

September 14, 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 Regarding the Recording of Extraordinary Gain

As announced in the "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" dated June 10, 2022, RAKSUL INC. (the "Company") has transferred the Hacobell business through an incorporation-type company split to a newly established company, HACOPELL INC. ("HACOPELL"), and transferred a portion of its shares. Simultaneously, HACOPELL issued new shares through third-party allotment, and as a result, HACOPELL became an equity-method affiliate of the Company.

The impact of the aforementioned transactions on the consolidated business results has been determined, and the Company hereby announces that it has recorded extraordinary gain for the first quarter of the consolidated fiscal year ending July 31, 2023, as described below.

1. Recording of extraordinary gain

In connection with the transfer of shares of HACOPELL, the Company recorded the gain on sales of shares of subsidiaries in the total amount of ¥910 million in extraordinary gain in the consolidated financial results for the first quarter of the fiscal year ending July 31, 2023. In addition, following the change of HACOPELL being a consolidated subsidiary to an affiliate accounted for by the equity method, the Company recorded a gain on change in equity of ¥678 million as extraordinary gain for the same applicable period.

2. Future outlook

The above extraordinary gain has been incorporated into the "Consolidated Financial Results Forecast for the Fiscal Year Ending July 31, 2023 (August 1, 2022 - July 31, 2023)" in the "Summary of Consolidated Financial Results for the Fiscal Year Ended July 31, 2022 (Based on Japanese GAAP)" disclosed today.