

Company name: RAKSUL INC.
 Representative: Yo Nagami
 Representative Director, President and CEO
 (TSE Prime Market Code No. 4384)
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 CAO, SVP of Corporate

Announcement of revision of consolidated financial forecast for the Fiscal Year Ending July 31st, 2023

RAKSUL INC. (the “Company”) hereby announces that the Company, based on recent performance trends and other factors, has decided to revise its consolidated financial forecast for the fiscal year ending July 31st, 2023 (August 1st, 2022 - July 31st, 2023), which was announced on March 10th, 2023.

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

	Revenue	Gross Profit	Operating Profit	non-GAAP EBITDA	Ordinary Profit (Loss)	Net Profit Attributable 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)	39,000 ~39,600	11,800 ~12,200	1,400 ~1,700	2,700 ~2,950	800 ~1,000	900 ~1,100
Revised forecast (B)	41,018	12,295	1,765	3,145	1,168	1,334
Difference (B-A)	1,418 ~2,018	95 ~495	65 ~365	195 ~445	168 ~368	234 ~434
Difference in percentage (%)	3.6 ~5.2	0.8 ~4.2	3.9 ~26.1	6.6 ~16.5	16.9 ~46.1	21.3 ~48.2
(Reference) Actual results for FY 2022	33,980	9,803	462	1,634	(167)	1,021

Note 1: Non-GAAP profits are calculated by deducting or adjusting the non-recurring items and other specific adjustable items from financial accounting figures (Japanese 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, and amortization of goodwill.

2. Reasons for the difference

While there were signs of recovery in the economic environment with the easing of COVID-19 related restrictions on activities, the external environment such as soaring resource prices due to the situation in Ukraine and fluctuations in the foreign exchange rate in the direction of depreciation of the yen, has affected the Company. On the other hand, in addition to expanding its domains, such as DANBALL ONE, novelty items, and apparel in the Raksul business segment and growing customer acquisition of enterprise clients, the Company continued to implement cost controls with an emphasis on investment efficiency. As a result, both the profit/loss at each stage and non-GAAP EBITDA, the Company’s key indicator, are expected to exceed the upper limits in the previously announced forecast.

In addition, as a result of the increase in the number of employees due to business expansion and the application of

corporate tax credits against the backdrop of a revised compensation structure that is competitive in the labor market, net income attributable to shareholders of the parent company is expected to significantly exceed the previously announced figure.

Note 2: The above forecasts are based on information available to the Company as of the release date of this document and are unaudited figures, and actual results may differ from the above due to various factors.