

March 10, 2023

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

### **Notice of Basic Agreement on Acquisition of Shares (Subsidiarization)**

RAKSUL INC. (the "Company") resolved at the Board of Directors meeting held today to acquire shares of RAKSUL FACTORY INC. (the "Newly Established Company"), a subsidiary of Net Square Co., Ltd. ("Net Square") to which Net Square will transfer the Raksul business-related on-demand printing business through a company split.

The Company also announces that Net Square will conduct share buyback of the Net Square shares held by the Company as part of this transaction and as a result, Net Square will cease to be an equity method affiliate of the Company. As this matter does not fall under the timely disclosure standards of the Tokyo Stock Exchange, disclosure items and details have been omitted.

#### 1. Reason for the acquisition of shares

The company promotes further enhancement of value provided to customers through expansion of digital printing products and update of the value chain within the Raksul business segment. With the expectation of synergies from sharing services and operational know-how of the printing business in this area, Net Square became an equity method affiliate of the Company in September 2021.

Net Square has one of the largest number of on-demand printing machines in Japan and is developing its business by leveraging its knowledge in the on-demand printing field, and has established a system to provide products in small lots at low cost, with quick delivery. In addition, we are creating synergies between the companies by utilizing our operational know-how, automating and streamlining of services, and improving productivity as a result. Moreover, digital printing emits less CO<sub>2</sub> during the printing process compared to offset printing, which contributes to reducing the environmental impact of the Company's supply chain.

We have agreed to acquire shares of the Newly Established Company and make it a wholly owned subsidiary as we believe that this will contribute to maximizing the Company's corporate value from the perspective of improving the value of our service offerings including QCD (Quality, Cost, Delivery) by leveraging the assets of Net Square, whilst maintaining the flexibility of the Company's sharing business model.

#### 2. Overview of the subsidiary to be acquired

(1) Company name	RAKSUL FACTORY INC.
(2) Location	2-10-24, Edagawa, Koto, Tokyo
(3) Representative	Yoshihisa Urakami, Representative Director and President
(4) Business overview	On-demand printing business
(5) Share capital	¥1 MM
(6) Date of establishment	June 1, 2023 (scheduled)
(7) Major shareholders and shareholding ratio	Net Square Co., Ltd. 100.0%

(8) Relationship with the Company	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.
(9) Results of operations and financial position		
	Revenue	¥1,529 MM
	Total assets	¥644 MM

Notes:

- (1) Each item is subject to change in the process of establishment.
- (2) As the Company will acquire the successor company in an absorption-type company split, no final fiscal year has been determined. Therefore, the amount of revenue is the Raksul business-related revenue of Net Square as of its latest fiscal year end (fiscal year ended March 2022), and the amount of total assets is the book value of assets to be split as of January 31, 2023 (The actual amount of assets to be split will be settled after reflecting the changes in the amount up to the effective date of the aforementioned absorption-type company split.)

### 3. Outline of the counterparty of the share acquisition

(1) Company name	Net Square Co., Ltd.	
(2) Location	2-4-11, Edagawa, Koto, Tokyo	
(3) Representative	Yoshihisa Urakami, Representative Director and President	
(4) Business overview	On-demand printing business for corporate clients, online printing business for individuals primarily New Year's cards	
(5) Share capital	¥50 MM	
(6) Date of establishment	November 21, 2000	
(7) Net assets	¥207 MM	
(8) Total assets	¥1,687 MM	
(9) Major shareholders and shareholding ratio (as of March 10, 2023)	Yoshihisa Urakami 55.1% RAKSUL INC. 41.4%	
(10) Relationship with the Company (as of March 10, 2023)	Capital relationship	The Company owns 41.4% of the shares of Net Square.
	Personnel relationship	The Company has dispatched 1 employee, 2 directors, and 1 auditor to Net Square.
	Business relationship	There are business transactions between the Company and Net Square.
	Related party status	Net Square is an equity method affiliate of the Company.

### 4. Number of shares to be acquired, status of shares held before and after the acquisition, and acquisition price

(1) Number of shares held before the change	0 (Ownership ratio of voting rights: 0.0%)
(2) Number of additional shares to be acquired	100 (Number of voting rights: 100)

(3)	Acquisition cost	Currently under discussion
(4)	Number of shares held after the change	100 (Number of voting rights: 100) (Ownership ratio of voting rights: 100.0%)

#### 5. Schedule

(1)	Date of resolution by the Board of Directors	March 10, 2023
(2)	Date of execution of the Basic Agreement	March 10, 2023
(3)	Date of completion of share transfer of Net Square	June 9, 2023 (scheduled)
(4)	Date of execution of definitive agreements	June 9, 2023 (scheduled)
(5)	Date of completion of share acquisition	August 1, 2023 (scheduled)

#### 6. Future Outlook

The Newly Established Company is scheduled to become a wholly owned subsidiary of the Company on August 1, 2023, the completion date of the share acquisition, hence there will be no impact on the Company business results for the current fiscal year. For details of the financial impact for the next fiscal year, please refer to “Financial Results for the 2nd Quarter of Fiscal Year Ending July 31, 2023” disclosed today.

The effect on the business results due to the share transfer of Net Square is currently under evaluation, and we have included an estimated amount in our revised financial forecast disclosed today. Should it become necessary to revise the financial forecast or should matters arise that need be announced in the future, such information will be promptly disclosed.