

## English Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended April 30, 2023 (Based on Japanese GAAP)

June 9, 2023

Company name: RAKSUL INC.  
Listed stock exchange : Tokyo  
Stock code: 4384 <https://corp.raksul.com/>  
Representative: Representative Director, President, and CEO Yasukane Matsumoto  
Inquiries: Director, CFO Yo Nagami  
Scheduled date of filing annual securities report: June 9, 2023  
Scheduled date of dividend payments: –  
Supplementary materials: Yes  
Meeting for institutional investors and analysts: Yes

(Figures are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Nine Months Ended April 30, 2023 (August 1, 2022 - April 30, 2023)

#### (1) Consolidated Operating Results

(Percentages show the change from the same period of previous fiscal year)

	Net sales		Gross profit		Operating profit		non-GAAP EBITDA*1	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
April 30, 2023	30,120	23.3	9,117	30.2	1,457	872.3	2,495	162.0
April 30, 2022	24,424	–	7,003	–	149	–	952	–

	Ordinary profit		Net profit attribute to owners of parent		Earnings per share		Diluted earnings per share	
	Millions of yen	%	Millions of yen	%	Yen	Yen		
Nine months ended								
April 30, 2023	1,076	–	1,425	321.8	24.51	23.15		
April 30, 2022	(333)	–	337	–	5.86	5.39		

Note: Comprehensive income For the Nine months April 30, 2023: 1,417 million yen (320.0%)  
For the Nine months April 30, 2022: 337 million yen (-%)

	Return on shareholders' Equity		Ordinary profit to total assets		Operating profit to net sales	
	%	%	%	%	%	%
Nine months ended						
April 30, 2023	15.8		3.7		4.8	
April 30, 2022	4.4		(1.4)		0.6	

Reference: Share of loss (profit) of entities accounted for using equity method:  
For the Nine months April 30, 2023: (321) million yen  
For the Nine months April 30, 2022: (422) million yen

#### (2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	Yen		
As of								
April 30, 2023	28,896	10,873			33.3	165.34		
July 31, 2022	28,633	9,312			29.3	144.26		

Reference: Shareholders' equity April 30, 2023: 9,624 million yen July 31, 2022: 8,382 million yen

\*1 Non-GAAP EBITDA is 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, depreciation, and goodwill amortization expenses).

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

## 2. Dividends

	Annual Dividends				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended April 30, 2022	–	0.00	–	0.00	0.00
Year ending April 30, 2023	–	0.00	–		
Year ending July 31, 2023(forecast)				–	–

Note: Amendments to dividend forecast compared with the most recent disclosure: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending July 31, 2023 (August 1, 2022 - July 31, 2023)

(Percentages show the change from the same period of previous fiscal year)

Fiscal year ending	Net sales		Gross profit		Operating profit		non-GAAP EBITDA	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2023	39,000	14.8	11,800	20.4	1,400	202.4	2,700	65.2
excluding the impact of Hacobell's deconsolidation	~39,600	~16.5	~12,200	~24.4	~1,700	~267.2	~2,950	~80.5
		28.6		26.4				
		~30.6		~30.7				

Fiscal year ending	Ordinary profit		Net profit attribute to owners of parent	
	Millions of yen	%	Millions of yen	%
July 31, 2023	800	–	900	(11.9)
	~1,000		~1,100	~7.6

Note: Revisions of most recent financial results forecast: No

## 4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting methods for preparing quarterly financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

- |   |      |
|---|------|
| 1) Changes in accounting policies due to revisions to accounting standards and other regulations: | Yes  |
| 2) Changes in accounting policies due to other reasons:   | None |
| 3) Changes in accounting estimates:   | None |
| 4) Restatement of prior period financial statements:  | None |

(4) Number of shares outstanding (common shares)

- |   |                   |                      |                   |
|---|-------------------|----------------------|-------------------|
| 1) Number of shares outstanding at the end of period (including treasury stock) |                   |                      |                   |
| As of April 30, 2023  | 58,464,120 shares | As of July 31, 2022  | 58,160,200 shares |
| 2) Number of treasury stock at the end of period                                |                   |                      |                   |
| As of April 30, 2023  | 252,652 shares    | As of July 31, 2022  | 57,570 shares     |
| 3) Average number of shares outstanding during the period                       |                   |                      |                   |
| As of April 30, 2023  | 58,141,107 shares | As of April 30, 2022 | 57,672,243 shares |

The Company conducted a 2-for-1 stock split of shares of common stock on February 1, 2023, and number of shares outstanding at the end of period, number of treasury stock at the end of period, and average number of shares outstanding during the period are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended July 31, 2022.

This quarterly report of financial results is out of scope from quarterly review procedures conducted by independent auditors.

### \* Cautionary statement with respect to forward-looking statements

The forecasts above are based on the judgments made in accordance with information currently available. Forecasts therefore include risks and uncertainties. Actual figures may differ from these forecasts due to subsequent changes in the circumstances.

**Quarterly Financial Statements**  
**Consolidated Balance Sheets**

(Millions of yen)

	As of July 31, 2022	As of April 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	13,682	13,917
Notes and accounts receivable - trade	4,903	4,813
Merchandise and finished goods	201	329
Raw materials and supplies	8	16
Prepaid expenses	583	452
Other	281	442
Allowance for doubtful accounts	(0)	(0)
Total current assets	19,660	19,971
Non-current assets		
Property, plant and equipment		
Buildings and structures	212	210
Accumulated depreciation	(97)	(108)
Buildings and structures, net	115	101
Machinery, equipment and vehicles	775	776
Accumulated depreciation	(534)	(592)
Machinery, equipment and vehicles, net	241	183
Other	83	83
Accumulated depreciation	(66)	(64)
Other, net	16	18
Total property, plant and equipment	373	303
Intangible assets		
Goodwill	4,708	4,336
Software	395	316
Software in progress	88	84
Other	15	9
Total intangible assets	5,208	4,747
Investments and other assets		
Investment securities	633	790
Shares of subsidiaries and associates	1,436	2,066
Long-term prepaid expenses	202	83
Deferred tax assets	968	565
Other	151	368
Total investments and other assets	3,391	3,873
Total non-current assets	8,973	8,925
<b>Total assets</b>	<b>28,633</b>	<b>28,896</b>

As of July 31, 2022

As of April 30, 2023

Liabilities		
Current liabilities		
Accounts payable - trade	3,234	3,007
Accounts payable - other, and accrued expenses	1,239	1,003
Short-term borrowings	800	800
Current portion of long-term borrowings	1,695	1,695
Income taxes payable	288	759
Accrued consumption taxes	213	248
Contract liabilities	91	108
Provision for bonuses	135	69
Other	75	136
Total current liabilities	7,774	7,829
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	5,023	5,015
Long-term borrowings	6,417	5,073
Asset retirement obligations	106	105
Total non-current liabilities	11,546	10,194
Total liabilities	19,320	18,023
Net assets		
Shareholders' equity		
Share capital	2,694	2,733
Capital surplus	5,501	5,541
Retained earnings	165	1,636
Treasury shares	(0)	(300)
Total shareholders' equity	8,360	9,610
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22	13
Total accumulated other comprehensive income	22	13
Share acquisition rights	930	1,248
Total net assets	9,312	10,873
Total liabilities and net assets	28,633	28,896

## Consolidated Statements of Income (cumulative)

(Millions of yen)

	Nine months ended April 30, 2022	Nine months ended April 30, 2023
Net sales	24,424	30,120
Cost of sales	17,420	21,002
Gross profit	7,003	9,117
Selling, general and administrative expenses	6,853	7,660
Operating profit	149	1,457
Non-operating income		
Interest income	7	7
Dividend income	1	1
Other	11	12
Total non-operating income	19	22
Non-operating expenses		
Interest expenses	25	41
Loss on extinguishment of stock-based compensation expenses	48	29
Share of loss of entities accounted for using equity method	422	321
Other	7	11
Total non-operating expenses	503	404
Ordinary profit	(333)	1,076
Extraordinary income		
Gain on sale of shares of subsidiaries	—	1,588
Gain on change in equity	—	103
Gain on step acquisitions	744	—
Other	0	7
Total extraordinary income	745	1,699
Extraordinary losses		
Loss on valuation of investment securities	—	99
Loss on retirement of non-current assets	1	1
Loss on change in equity	18	—
Other	—	3
Total extraordinary losses	19	104
Profit before income taxes	391	2,670
Income taxes - current	110	839
Income taxes - deferred	(56)	406
Total income taxes	53	1,245
Profit	337	1,425
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	337	1,425

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended April 30, 2022	Nine months ended April 30, 2023
Profit	337	1,425
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(8)
Total other comprehensive income	(0)	(8)
Comprehensive income	337	1,417
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	337	1,417
Comprehensive income attributable to non-controlling interests	—	—

**Results by Segment**

Nine months ended April 30,2023

(Millions of yen)

	Reportable segments			Other	Total	Reconciling items	Per Consolidated financial statements
	Raksul	Novasell	Reportable segments				
Sales							
Revenues from external customers	27,773	1,887	29,660	459	30,120	—	30,120
Transactions with other segments	3	2	6	24	30	(30)	—
Net sales	27,777	1,889	29,667	484	30,151	(30)	30,120
Operating profit	2,744	38	2,783	131	2,915	(1,457)	1,457