| Date of resolution by the Board of Directors | June 10, 2022 |
| Date of execution of the Share Purchase Agreement | June 10, 2022 |
| Date of execution of the Share Subscription Agreement and Shareholders Agreement | August 8, 2022 (scheduled) |
| Date of completion of the Share Transfer and Third-Party Allotment | August 8, 2022 (scheduled) |

IV. Future Outlook

For the impact of the Transactions on the Company's business performance, please refer to "Announcement of revision of consolidated financial forecast" disclosed today.