

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 Absorption-type Merger with a Consolidated Subsidiary (Simplified merger / Short-form merger)**

RAKSUL INC. (the “Company”) announced at the Board of Directors meeting held today that its board of directors approved a resolution for the Company to implement an absorption-type merger (the “Merger”) with DANBALL ONE. Inc. (“D-ONE”), a wholly owned subsidiary. Due to the Merger’s nature as a simplified merger with a wholly owned subsidiary, certain disclosure items and contents in this notice are abbreviated.

1. Objective of the Merger

As part of our growth strategy for the Raksul business segment, the Company has been promoting the expansion of the printing business to office and industrial supplies. In December 2020, the Company acquired a portion of the shares of D-ONE, which operates “Danball One,” an online order platform for cardboard and packaging materials, and made it an affiliated company. Furthermore, through our collaborative relationship, such as utilizing the Company’s know-how on sharing economy and marketing and expanding the customer base of both companies, the Company additionally acquired all share of D-ONE in February 2022, making it a wholly owned subsidiary. In addition, the Company decided to absorb D-ONE for the purpose of enhancing corporate value through branding, cutting group-wide administrative costs, further utilizing management resources effectively, and accelerating the speed of decision-making, by integrating the organizations of both companies that make up the Raksul business segment, which is the core business of our group.

2. Summary of the Merger

(1) Schedule

Resolution of the Board of Directors regarding the Merger	May 18, 2023
Date of the Merger Agreement	May 18, 2023
Date of Merger (the effective date)	August 1, 2023

Notes: The Merger will be implemented in accordance with the simplified merger procedure pursuant to Paragraph 2 of Article 796 of the Companies Act of Japan in relation to the Company, and in accordance with the short-form merger procedure pursuant to Paragraph 1 of Article 784 of the said Act in relation to D-ONE in both cases without obtaining approval at the ordinary general meeting of shareholders. Although D-ONE has excess liabilities as of the end of July 31, 2022, they are expected to be eliminated by the end of July 2023, therefore the Company will proceed with the simplified merger procedure.

(2) Method of the Merger

The merger will be implemented through an absorption-type merger under which the Company is to be the surviving corporation, and D-ONE is to be extinguished through the Merger.

(3) Allocation

As the Company owns 100 percent of the D-ONE shares, there will be no issuance of stock or other allotment of cash.

- (4) Handling of the absorbed company's share options and bond certificates with share options related to the merger  
Not applicable

### 3. Outline of the parties involved in the Merger

	Surviving Company	Absorbed Company
(1) Company name	RAKSUL INC.	DANBALL ONE. Inc.
(2) Location	2-24-9 Kamiosaki Shinagawa-ku, Tokyo, JAPAN	4-133 Kuratsuki Kanazawa, Ishikawa, JAPAN
(3) Representative	Representative Director, President and CEO, Yasukane Matsumoto	Representative Director and President, Tatsuru Watanabe
(4) Business overview	Operation of "Raksul" printing & offline advertising platform	Operation of "Danball One", an online order platform for cardboard and packaging materials
(5) Share capital	¥2,726 MM	¥10 MM
(6) Date of establishment	September 1, 2009	June 1, 2018
(7) Total number of issued shares	58,464,120 shares	1,000 shares
(8) Fiscal term	July 31	July 31
(9) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust Account) 19.19% Yasukane Matsumoto 16.84% Custody Bank of Japan, Ltd. (Trust Account) 9.44% STATE STREET BANK AND TRUST COMPANY 505303 3.23% NORTHERN TRUST CO, (AVFC) RE IEDU UCITS CLIENTS NON TREATY ACCOUNT 15,315 PTC 3.16%	RAKSUL INC. 100%
(10) Financial position and operating results for the previous fiscal year		
Fiscal year	Fiscal year ended July 31, 2022 (Consolidated)	Fiscal year ended July 31, 2022 (Non-consolidated)
Net assets	¥9,312 MM	△¥555 MM
Total assets	¥28,633 MM	¥1,911 MM
Net assets per share	¥144.26	△¥555,889.00
Net sales	¥33,980 MM	¥6,005 MM
Operating profit	¥462 MM	¥109 MM
Ordinary profit (loss)	△¥167 MM	¥110 MM
Net profit	¥1,021 MM	¥98 MM
Earnings per share	¥17.69	¥98,244.73

※The Company conducted a 2-for-1 stock split of shares of common stock on February 1, 2023, and net assets per share and earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ending July 31, 2022

4. Status after the merger

There will be no change to the Company name, location, the titles and names of representatives, business overview, capital stock, or fiscal year end.

5. Future outlook

As the Merger is with a wholly owned consolidated subsidiary, the impact on the Company's consolidated financial results will be negligible.