



March 10, 2023

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 (TSE Prime Market Code No. 4384)
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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, 2023, which was announced on September 14, 2022, as follows.

1. Revision of consolidated financial forecast for FY2023 (August 1, 2022 - July 31, 2023)

	Revenue	Gross Profit	Operating Profit	non-GAAP EBITDA	Ordinary Profit (Loss)	Net Profit Attribute to Owners of Parent
	In JPY MM	In JPY MM	In JPY MM	In JPY MM	In JPY MM	In JPY MM
Previously announced forecast (A)	38,200 ~39,600	11,600 ~12,200	1,020 ~1,330	2,450 ~2,770	400 ~700	900 ~1,100
Revised forecast (B)	39,000 ~39,600	11,800 ~12,200	1,400 ~1,700	2,700 ~2,950	800 ~1,000	900 ~1,100
Difference (B-A)	0 ~800	0 ~200	370 ~380	180 ~250	300 ~400	0
Difference in percentage (%)	0 ~2.1	0 ~1.7	27.8 ~37.3	6.5 ~10.2	42.9 ~100.0	0
(For reference) Actual results from FY2022	33,980	9,803	462	1,634	(167)	1,021

Note: 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, depreciation, and amortization of goodwill.)

2. Reasoning for the revision of forecast

For the revenue and gross profit of the current fiscal year, amid signs of recovery in the economic environment, we expect to see increase in both revenue and profit mainly from the Raksul business segment with expansion of enterprise services and continued growth of DANBALL ONE. Inc., raising the lower limit of the previously announced forecast.

We expect the operating profit to be ¥1,400 million - ¥1,700 million, EBITDA (non-GAAP) to be ¥2,700 million - ¥2,950 million, ordinary profit to be ¥800 million - ¥1,000 million, based on our continuous efforts on cost management with a stronger focus on return on investment for SG&A expenses. Aforementioned profits are expected to increase, and we show steady performance based on the Company's medium-term financial policy

“Quality Growth,” with further focus on profit and cashflow generation.

As per “Summary of Consolidated Financial Results for the Three Months Ended October 31, 2022 (Based on Japanese GAAP)” disclosed on December 12, 2022, the figure for net profit attribute to owners of parent includes ¥1,588 million of extraordinary income (gain on sales of shares in subsidiaries) resulting from transactions related to HACOPELL INC.

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 2nd Quarter of Fiscal Year Ending July 31, 2023” (excerpts below) disclosed today.



FY2023 Full-Year Revised Consolidated Financial Forecast

- Upward revision of the forecast due to steady profit generation and growth under the Quality Growth policy
- To realize growth in FY2024, we will invest approximately JPY 100MM per quarter in the latter half of the year. As such, EBITDA in 2H is expected to be lower than in 1H

	FY2023 Full-year (2022/8-2023/7)			FY2022 Full-year (2021/8-2022/7)	
	Revised Forecast	Disclosed on September 2022 Previously Announced Forecast	Difference	Actual	YoY
(in JPY Bn)					
Revenue	39.0 - 39.6	38.2 - 39.6	0% - +2.1%	33.9	+14.8% - +16.5% Excl. Hacobell +28.6% - +30.6%
Gross Profit	11.8 - 12.2	11.6 - 12.2	0% - +1.7%	9.8	+20.4% - +24.4% Excl. Hacobell +26.4% - +30.7%
Gross Margin	30.3% - 30.8%	30.4% - 30.8%	-0.1pt - 0pt	28.9%	+1.4pt - +2.0pt
Operating Profit (J-GAAP)	1.40 - 1.70	1.02 - 1.33	+27.8% - +37.3%	0.46	+202.4% - +267.2%
EBITDA	2.70 - 2.95	2.45 - 2.77	+6.5% - +10.2%	1.63	+65.2% - +80.5%
EBITDA Margin	6.9% - 7.4%	6.4% - 7.0%	Around +0.5pt	4.8%	+2.1pt - +2.6pt
Ordinary Profit (J-GAAP)	0.80 - 1.00	0.40 - 0.70	+42.9% - +100.0%	-0.16	-