RAKSUL

Financial Results for the Fiscal Year Ending July 31, 2023

RAKSUL INC. (TSE PRIME: 4384)

September 12, 2023

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Background of the CEO Change

- As the continuous M&A, management and optimization of multiple businesses are important for future business expansion, the Nomination and Remuneration Committee decided to hand over the CEO position from Matsumoto to Nagami
- Matsumoto will allocate more resources to the JOSYS business, while continuing to be actively involved in company-wide management and governance as the company's Founder, Director and Chairman

Business Expansion To Date	Future Business Expansion
Launching In-house Businesses	Organic Businesses & Continuous M&A
+	+
Independent Operations with Leadership for Each Business	Management and Optimization of Multiple Businesses

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Our New CEO

- Joined RAKSUL in 2014, driving the Group's corporate value as CFO
- Assumed the position of Representative Director, President / CEO in August 2023

Yo Nagami

Career

2004	**B.A. in Policy Studies, Keio University**
2004 - 2006	**Mizuho Securities Co., Ltd.** Engaged in M&A advisory services
2006 - 2013	**The Carlyle Group, Inc.** Involved in buyout investments and the management and operations of portfolio companies
2011	**MBA, The Wharton School, University of Pennsylvania**
2013 - 2014	**DeNA Co., Ltd.**
2014 -	**RAKSUL INC.** As CFO, drove the improvement of corporate value by leading across various areas such as finance, business, and organization

Part 1: Financial Highlights

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Summary

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Summary

FY2023 Full Year and Quarterly Financial Highlights	**[Full Year] Revenue: YoY +20.7%, Gross Profit: YoY +25.4%, EBITDA (non-GAAP)(1) JPY 3.14Bn** **-----YoY growth excluding Hacobell business segment-----** **Revenue +34.5% YoY Gross Profit +31.7% YoY** ■ Exceeded the lower range of the forecast stated in the June 2023 financial results presentation ■ Continued profitable growth (Quality Growth). Significantly increased EBITDA to JPY 3.14Bn (YoY+92.5%) ■ ROE was 12.7%; Steadily improving towards the medium-to-long term target of 20% **[4Q] Revenue: YoY +14.0%, Gross Profit: YoY +13.5%, EBITDA JPY 649MM** **-----YoY growth excluding Hacobell business segment-----** **Revenue +27.8% YoY Gross Profit +19.1% YoY** ■ Invested in growth for the next fiscal year and landed at EBITDA of 649MM; landed higher than the forecast disclosed in 3Q
FY2024 Financial Forecast	**Based on the Quality Growth policy, we focus on sustained gross profit growth of over 20% and an increase in EBITDA** ■ Revenue: JPY 47.0 - 48.0Bn, +14.6 - 17.0% YoY ■ Gross Profit: JPY 14.5 - 15.0Bn, +17.9 - 22.0% YoY ■ EBITDA : JPY 3.78 - 3.88Bn, +20.2 - 23.4% YoY **-----Financial forecast after completion of TOB for AMIDA Holdings ----** ■ Revenue: JPY 49.4 - 50.4Bn, +20.4 - 22.9% YoY ■ Gross Profit: JPY 15.7 - 16.2Bn, +27.7 - 31.8% YoY ■ EBITDA : JPY 4.05 - 4.15Bn, +28.8 - 32.0% YoY
Medium Term Financial Forecast	■ Gross profit of JPY 17.5-20.0Bn in FY2025 is almost certainly achievable ■ Aiming for gross profit of JPY 30Bn and EBITDA of JPY 10Bn in the medium term driven by organic business growth and continuous M&A

Notes

(1) EBITDA(non-GAAP)=Operating Profit(J-GAAP) + amortization of goodwill + Depreciation + Stock compensation expense. Hereinafter referred to as "EBITDA"

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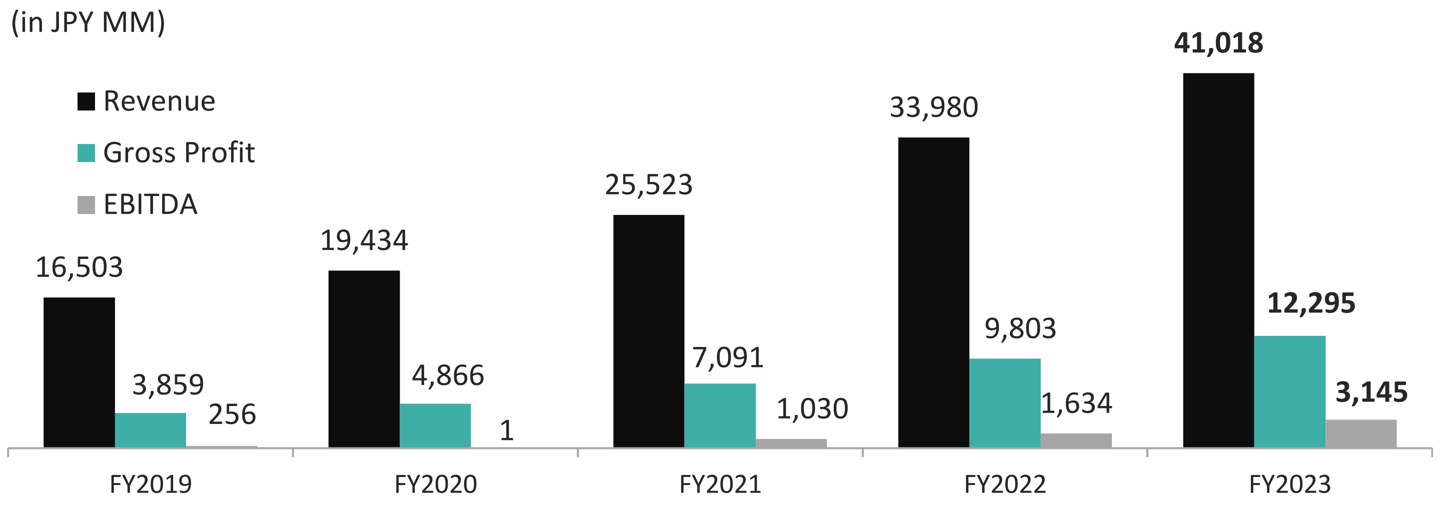
FY2023 Full Year Financial Highlights

- Raksul Business Segment ("Raksul"): Achieved growth of more than 30% with the contribution of DANBALL ONE, which was consolidated in 3Q last year, and a favorable external environment; EBITDA also landed at a high level of 31.5% YoY
- Novasell Business Segment ("Novasell"): Although the full-year growth rate slowed down, successfully shifted the customer base to large companies and expanded the SaaS business. Significantly increased the gross margin as the ratio of high-margin businesses, broadcasting and SaaS, has increased

Companywide[1]



FY2023 Results by Business Segment

(in JPY MM)	Raksul	Novasell	Company wide [2]
Revenue	37,756	2,656	41,018
YoY	+38.2%	-6.1%	+20.7%
Gross Profit	10,698	1,444	12,295
YoY	+35.1%	+11.7%	+25.4%
Gross Margin	28.3%	54.4%	30.0%
YoY	-0.6pt	+8.7pt	+1.1pt
EBITDA	4,588	31	3,145
YoY	+31.5%	-	+92.5%

Notes
(1) Results prior to FY2021 are calculated under the new revenue recognition standards. As consolidated accounting was not conducted prior to FY2021, non-consolidated accounting results and growth rates are provided for reference. The same applies hereinafter.
(2) The difference between the total of each segment and companywide is due to other business and corporate expenses. The same applies hereinafter.

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Realization of Quality Growth

- Our gross profit is similar in nature to net revenue of general software companies
- Track record of EBITDA margin improvement while continuing the gross profit growth

	FY2020	FY2021	FY2022	FY2023
Gross Profit Growth (Excl. Hacobell)	+24.6%	+42.1%	+40.5%	**+31.7%**
EBITDA Margin vs Gross Profit	0.0%	14.5%	16.7%	**25.6%**

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FY2023 (FYE July 2023)
Full Year Financial Highlights

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Full Year and Quarterly Financial Highlights

- Exceeded forecast stated in the June 2023 financial results presentation(1)
- EBITDA remained high while maintaining sustainable growth; although EBITDA for 4Q was around JPY 800-900MM in terms of steady-state earning power, it landed at 649MM due to investments for growth in the next fiscal year

(in JPY MM)	FY2023 4Q (2023/5-2023/7)			FY2023 Full Year (2022/8-2023/7)			
	Actual	FY2022 4Q Actual	YoY	**Actual**	FY2022 Actual	YoY	Actual vs Forecast (1)
Revenue	**10,897**	9,556	+14.0% Excl. Hacobell **+27.8%**	**41,018**	33,980	+20.7% Excl. Hacobell **+34.5%**	+1.5%
Raksul	**9,979**	7,877	+26.7%	**37,756**	27,325	+38.2%	-
Novasell	**766**	562	+36.4%	**2,656**	2,828	-6.1%	-
Hacobell	-	1,031	-	-	3,478	-	-
Gross Profit	**3,177**	2,799	+13.5% Excl. Hacobell **+19.1%**	**12,295**	9,803	+25.4% Excl. Hacobell **+31.7%**	+0.8%
Raksul	**2,763**	2,347	+17.7%	**10,698**	7,918	+35.1%	-
Novasell	**375**	292	+28.3%	**1,444**	1,292	+11.7%	-
Hacobell	-	130	-	-	464	-	-
Gross Margin	**29.2%**	29.3%	-0.1pt	**30.0%**	28.9%	+1.1pt	-0.1pt
Incl.: Stock-based compensation expense	**158**	182	-13.0%	**652**	695	-6.3%	-
Incl.: Ad spend	**752**	533	+41.1%	**3,120**	2,557	+22.0%	-
EBITDA	**649**	681	-4.7%	**3,145**	1,634	+92.5%	+6.6%
Operating Profit (J-GAAP)	**307**	313	-1.7%	**1,765**	462	+281.3%	+17.7%
ROE (2)	-	-	-	**12.7%**	12.2%	+0.5pt	-

Notes
(1) Compared to the lower range of the consolidated forecast on P19 of the financial results disclosed on June 9, 2023
(2) Net income attributable to shareholders of the parent company divided by the average of consolidated shareholders' equity at the beginning and at the end of the period

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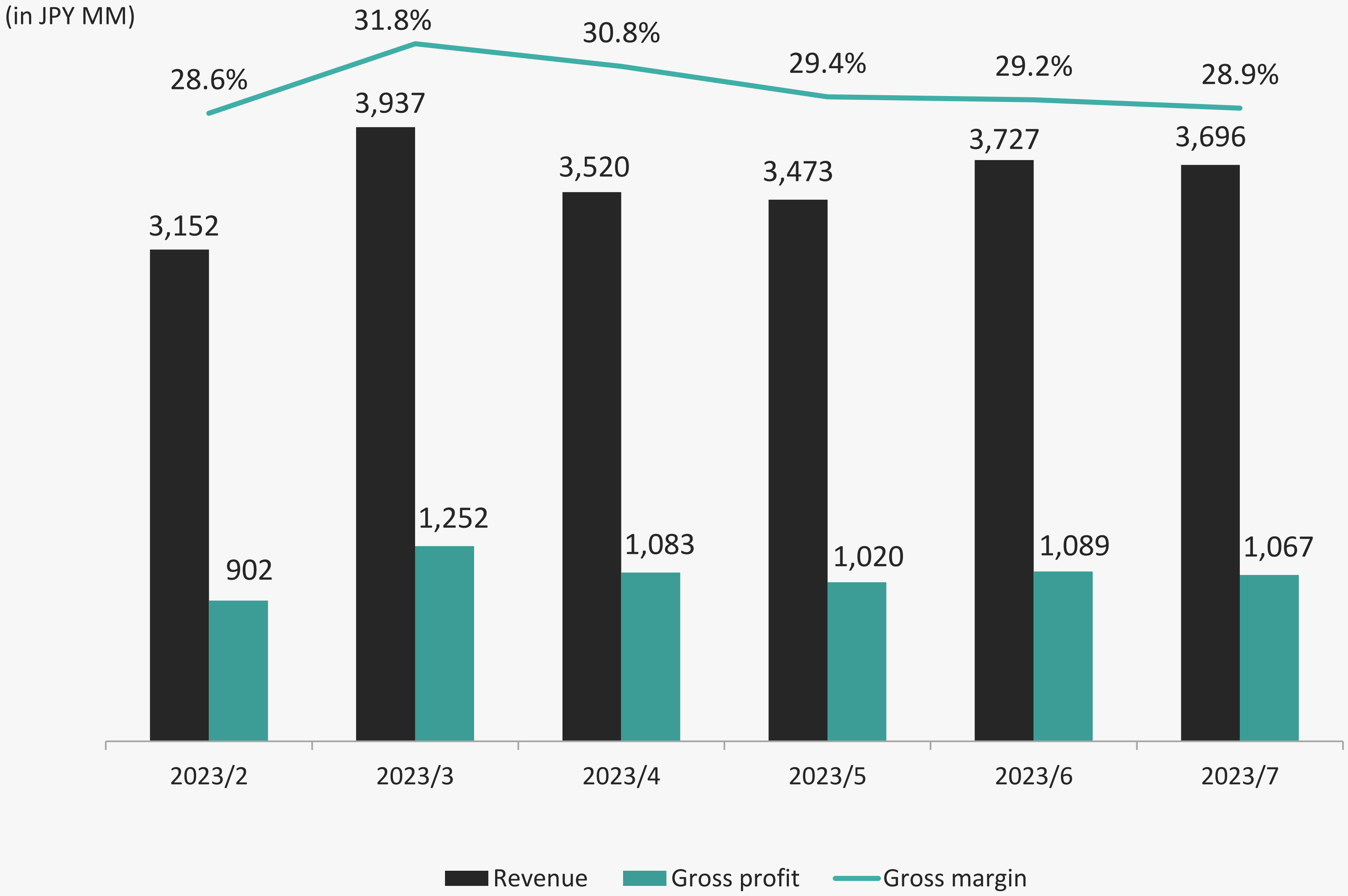
(Reference)
Monthly Financials

- May is a quiet month for all businesses due to fewer business days due to “Golden Week” holidays in Japan
- For August, which is during the quiet season, revenue landed at around JPY 3.24Bn



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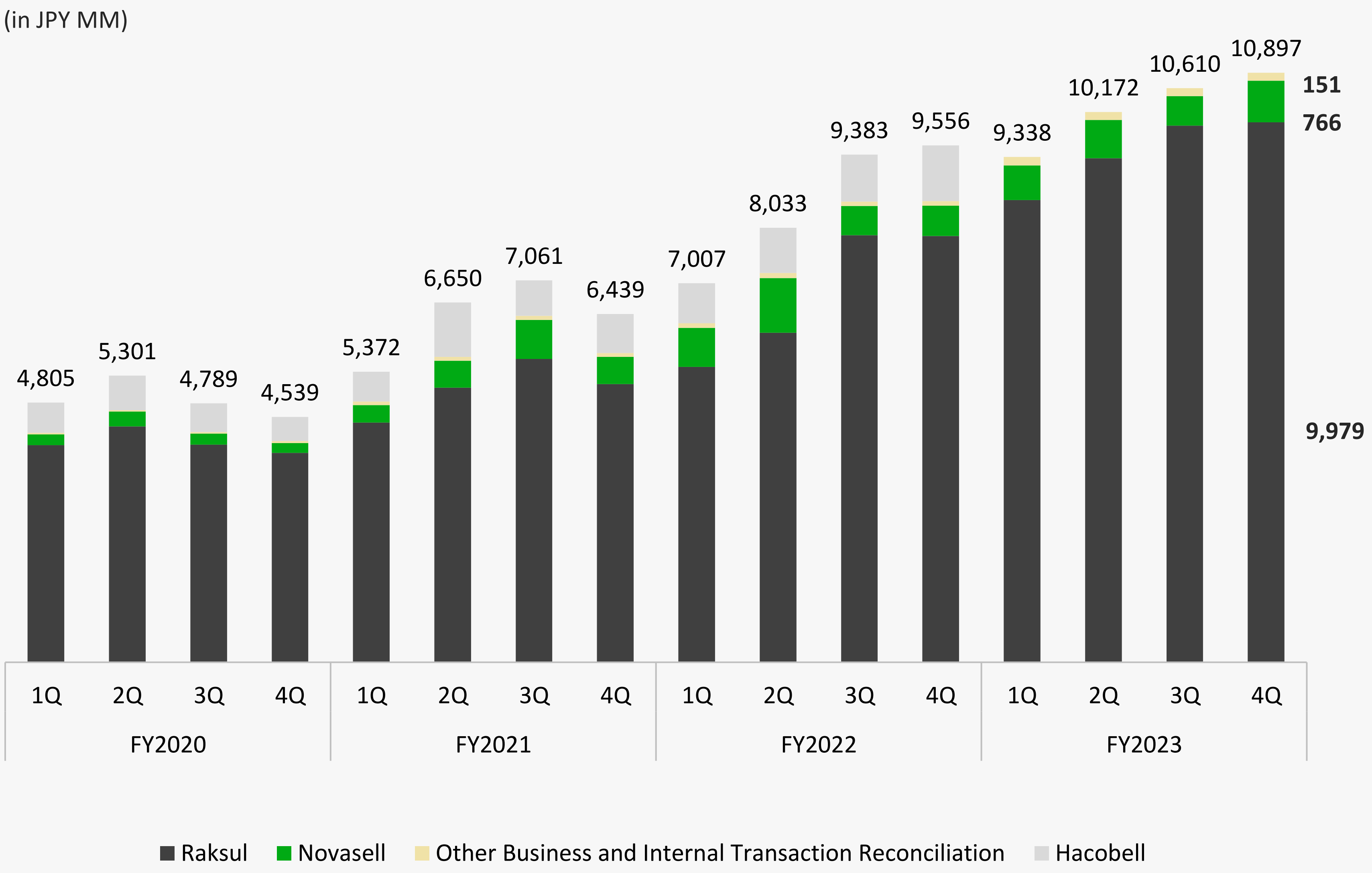
Revenue by Business Segment

- Although 4Q is normally a quiet period, company-wide revenue continued to grow QoQ



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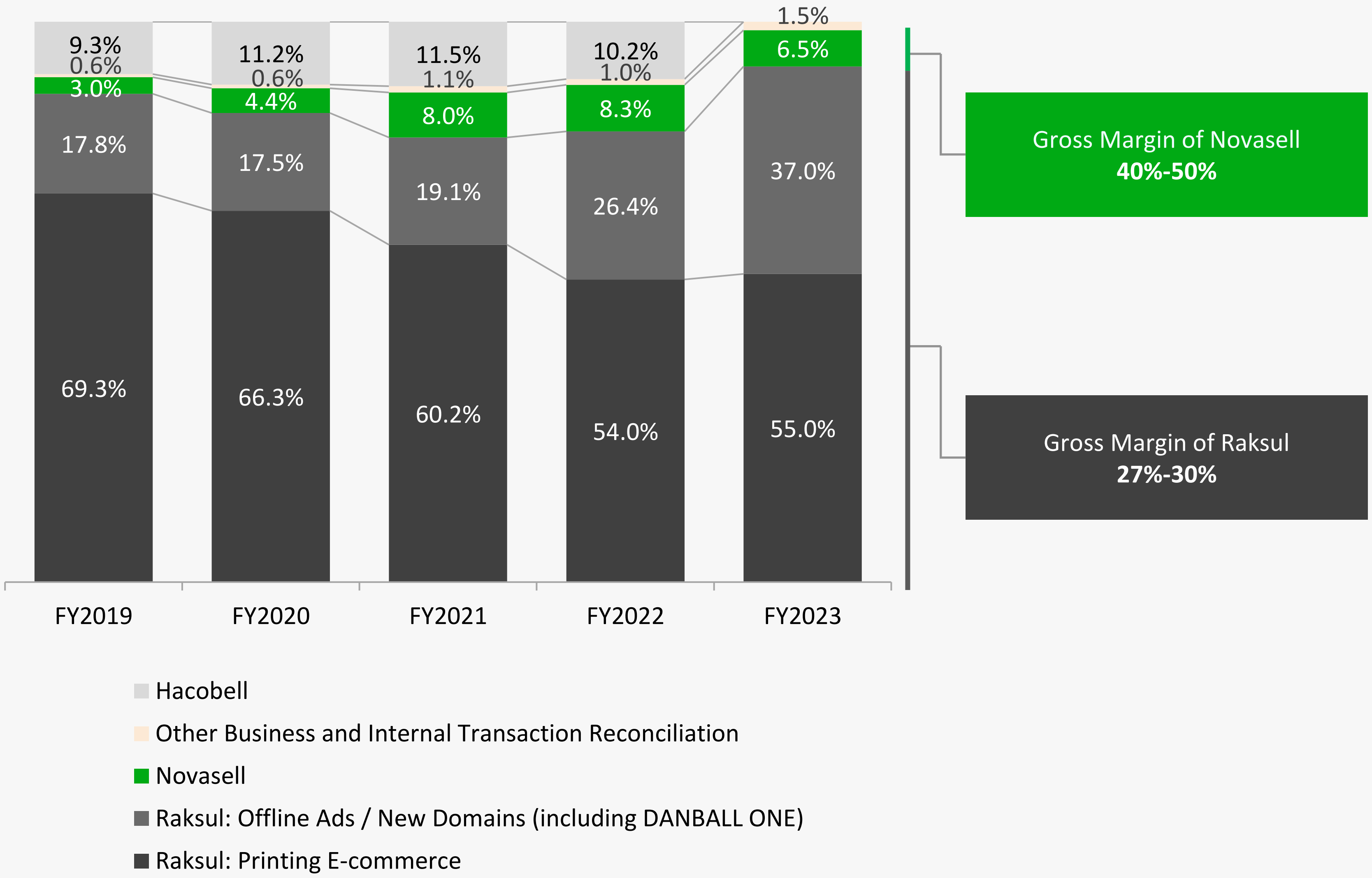
Revenue Composition by Business Segment

- While the printing e-commerce continues its growth, offline advertising services, new domains, and DANBALL ONE within Raksul business segment have been steadily expanding, creating multiple strong revenue streams



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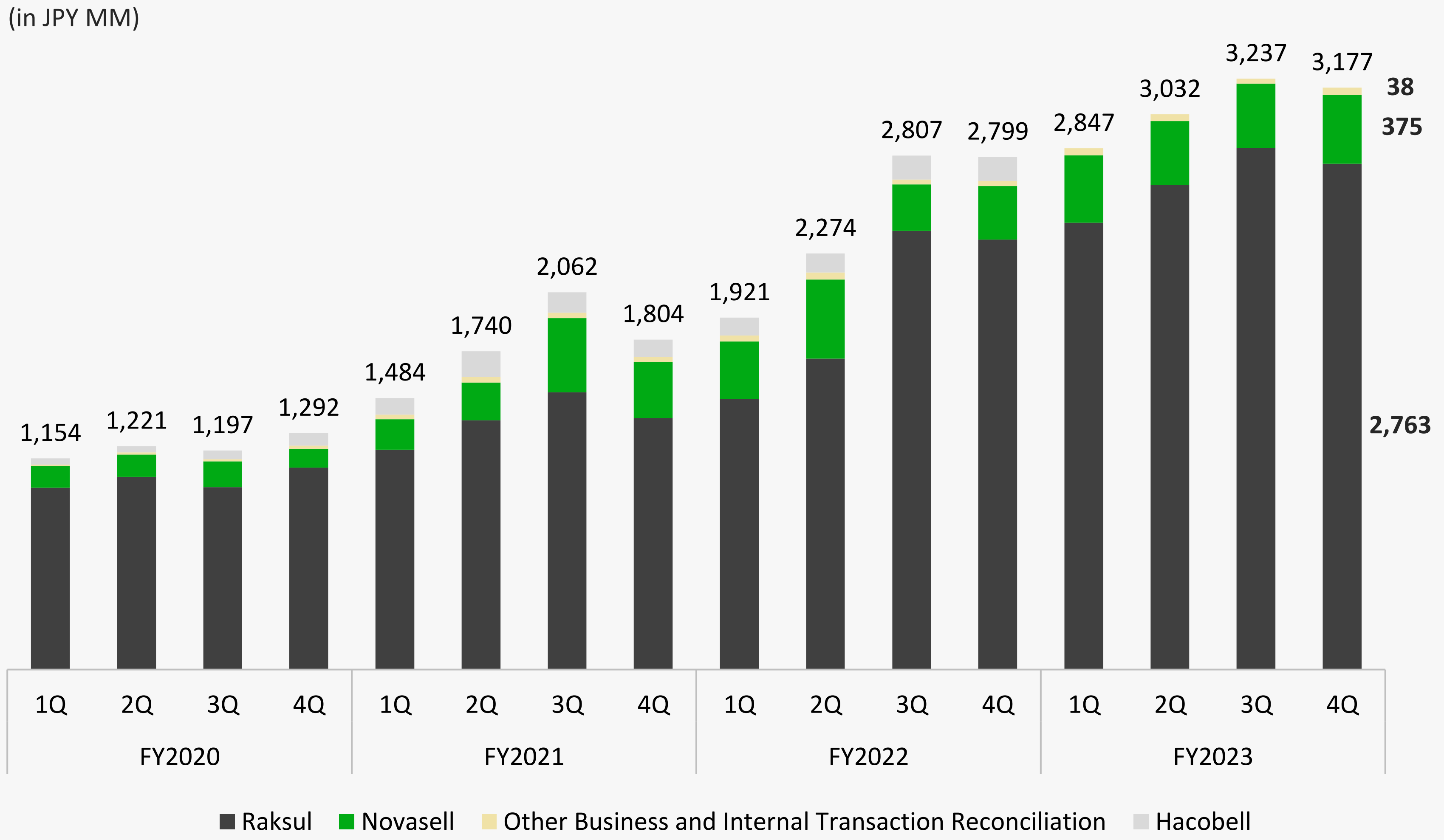
Gross Profit

- Gross profit continues its growth trend driven by revenue growth and stable gross margin



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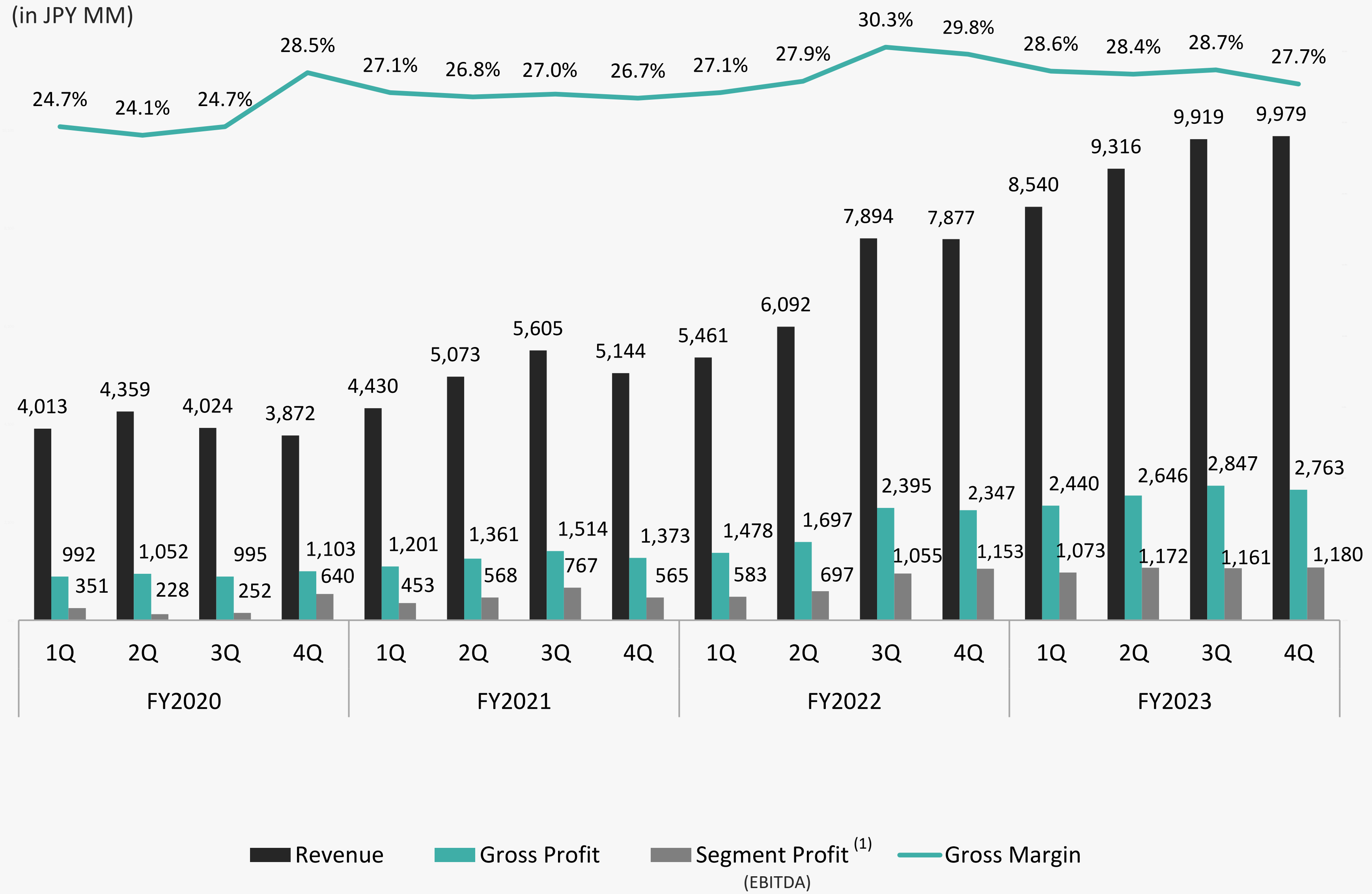
Business Segment Performance

- Gross margin declined due to higher purchase costs; gross margin is expected to rise to around 29.5% in 1Q due to review of pricing and contributions from RAKSUL FACTORY
- Internal businesses grew steadily, excluding the performance of DANBALL ONE; revenue growth was +27.1% YoY and gross margin growth was +17.8% YoY
- DANBALL ONE's 4Q performance was as follows; revenue JPY 1.92Bn (+24.7% YoY), gross profit JPY 566MM (+17.5% YoY), gross margin 29.4%, and EBITDA JPY 193MM



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Notes
(1) SG&A expenses include internal transactions

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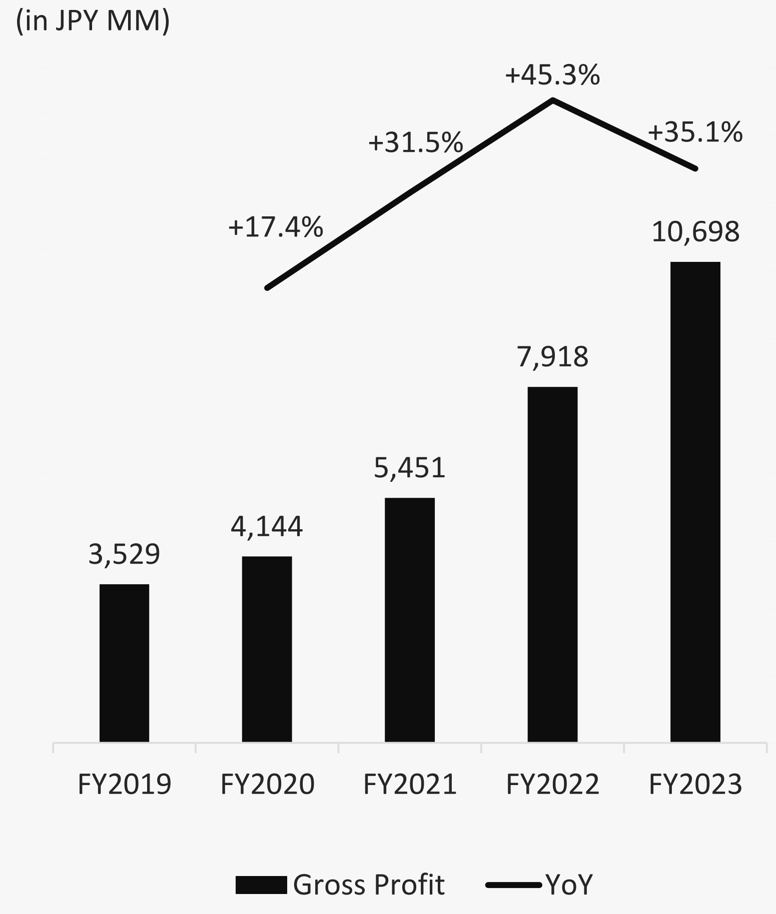
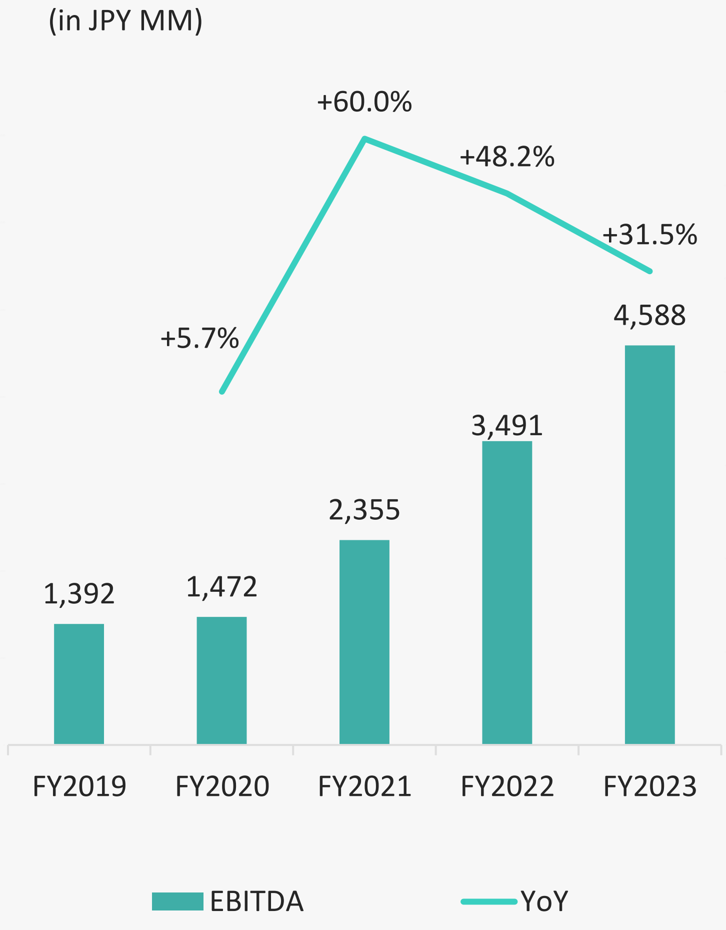
Track record of Profit Growth in Core Business

- CF from core business (Raksul) is steadily increasing, and the business is capable of generating profit
- We have been expanding presence in this market year by year, by leveraging our advantage as a sharing economy business model, which does not require significant CapEx and our ability to generate CF as a business has been increasing

Raksul Business Segment Gross Profit / EBITDA (1)





Notes
(1) Before allocation of corporate expenses

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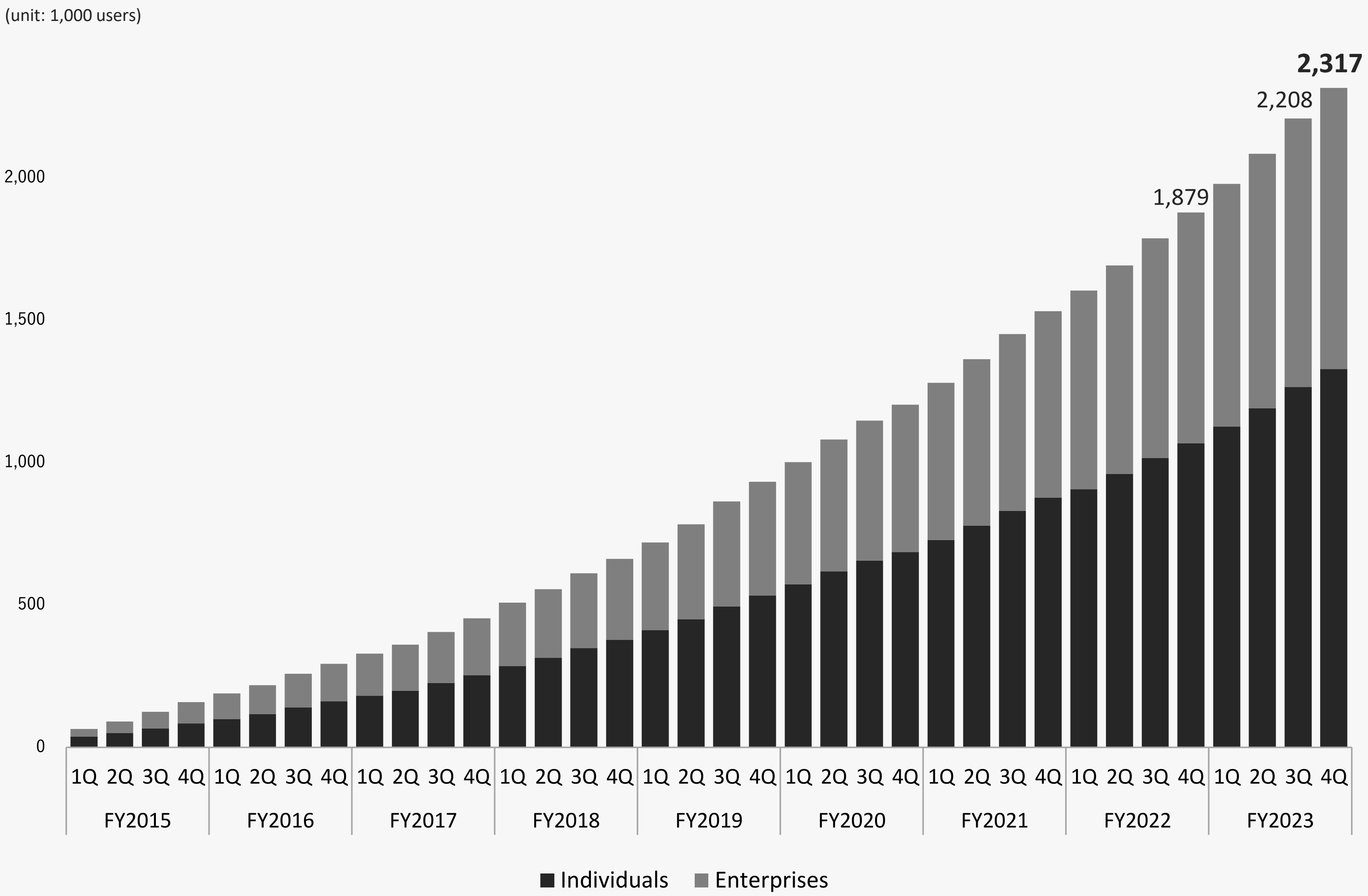
Number of Registered Users on Printing Platform (1)

- Our customer base continues to grow
- The number of total users for 4Q was 2,317,165



Notes
(1) Number of total registered users for raksul.com

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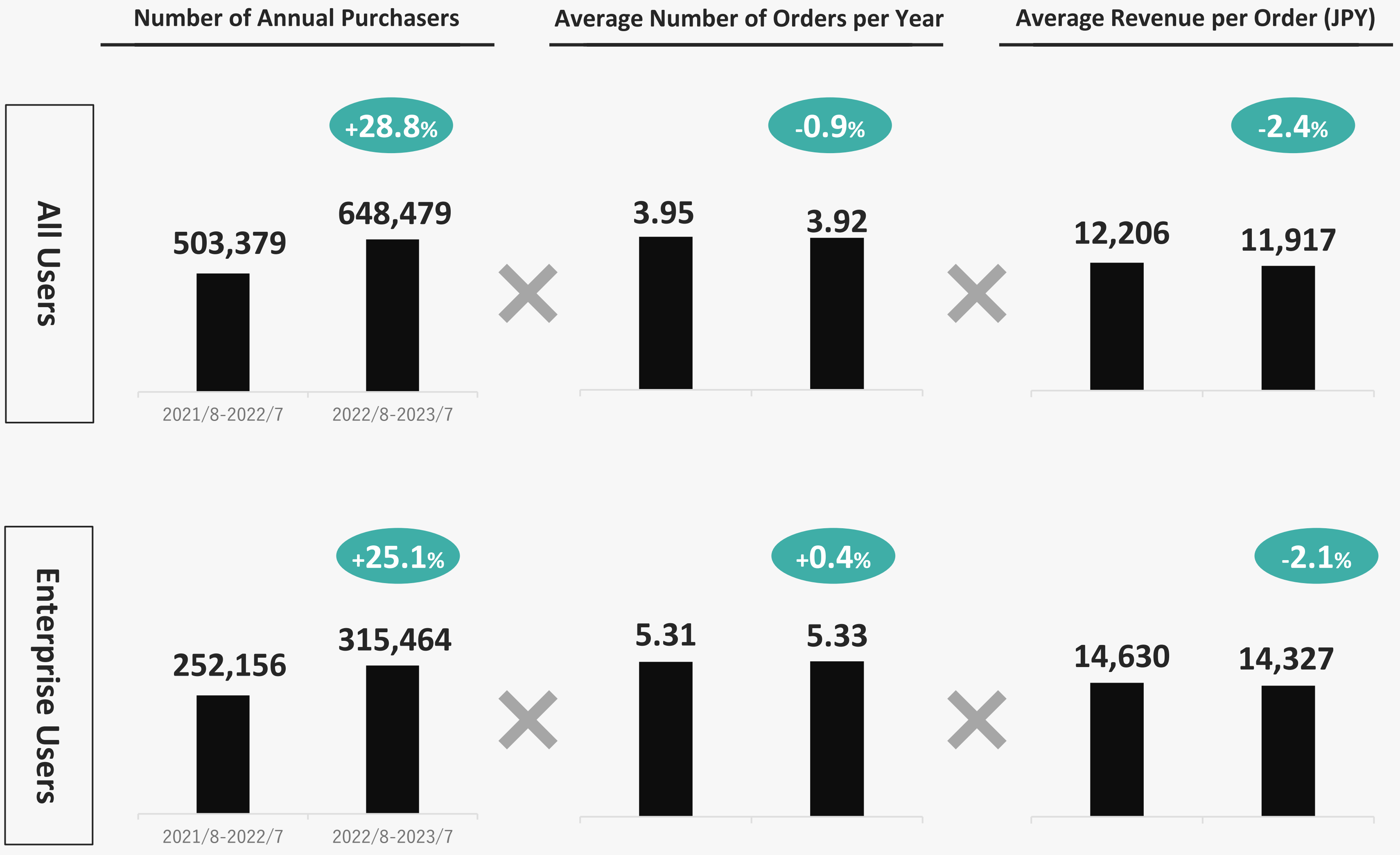
KPI Trend [1]

- Annual number of purchasers continues to grow
- Average number of orders improved QoQ (YoY improvement for Enterprise users)
- The average revenue per order decreased due to an increased number of users in low-price products such as business cards. Excluding business cards, the average order unit price is around JPY 15,600 (YoY +0.1%). Unit price excluding business cards turned positive in YoY
- For DANBALL ONE (2022/8-2023/7)[2], the number of annual purchasers is 187k users and ARPU (Average Number of Orders per Year x Average Revenue per Order) is around JPY 38k



Notes
(1) Excluding DANBALL ONE, calculated based on management accounting
(2) Only transactions through the company's own e-commerce website

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FY2023 Business Highlights

- Solid business due to becoming No.1 in the customer base of registered users, service expansion for large enterprises, and category expansion including DANBALL ONE

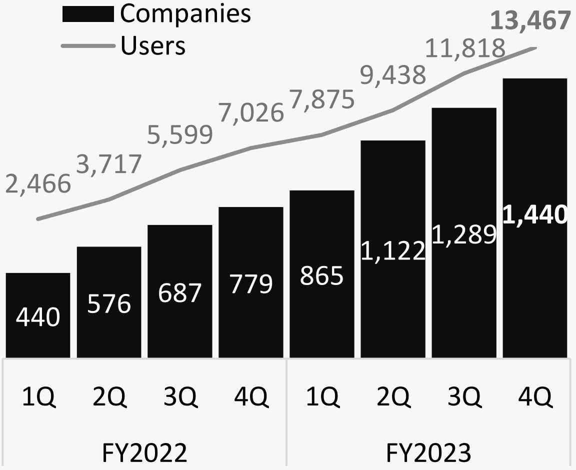
No.1 in Number of Registered Users

- Expanded to become the No.1 customer base for online printing in Japan with more than 2 million users as of 2Q

Increase in Number of Users

Service for Large Enterprises

- Raksul Enterprise, a service for medium to large enterprise customers that enables centralized purchase management of print materials, was launched in the second half of 2021
- The user companies are large in size, contributing to the improvement of ARPU

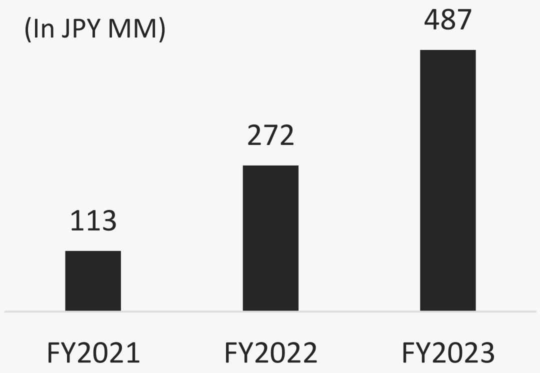


Increase in ARPU

Progress in Category Expansion

- Continued expansion of product categories organically and through M&A
- For example, top-line synergies between Raksul and DANBALL ONE are steadily expanding

Cross-selling revenue between Raksul and DANBALL ONE



Progress in Cross-Selling

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ラクスル Raksul

Tender Offer for AMIDA HOLDINGS CO., LTD.

- Currently conducting Tender Offer for AMIDA HOLDINGS CO., LTD. (TSE GROWTH: 7671), an operator of Hankoya.com, e-commerce for Japanese business stamps

Project Summary	• Announced Tender Offer for AMIDA HOLDINGS CO., LTD. (“AMIDA") • AMIDA expressed an opinion in favor of the tender offer and disclosed a recommendation to accept the tender offer, and has entered into a tender agreement with AMIDA's major shareholders
Company Profile	The largest Japanese business stamp e-commerce company that operates Hankoya.com
Tender Offer Period	From August 14, 2023 to September 25, 2023 (30 business days)
Economic Conditions	• Premium of 94.88% to AMIDA's average share price over the past 6 months • Transaction Value (equity value after premium minus net cash) is JPY 2.1Bn, EBITDA is approximately JPY 0.5Bn, and **Transaction Value/EBITDA is around 4x**
Finance	Cash on hand
Financial Impact (if the tender offer is completed)	• The impact on our consolidated performance for the fiscal year ending July 2024 is approximately JPY +2.0Bn in revenue, JPY +1.1Bn in gross profit, and JPY +200MM in operating profit (including goodwill amortization) The impact will be disclosed after the completion of the transaction as it depends on the timing of the start of consolidation • AMIDA's business results will be disclosed as Raksul Business Segment

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Investment Highlights for AMIDA

- Investment with three objectives:

1. Expansion of customer base
2. Cross-selling potential
3. High profitability and contribution to our consolidated business performance

Expansion of customer base

Increase in the Number of Purchasers

- A product category of Japanese business stamps has the potential to become a traffic builder (a product that drives new customers) comparable to flyers, business cards, cardboard and packaging materials
- Around 10% of the new businesses registered in Japan each year (approx. 12,000 companies) uses AMIDA's service. The number of orders received per year is about 450,000
- The market for Japanese business stamps is worth JPY 150-200Bn, and while the market is in a slight downtrend, there is a large room for e-commerce growth

Cross-selling potential

Increase in ARPU

- Japanese business stamps are often purchased together with office printing products, such as business cards and envelopes, and synergies can be expected from mutual cross-selling
- Synergy opportunities are expected with equity method affiliate Peraichi (no-code website builder SaaS) given the large number of newly-opened business users

High profitability and contribution to our business performance

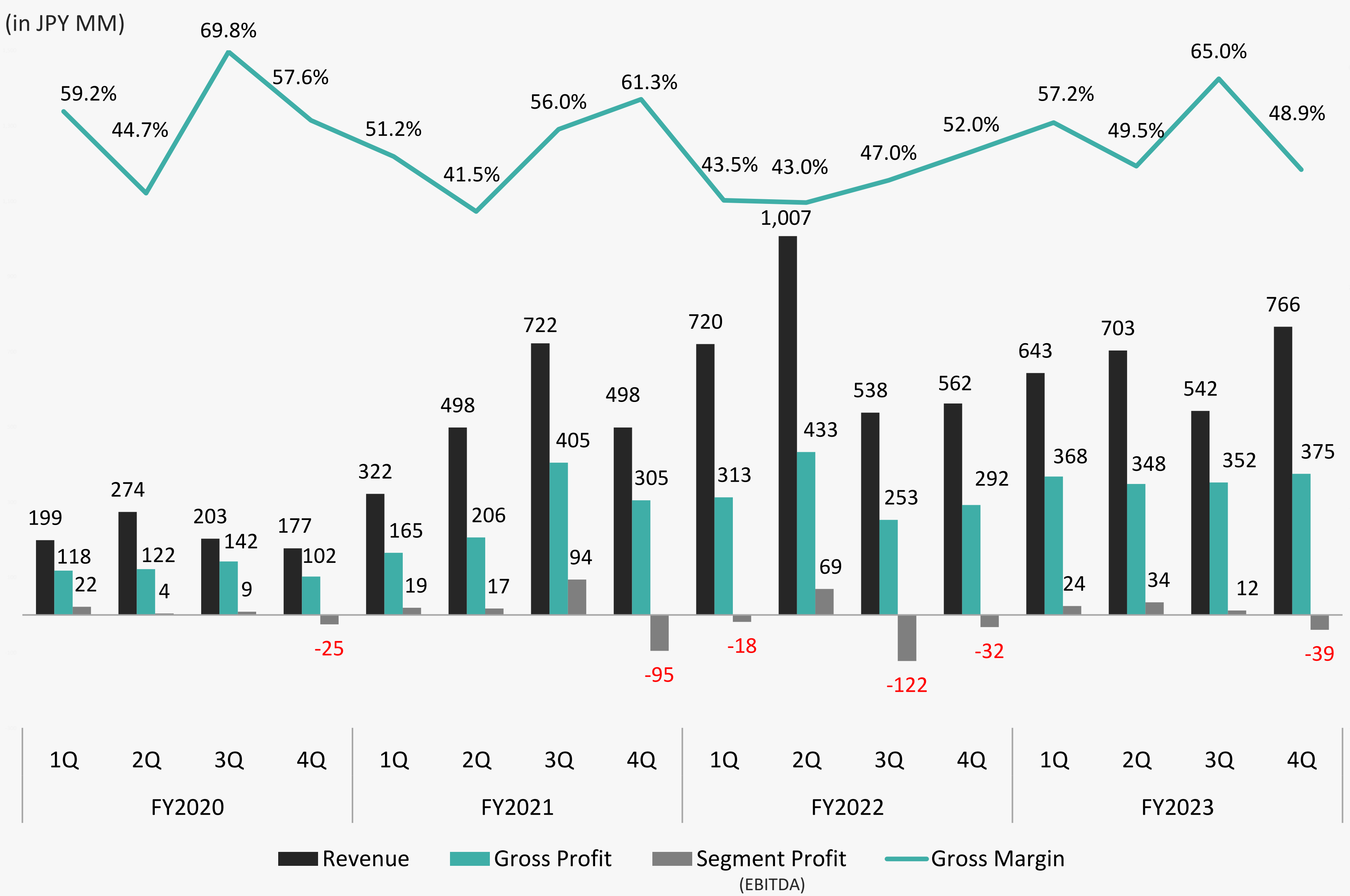
Contribution to Quality Growth

- Gross margin of around 55% and EBITDA margin of just under 15%, which is higher than our level of profitability
- After going private, profitability is expected to improve further due to reduced listing maintenance costs
- Investment in line with our current financial policy of Quality Growth (growth with profit and cash flow)

Novasell

Segment Performance [1]

- Highest quarterly revenue and quarterly gross profit in the last 12 months
- SaaS quarterly revenue increased to JPY 87MM (YoY+51.0%)
- By applying the new revenue recognition standards, revenue is netted for broadcasting services, and gross revenue is recognized for production and SaaS services



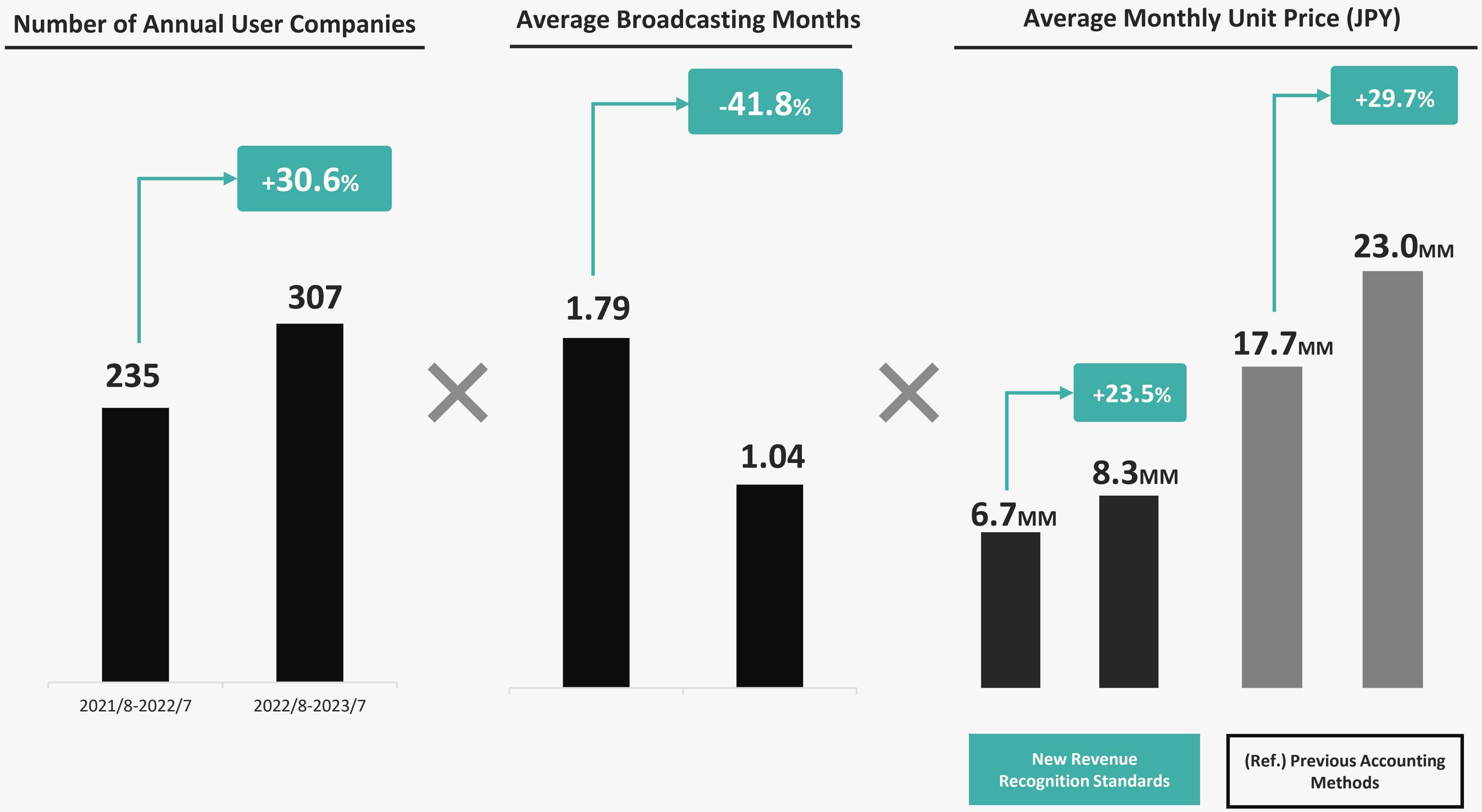
Gross Revenue

732	743	847	530	872	1,248	2,613	1,983	1,727	2,641	1,614	1,493	1,680	1,819	1,847	2,023

Notes
(1) Internal transactions included in revenue, gross profit, and SG&A

KPI Trend

- KPIs are disclosed with consideration of the characteristics of programmatic TV commercials
- The proportion of SaaS-only users is currently increasing. As a result, the average number of broadcasting months has decreased in the calculation, however, average broadcasting months increased by about 8% when focusing only on the broadcasting customers
- Monthly average unit price increased by more than 20% due to a shift in customer base to large enterprises
- Total number of SaaS users for 2022/8-2023/7 was 187 companies (+8.1% YoY) . More than 95% of them are using paid services, and the number of companies using paid services increased +28.1% YoY



FY2023 Business Highlights

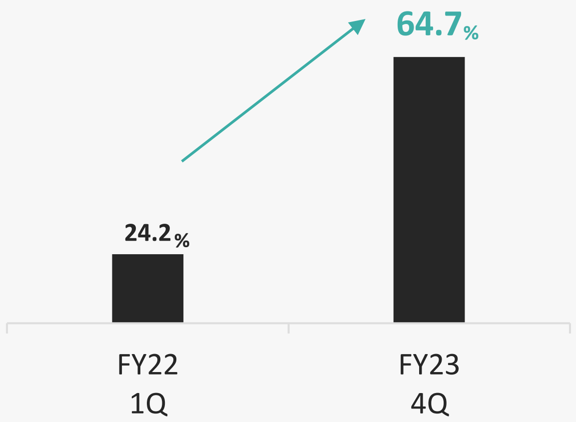
Novasell

- Shifted customer base to large enterprises that are less susceptible to the current macroeconomic environment
- SaaS business is performing well due to high demand for SaaS usage by large companies

Increase in Large Enterprise Customer Base

- Shifted customer base from existing Raksul users and startups to large enterprises that are less susceptible to the current macroeconomic environment
- Steady increase in the ratio of listed companies in the gross profit

Percentage of Novasell's Gross Profit from Listed Clients

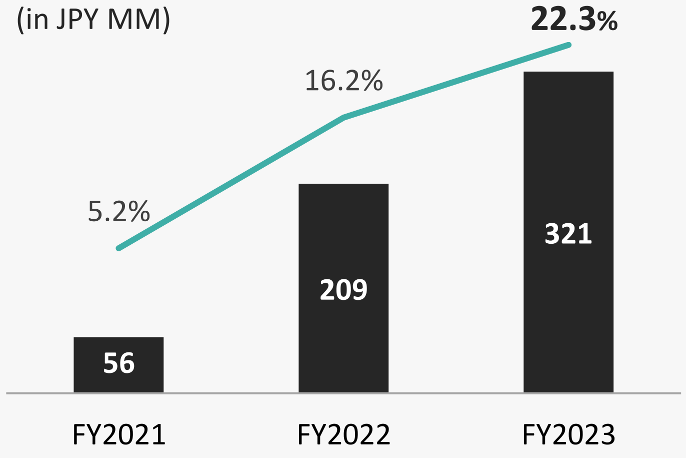


Increase in Number of Users and ARPU

Growth in SaaS Business

- SaaS Business has been growing rapidly by shifting the customer base to large enterprise clients
- We will further focus on expanding the SaaS business, aiming to increase the share of SaaS business in Novasell's gross profit to more than 30%

SaaS Annual Gross Profit and as a Percentage of Novasell's Gross Profit



Increase in Gross Margin and ARPU

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(Reference) Key Drivers and Investment Points for KPI Improvement

	Number of Annual Purchasers	ARPU		Gross Margin
		Average # of Orders	**Average Unit Price**	
Raksul	• Continuous improvement of marketing measures • Expansion of business domains and product line-up	• Improvement of customer experience • Continuous expansion of CRM and cross-selling	• Services to promote usage by large enterprises	• Price optimization • Support for suppliers in productivity and cost optimization • Cost improvement through joint procurement of materials
Novasell	• Expansion of marketing channels • Partnerships with external advertising agencies	• Formulation/implementation of marketing strategies working closely with the clients • Improvement in analytics contents for Novasell Analytics • Expansion and enhancement of media		• Expansion of SaaS business • Increase in the number of large enterprise users with large broadcasting budgets

Group Companies

Organic Businesses	ハコベル Hacobell Equity method affiliate	• JV with Seino Holdings Co., Ltd. ("SEINO HD") was established in August 2022. Our shareholding ratio is currently 49.9% • Quarterly revenue was approximately JPY 1.31Bn. Customer referral support from SEINO HD accounts for approx. 18% of total revenue and the number is continuously increasing
	ジョーシス Josys Consolidation possible in the future	• Business is up and running smoothly and has procured Series B funding of JPY 13.5Bn • Started providing services in the US and APAC in addition to Japan
Investments	ペライチ Peraichi Equity method affiliate Consolidation possible in the future	• Revenue from the online payment service has been strong, with current monthly revenue expanding to around JPY 80MM
	Net Square	• Business assets related to our business have been separated and made into a wholly owned subsidiary on August 1 as RAKSUL FACTORY • Capital relationship with Net Square was dissolved in July

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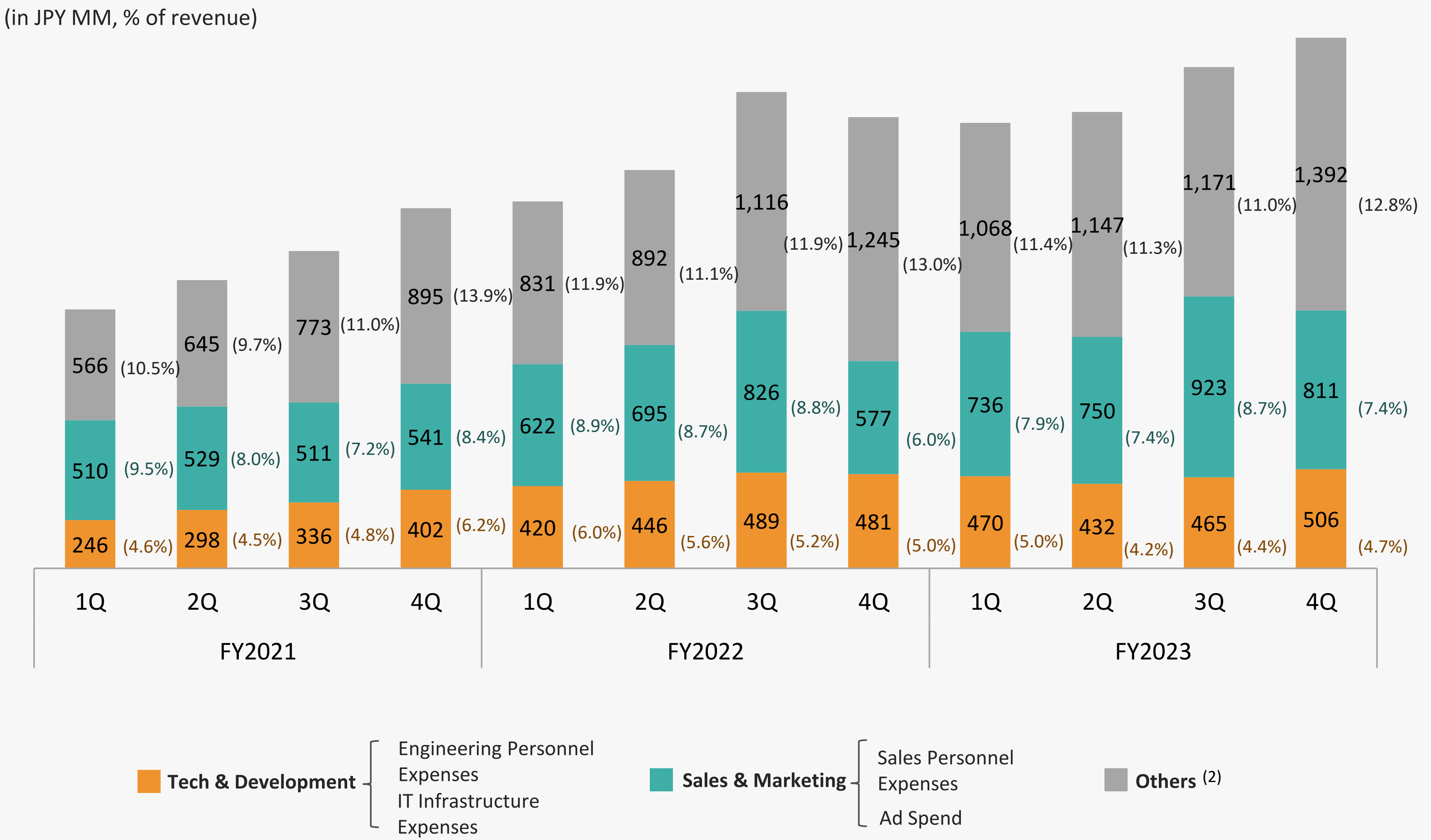
SG&A Spend [1]

- We continue to invest in growth mainly in advertising and technology development
- Upfront investment for growth in the next fiscal year and beyond centered on recruitment and office expansion



Notes
(1) Stock-based compensation expenses not included
(2) Includes depreciation and amortization of goodwil. See EBITDA slide for amounts

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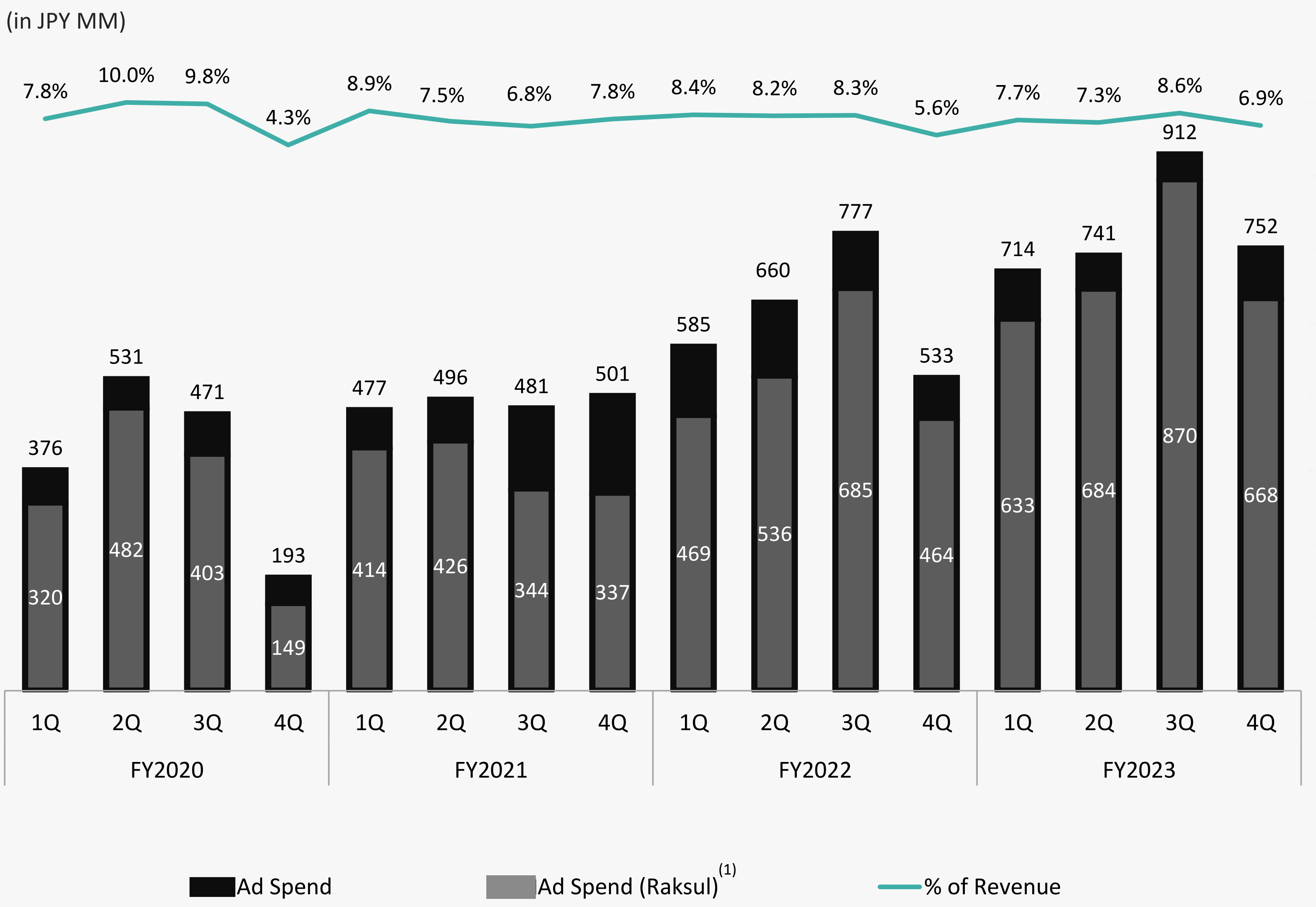
Ad Spend and Percentage of Ad Spend per Revenue

- We continue to invest in advertising, mainly in TV commercials for Raksul business segment
- With the efficient customer acquisition in the solid macro environment, the advertising expense ratio was in the 7.6% range for the full year, which is higher than the initial plan



Notes
(1) Ad spend for Raksul business segment only is added for reference purposes

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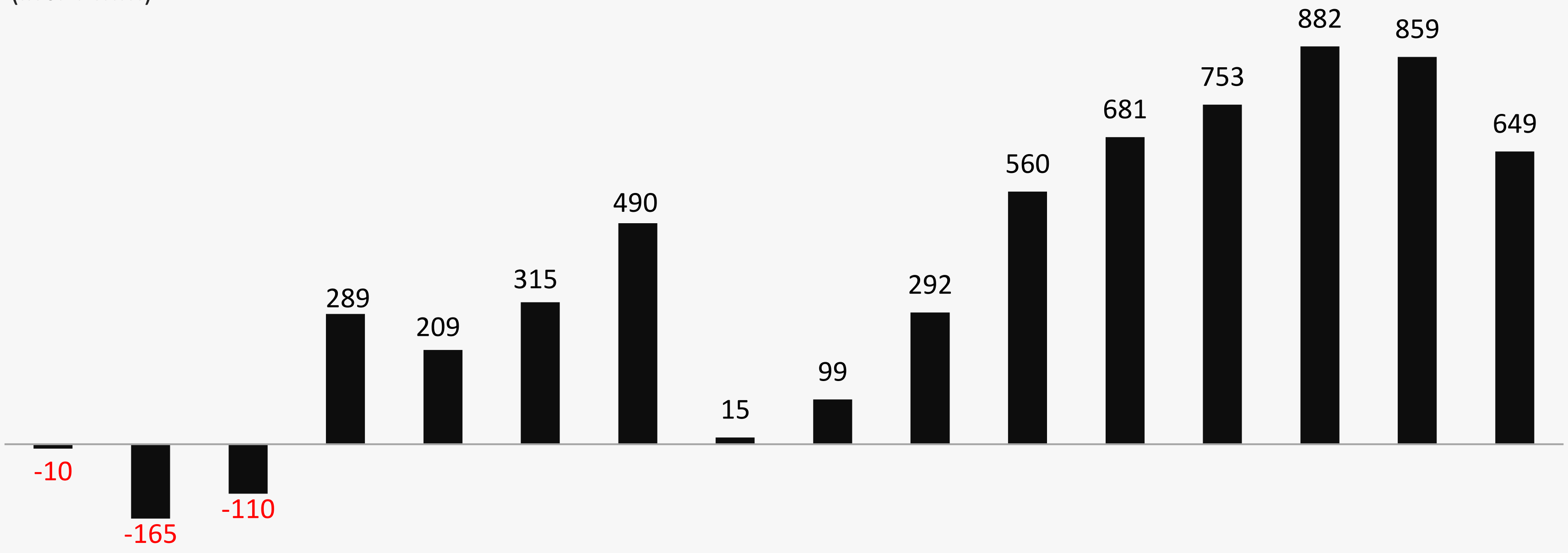
EBITDA

- Quarterly EBITDA was JPY 649MM due to upfront investment for growth in FY2024 (steady-state profitability was around JPY 800-900 MM)
- The only GAAP adjustment item is the stock-based compensation expenses; J-GAAP EBITDA equals non-GAAP EBITDA minus stock-based compensation expenses. J-GAAP operating profit is the J-GAAP EBITDA minus depreciation and amortization of goodwill

(in JPY MM)



	FY2020 1Q	FY2020 2Q	FY2020 3Q	FY2020 4Q	FY2021 1Q	FY2021 2Q	FY2021 3Q	FY2021 4Q	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q
Depreciation and amortization of goodwill	32	34	41	52	48	48	49	51	51	52	185	185	181	181	182	183
Stock compensation expense	-	15	22	46	94	120	133	263	154	175	183	182	180	141	170	158

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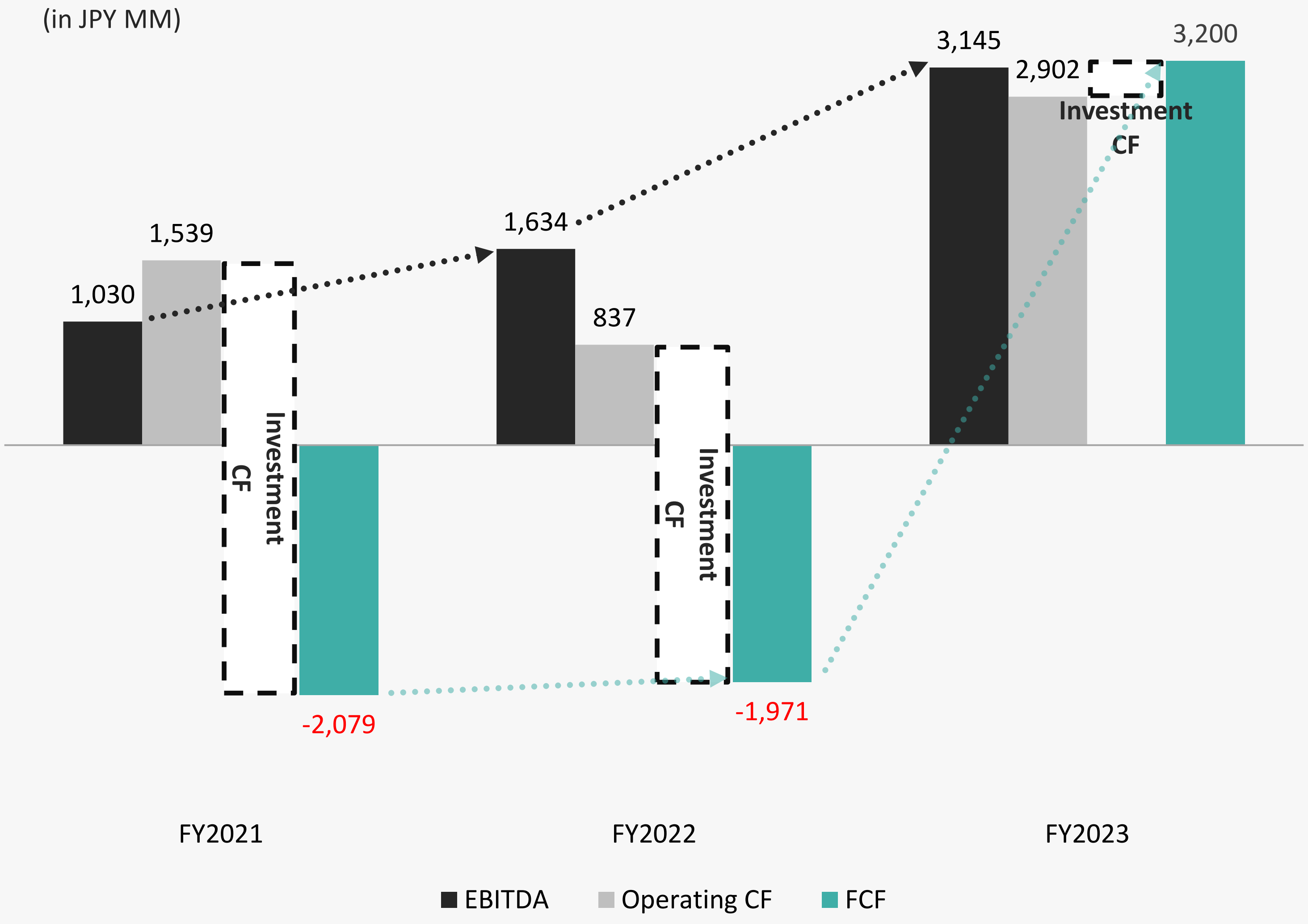
EBITDA to CF conversion

- EBITDA expansion enables FCF expansion/scaling of investment activities



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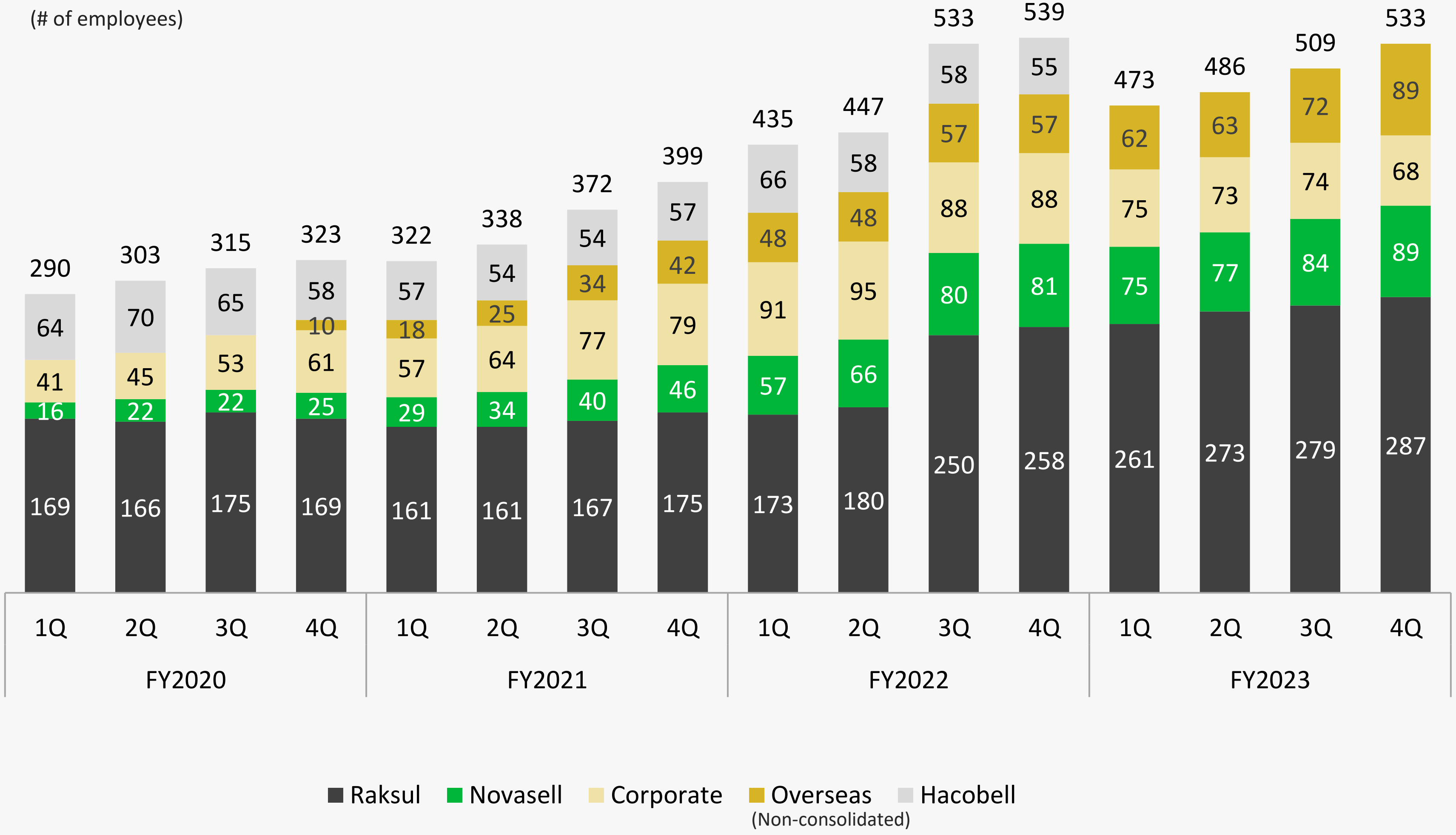
Number of Employees (1)



- Steady increase in the number of employees
- Productivity (gross profit per employee) of the organization is on an improving trend
- Cash compensation levels are being raised in line with the realization of Quality Growth

Notes
(1) Headcount based

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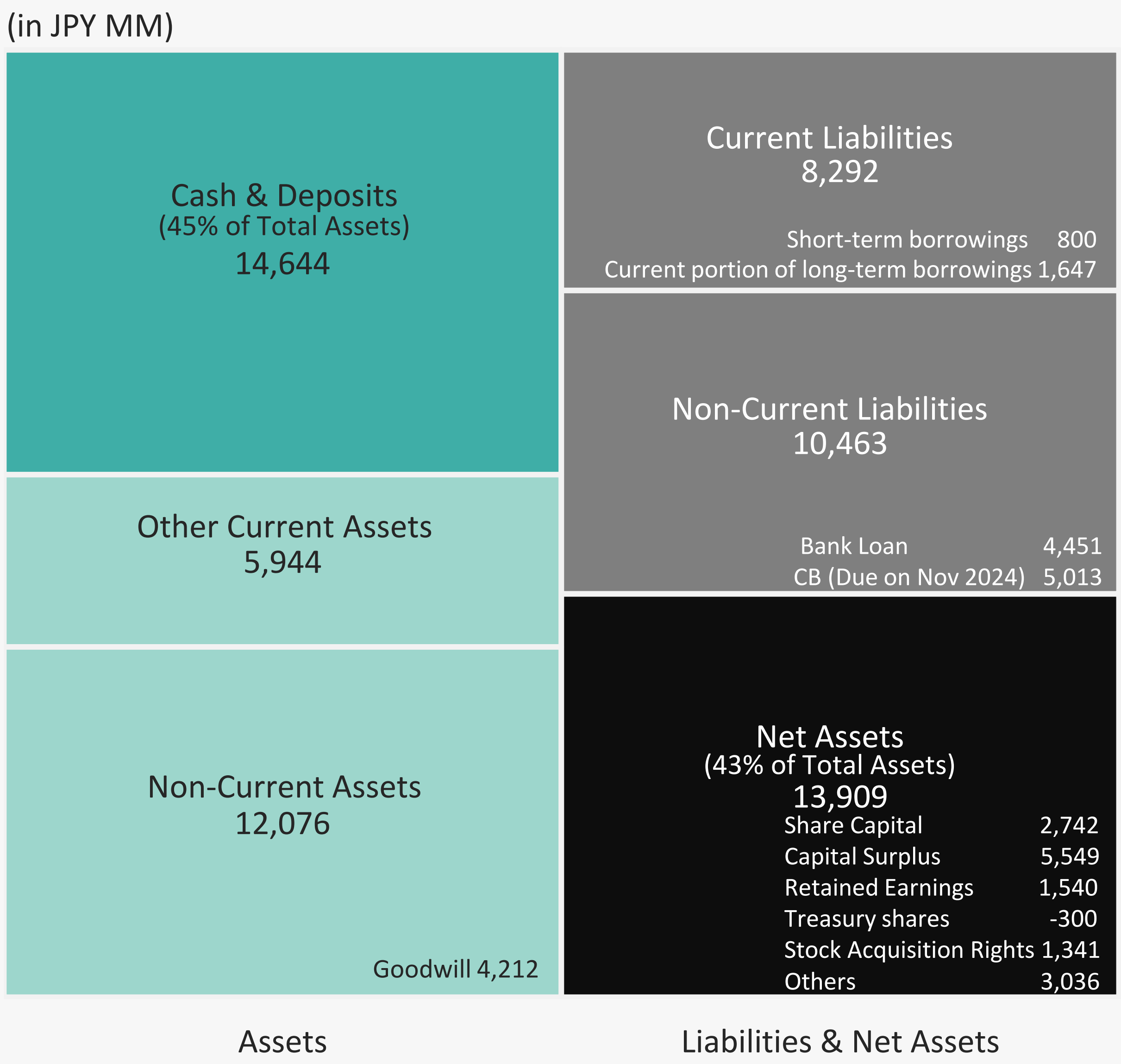
Quarterly Financial Highlights: BS

- Conducted bank borrowing of JPY 3.6Bn in July 2022 (5-7 years term); cash and deposits of over JPY 14.0Bn
- In addition, we expect to accumulate both the operating cash flow and accounting profits in the future



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FY2024 (FYE July 2024)
Full Year Financial Forecast

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Forecast for FY2024

- Assuming completion of TOB for AMIDA, both gross profit and EBITDA will grow over 30% YoY (AMIDA is scheduled to be consolidated from 2Q)
- For the forecast for 1Q FY2024, we are expecting net revenue of +15-17% YoY, gross profit of +17-20% YoY, and EBITDA of around JPY 800MM-850MM (Excluding approximately JPY 100M in tender offer costs for AMIDA, steady-state earning power of JPY 900-950MM)

(In JPY 100MM)

	Financial forecast at the beginning of the period (Timely disclosure as of today)		Financial forecast after completion of TOB for AMIDA	
	Level	YoY	Level	YoY
Revenue	470 - 480	+14.6 - 17.0%	494 - 504	+20.4 - 22.9%
Gross Profit	145 - 150	+17.9 - 22.0%	157 - 162	+27.7 - 31.8%
EBITDA	37.8 - 38.8	+20.2 - 23.4%	40.5 - 41.5	+28.8 - 32.0%

RAKSUL

Medium Term Financial Policy

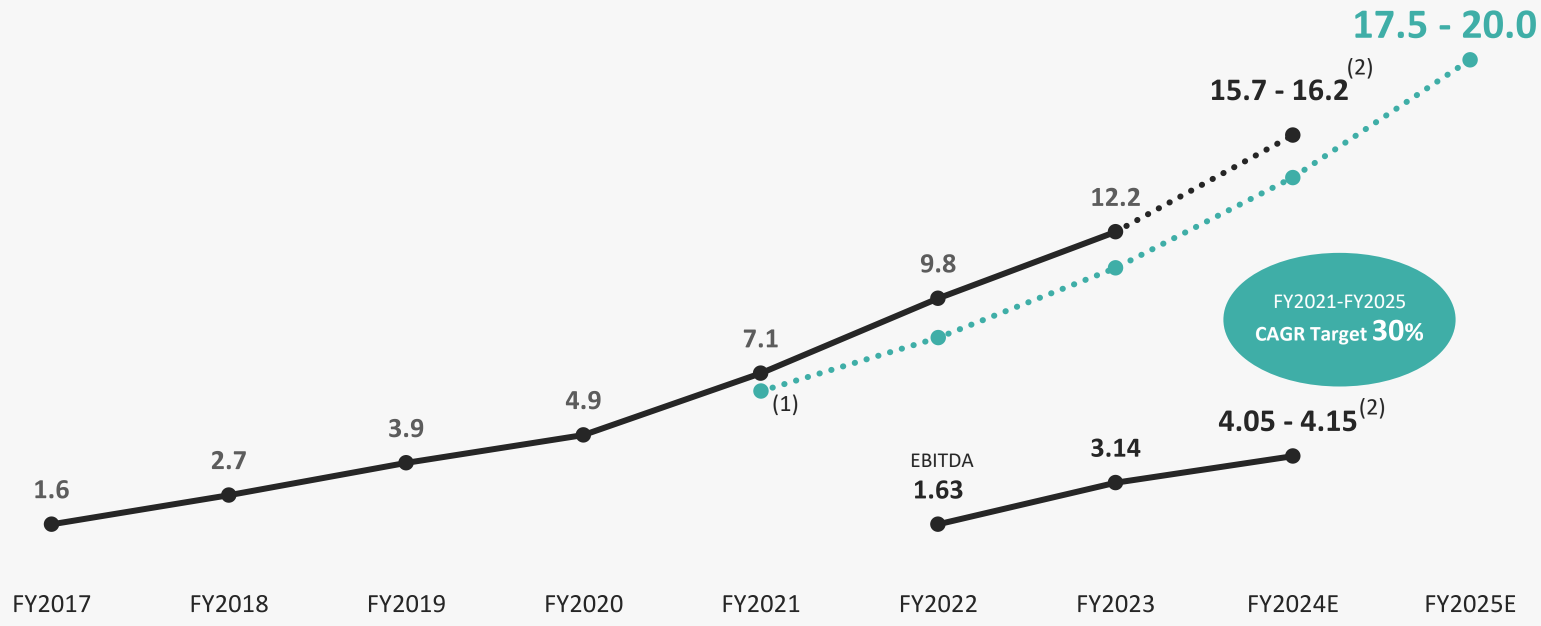
- In addition to continued growth, the addition of AMIDA to the Group will almost certainly ensure that the gross profit target of JPY 17.5-20.0Bn for FY2025 is achieved
- EBITDA will increase when gross profit increases. Drivers for profitability improvement are gross margin improvement and SG&A efficiency
- Our medium term ROE/ROIC target is over 20%

Correlation between Gross Profit and EBITDA (in JPY Bn)

Gross Profit	15.0	20.0	30.0
	▼	▼	▼
EBITDA	3.0-4.0	5.0-6.0	7.5-10.0

ROE/ROIC Over 20%

Gross Profit: Medium Term Target (in JPY Bn)



Notes
(1) Lower range of full-year forecast disclosed on September 10, 2020 (JPY 6.45Bn)
(2) Financial forecast after completion of TOB for AMIDA

Part 2: Future Direction of RAKSUL

4

Summary

RAKSUL

Future Direction of RAKSUL

- Evolution as a “Software-enabled Marketplace/E-commerce,” a software company that changes the systems of B2B ordering both in Japan and overseas

A software company that changes the systems of B2B ordering both in Japan and overseas
Software-enabled Marketplace/E-commerce

Transformation of B2B ordering system

The indirect materials and services market is said to be worth approximately 140 trillion yen. In addition to the sharing platform, we will revolutionize the B2B ordering system in this large market with our marketplace and sales order management software.

Software Business Expansion

We will strengthen the provision of software indispensable for improving the efficiency of customers' procurement, sales promotion, and other operations, which can only be achieved through our customer base and software development capabilities.

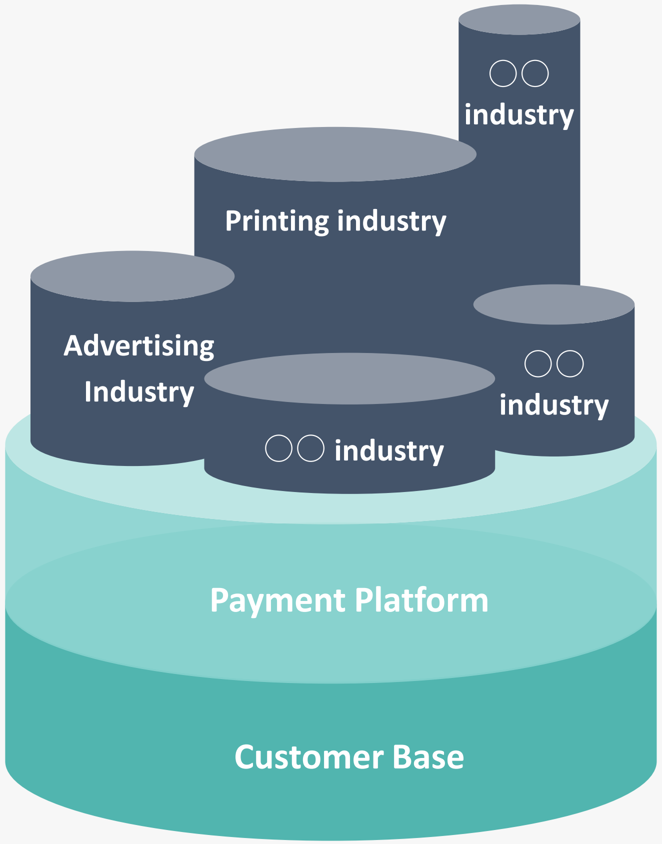
Going Global

Looking at the domestic workforce, the potential of the Japanese market for B2B business is limited in the long term. We will take on the challenge to earn at least 10% of gross profit from our global business in the medium to long term.

RAKSUL

Medium- to Long-Term RAKSUL

- An integrated vertical platform for each industry based on our mission to change the system multiple industries work
- Horizontal platform related to B2B order and supply to expand the business for each industry with reproducibility
- We will build and expand both of these platforms to ensure scalability and reproducibility while realizing continuous growth



For various industries Solutions (Vertical Platform)

Catalyst (example)

- Expand service lineup and increase transaction volume in existing areas (both organic and M&A)
- Expand software business to facilitate order placement and receipt
- Businesses / new solutions for new industries

B2B ordering platform (Horizontal functions and infrastructure supporting verticals)

Catalyst (example)

- Reduce settlement costs (realize economies of scale) by integrating settlement platforms with M&A companies
- Progress in cross-selling by strengthening sales and CRM functions across the group

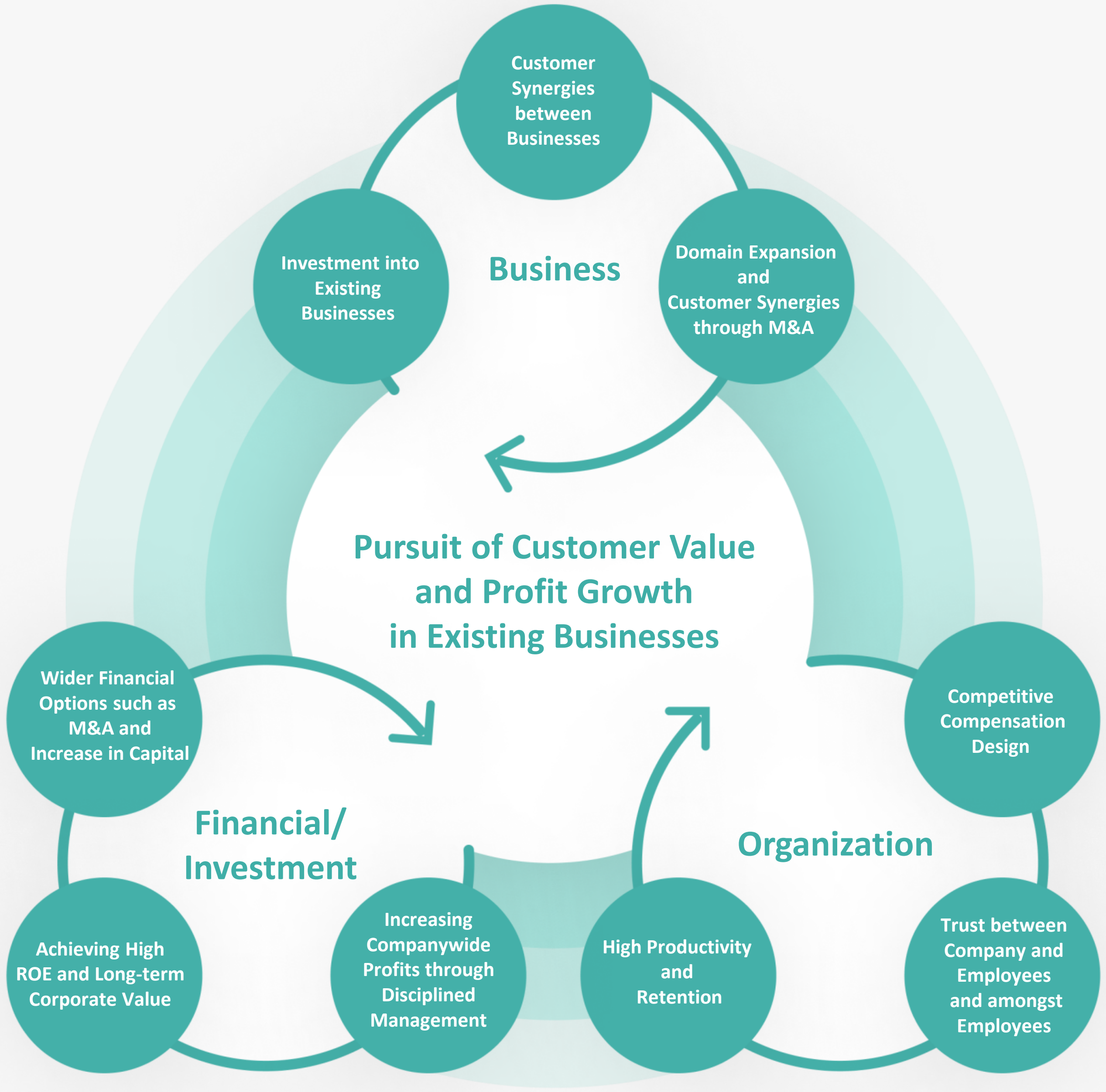
Focus for FY2024

1	**Building foundations to accelerate synergies among businesses**	As we expand from our core printing service into multiple service areas, we will focus on building an ID platform, payment platform, sales structure, and other infrastructure to accelerate synergies among businesses
2	**Building a foundation for serial M&A and actual executions of M&A**	Cash flow is now structured to expand as a result of Quality Growth, and we have moved to a structure that enables proactive M&A activities. We will focus on building a structure and ensuring solid execution by expanding the M&A team to ensure continuous M&A executions
3	**Software Business Expansion**	We will strengthen monetization of software in all businesses

RAKSUL

Continued Quality Growth

- Quality Growth (policy of business expansion with profit/CF) continues
- By placing the highest priority in creating a virtuous cycle in the aspects of business, finance/investment, and organization, we are dedicated to pursuing customer value and improving competitiveness of our existing businesses (Raksul/Novasell), and thereby increasing profits as a result



5

Business Direction

RAKSUL

Our Vision and What We Do

- We strongly believe in redesigning the structure and the value chain of conventional industries with the help of the Internet

BETTER SYSTEMS, BETTER WORLD

Accounting Segment

ラクスル Raksul

ノバセル Novasell

Printing & offline advertising Platform
Launched in March 2013

Cardboard and packaging materials ordering platform
Became wholly owned subsidiary in Feb 2022
(Simplified merger in August 2023)

TV commercial-related Platform
Launched in April 2020

Group Companies

ハコベル Hacobell
Logistics Platform
Launched in December 2015
(% of shares held: 49.9%)

ペライチ Peraichi
No-code Website Builder with Payment Functions (SaaS)
Invested in October 2020
(39.7%)
(Consolidation possible in the future)

ジョーシス Josys
Integrated IT Device & SaaS Management Cloud
Launched in September 2021
(Consolidation possible in the future)

Net Square[1]
Leading Digital Printing Company
Invested in September 2021
(41.4%)

Notes
(1) In August 2023, we completed the process of acquiring Net Square by separating its business assets for Raksul business as RAKSUL FACTORY.
The capital relationship with Net Square was dissolved in July 2023.

RAKSUL

Direction of Growth

- We will redesign the industrial structure of each indirect cost (indirect materials/services) market through our Integrated Vertical Platforms
- TAM of the peripheral markets is also large, and there is room for expansion (e.g., printing -> packaging, logistics -> warehousing)
- With a fragmented supply-side structure, our strength is in building businesses in markets with room for E-commerce growth

Company P&L: Revenue — Direct Cost — Indirect Cost = Operating Profit

Domestic Indirect Cost Market JPY 140Tn in Total

Service (launch)	Market	Size
ラクスル Raksul (Mar. 2013~)	Business Stationery and Commercial Printing Novelty goods Promotion Media (Offline Advertising)	6.3 Tn
ダンボールワン DANBALL ONE	Packaging	2.5 Tn
ペライチ Peraichi	Website Production	0.3Tn
ハコベル Hacobell (Dec. 2015~)	Trucking	14 Tn
ノバセル Novasell (Apr. 2020~)	TV Commercials Taxi Ads	1.7 Tn
ジョーシス Josys (Sep. 2021~)	Corporate IT	6.2 Tn

TAM Total JPY 31Tn

Source: Please see Reference Materials for details

RAKSUL

Business Model

- An Integrated Vertical Platform with “Transactions” as the primary focus as well as “Software” and “Services” for each indirect cost market
- We achieve continuous monetization through transactions (current main source of revenue) by penetrating deeply into both supply and demand, rather than simply matching them
- As a result, our business transforms traditional industries into highly productive and profitable industries by improving the cost efficiencies of transactions and operations

Integrated Vertical Platform

ラクスル Raksul | ノバセル Novasell | New Businesses/ Large-scale investments

Services
BPO etc.

Value additions based on data and transactions

-> Resolving pain points on both supply and demand sides

Transactions
E-commerce / Marketplace

A two-sided platform with deep penetration into both supply and demand sides

-> Optimizing transaction costs

Software
SaaS

Data processing of clients’ internal information and accumulation of transactions

-> Optimizing operational costs

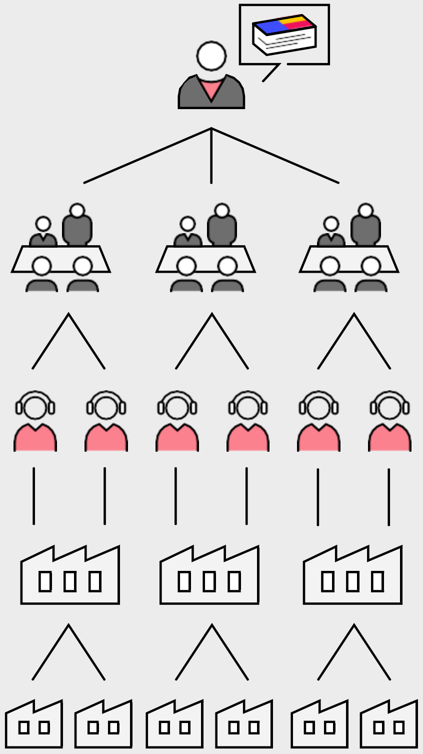
RAKSUL

Building B2B Sales Order Platforms

- Bringing the know-how cultivated in the printing, advertising and logistics businesses to more industries and reforming the inefficient B2B ordering system that still exists

Existing B2B Industry

Inefficient Ordering Structure



Our Goals

Everything completes on the Internet

Improvement of Transaction Efficiency
Cost Reduction
Reduction of Purchasing and Arrangement Burden

RAKSUL

Software Business Expansion

- Providing software that digitalizes the ordering system and replaces the roles traditionally played by paper
- Aiming to expand software-related sales through continuous investments in development structure in Japan and overseas

Unclear return on investment despite running TV commercials or considering to do so

SaaS where companies can precisely analyze the effectiveness of their TV commercials, including conversion

ノバセル アナリティクス
Novasell Analytics

SaaS where companies can compare the effectiveness of their TV commercials with their competitors' using the "specific keyword search" index

ノバセル トレンド
Novasell Trend

FY2023 Revenue JPY 321MM YoY＋54.0%

Lack of skills and know-how despite the desire to set up and operate a website in addition to attracting customers through flyers

SaaS that makes it easy for anyone to create websites

ペライチ
Peraichi

FY2023 Revenue Forecast JPY 890MM YoY＋45.1%

Simple tasks such as management and device procurement place a heavy burden on Information Systems Department

Real-time cloud management of IT devices and SaaS accounts

ジョーシス
JOSYS

ARR increased 10x in a year

RAKSUL

Expansion through Continuous M&A (1)

M&A Track Record

- Conducted several M&A transactions in the past in order to both expand TAM and refine our core values, and will continue to conduct M&A transactions on a continuous basis in the future

Purpose		FY2021	FY2022	FY2023	FY2024
TAM Expansion	New Domains	ペライチ Peraichi • Invested in October 2020			
TAM Expansion	Existing Domains	ダンボールワン DANBALL ONE • Invested in December 2020		ダンボールワン DANBALL ONE • Became a subsidiary in February 2022	ダンボールワン DANBALL ONE • Merger in August 2023 AmidA Holdings • Tender Offer in progress in August 2023 (scheduled to be a subsidiary in October 2023[1])
Refining Core Values			Net Square • Invested in September 2021		ラクスルファクトリー RAKSUL FACTORY (Spin-off from Net Square) • Became a subsidiary in August 2023

Notes
(1) AMIDA's contribution to earnings will start in 2Q

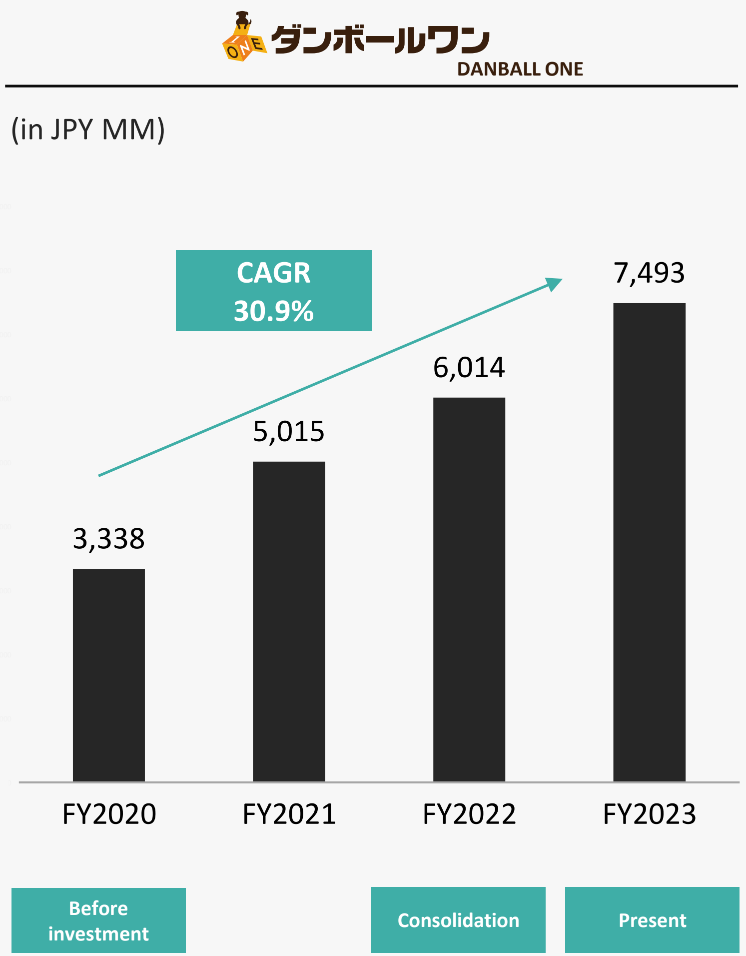
RAKSUL

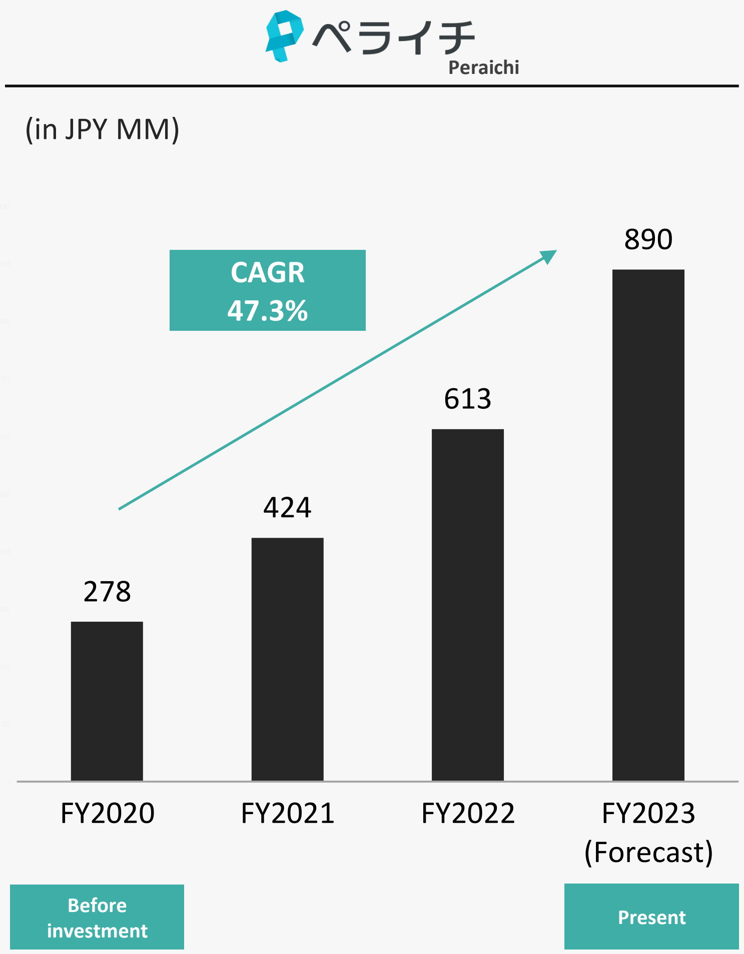
Expansion through Continuous M&A (2)

Success with PMI

- Started investing in 2020, and acquisitions became more full-scale in 2022
- The companies we invested in grew dramatically after the investments
- In increasing their business values, we provide hands-on support specifically in strengthening the organizations; we also provide support by sending customers, and Novasell provides marketing support
- Creating opportunities for next-generation leaders to gain hands-on management experience

Post-Investment/Acquisition Revenue Trends





Notes
(1) Peraichi’s earnings forecast is as of August 2023 since its fiscal year ends in September

RAKSUL

Status of Generative AI Applications

■ R&D/provisions of functions utilizing Generative AI have already started in each business. Contributing to customer value or internal productivity improvement

	Examples of R&D	Examples of Services We Started Providing
ラクスル Raksul	• Automatic generation of images from texts in flyers, etc. • Automatic text generation for flyers, etc.	–
ノバセル Novasell	• Automatic generation of data analysis reports for Novasell Trend • Automatic generation of storyboards to video storyboards	• Automatic generation of survey forms for Novishiro (online survey tool)
ペライチ Peraichi	• Automatic text generation for Direct Mail • Automatic website generation	• Automatic generation of Copywriting • Automatic generation of customer support response examples

6

Organizational Policy

RAKSUL

FY2024 Management Team

- In addition to the change of the representatives, two new SVPs were appointed
- Fukushima, who previously served as SVP of Raksul, will continue to focus on company-wide strategy development and discontinuous M&A

New

CEO

Yo Nagami

New

Founder / Chairman

Yasukane Matsumoto

New

Senior Executive Officer

SVP of Raksul

Tatsuru Watanabe

Senior Executive Officer/ CMO

SVP of Novasell

Masaki Tabe

New

Senior Executive Officer/CAO

SVP of Corporate

Shinnosuke Nishida

Senior Executive Officer/ CPO

SVP of Product & Technology

Sota Mizushima

Senior Executive Officer/ CHRO

SVP of HR

Yukiko Shiozaki

RAKSUL

Current Organizational Status

- Diversity has been promoted as the organization continuous to expand

Number of Employees (1)

533 Employees

(Japan only: 445 employees)

Male/Female Ratio (1)

Male **54.8**% (Japan only: 50.6%)

Female **44.7**% (Japan only: 49.4%)

Average Age (2)

32.9 Years old

(Japan only: 34.0 years old)

Average Years of Service (2)

2.5 Years

(Japan only: 2.8 years)

Notes

(1) Headcount as of July 2023, including full-time, part-time, and contract employees of RAKSUL, DANBALL ONE, NOVASELL, and overseas development centers (non-consolidated subsidiaries)

(2) Full-time employees of RAKSUL, DANBALL ONE, NOVASELL, and overseas development centers (non-consolidated subsidiaries) as of July 2023

HR Organization Policy

- Organizational design with the overarching objective of realizing the vision and maximizing long-term corporate value
- Return to a culture of coming to the office in the after COVID-19 environment, fostering a culture of mutual trust, and focusing on improving productivity. Job turnover rate, which had been rising during COVID-19 environment, is now decreasing

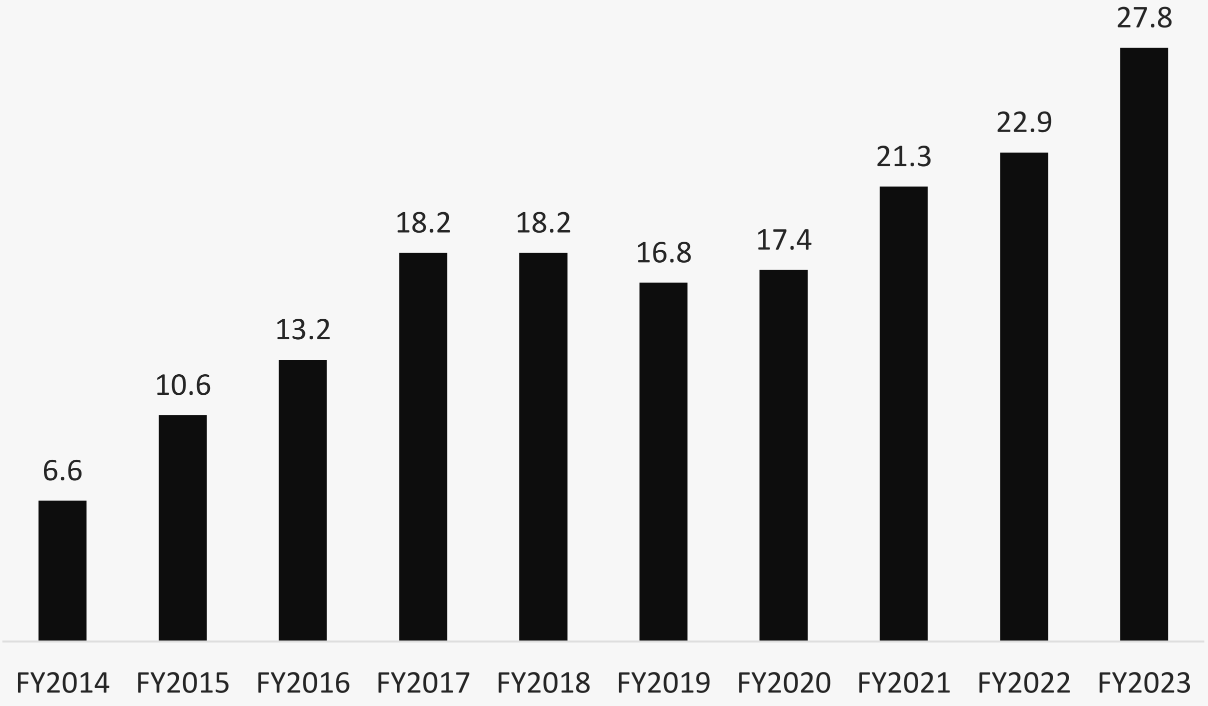
Our Vision and Raksul Style	• Organizational design that places the highest priority on our vision "BETTER SYSTEMS, BETTER WORLD" and the Raksul Style (Code of Conduct)* to realize such vision *Reality/System/Transparency/Team first
Diversity & Inclusion	• We will take advantage of the fact that the ratio of female employees in the company is already about 45% and the ratio of foreign nationals is about 17%, and provide an environment and opportunities to recruit and retain the best talents from both Japan and overseas • In the coming future, we plan to increase the ratio of female and foreign-national members in management positions
Productivity Improvement	• To improve productivity (gross profit per employee, gross profit divided by labor cost) year by year is the long-term policy for new hire planning in each business
Strengthening Our Technology Team	• Investment in technology is essential in redesigning the industry structure, and we will focus on strengthening our teams in Japan and overseas • We have established development centers in India and Vietnam, with plans for expansion
Incentive design linked to long-term equity value	• In addition to cash remuneration, we have a stock-based compensation system (stock options and restricted stock), which provides compensation for individual performance through long-term increases in equity value

RAKSUL

High Productivity and Organization where Every Employee Thrives

- Even as the organization expands, the gross profit per employee continues to increase each year. In the short term, we continue to improve
- In line with improving productivity per employee, we will continue to revise compensation levels to be more competitive and aim to become a company with high productivity and a high labor share

Gross Profit per Employee (1) (in JPY MM)



Notes

(1) Gross profit for the fiscal year divided by the annual average of the number of employees at the end of each month (total of internal directors, regular employees, and contract employees, including overseas development centers)

RAKSUL

Competitive Compensation: Strengthening Equity Incentives

- Our basic purpose and approach to equity incentives have remained the same since the disclosure of our RS system implementation in FY2019 4Q

Purpose	• To align the incentives and commitment of directors and employees with the maximization of long-term shareholder value • To ensure the competitiveness of our compensation level in order to attract and retain talent which is the foundation of our competitive advantage
Structure	• Structure: restricted stock (RS) and stock options • Simple design that both investors and recipients can expect
Dilution	• Expected dilution of max. 10% over 10 years from FY2019 (around 1% per year) • Designed with flexibility for variation in each year • Abandonment of outstanding Trust SO will reduce dilutive impact by 0.58% (disclosed today) • Our percentage of dilutive shares was 7.3% at IPO and 5.1% as of the end of the fiscal year ending July 2023 - lower than other growing companies (see other pages for stock incentive balance)
Impact on P&L/CF	• Stock-based compensation expense for FY2023 was JPY 652MM per year • Stock-based compensation expense for FY2024 will be maximum JPY 550MM per year (1) • As the impact is neutral in terms of cash flow, we disclose non-GAAP profits, excluding the impact of RS

Notes
(1) Estimate as of September 2023. The amount will be affected by stock price. Decrease from the previous period due to the vesting of Stock Acquisition Rights No.14 (Paid-in SO) upon achievement of performance requirements and the abandonment of the Stock Acquisition Rights No.15 (Trust SO)

RAKSUL

Incentive Design for CEO

- Multiple alignment tools with the shareholders' viewpoint, in order to ensure that the new CEO will not merely be a hired successor, but become a "founder" who will be responsible for increasing the company's value over the next 10 years
- While monetary compensation level is lower than that of other listed companies, the ratio of equity compensation is set at the highest possible level to encourage long-term commitment
- All incentive grants to be contingent upon approval of the grant of RSUs at the 14th Annual General Meeting of Shareholders

Name	Format	Number of Shares(Dilution %[1])	Conditions of Exercise, etc.	PL/BS Impact[2]
Monetary Compensation	Monetary Compensation	–	–	Executive compensation expenses
Restricted Stock Units（RSU）	Stock-Based Compensation (Service requirement + Single year performance requirement)	Total for 10 years Maximum 877,000 Shares (1.50%)	Removal of restrictions on the transfer of 87,700 shares each after the end of each fiscal year, provided that the following two conditions are met (if not met, the share will be forfeited for that fiscal year) ・Remain as CEO until the end of each fiscal year ・Consolidated gross profit growth of over 15% YoY	Expense of approx. JPY 120MM per year
Stock Options（Paid-in SO）	Performance Target Linked (Stock price requirement + Performance requirement)	877,000 Shares (1.50%)	3 tranches setting (share price requirement and performance requirement) 1. Share price of 8,500 yen (market capitalization of approximately 500 billion yen) + EBITDA of 10 billion yen: 20% exercisable 2. Share price 12,000 yen (market cap of approx. 700 billion yen) + EBITDA of 15 billion yen: 33% exercisable 3. Stock price of 17,000 yen (market capitalization of approximately 1 trillion yen) + EBITDA of 20 billion yen: 47% exercisable Performance evaluation after 5 years for a period of 10 years	Expense of approx. JPY 80MM per year
Negotiated Transaction	Capital Gain	877,000 Shares (0.00%)	No dilution due to the fact that this is a secondary transaction and not an issuance of new shares Company stocks will be purchased from the founder, Yasukane Matsumoto, and the stock market in a negotiated transaction (We lend part or all of the funds)	-
Total		1,754,000 Shares (3.00%) + 877,000 Shares (0.00%)		Expense of approx. JPY 200MM per year

Notes
(1) Based on 58,476,092 shares (581,858 voting rights), the total number of outstanding shares of the Company as of July 31, 2023
(2) Calculated based on an estimated share price of JPY 1,400 yen

RAKSUL

Stock Incentive Balance[1]

		FY2021	FY2022	FY2023
Stock Options	Beginning balance	3,649,400	2,911,000	**2,307,800**
	Granted	0	0	**865,230**
	Vested	-734,400	-582,400	**-286,562**
	Forfeited/canceled	-4,000	-20,800	**-46,412**
	Ending balance	2,911,000	2,307,800	**2,840,056**
Restricted Stock	Beginning balance	133,634	240,958	**251,888**
	Granted	183,860	119,360	**29,330**
	(as % of shares outstanding at year-end)	0.32%	0.21%	**0.05%**
	Released	-54,604	-75,444	**-122,602**
	Forfeited/canceled	-21,932	-32,986	**-18,512**
	Ending balance	240,958	251,888	**140,104**
Total	Beginning balance	3,783,034	3,151,958	**2,559,688**
	Granted	183,860	119,360	**894,560**
	(as % of shares outstanding at year-end)	0.32%	0.21%	**1.53%**
	Vested/released	-789,004	-657,844	**-409,164**
	Forfeited/canceled	-25,932	-53,786	**-64,924**
	Ending balance	3,151,958	2,559,688	**2,980,160**

	FY2021	FY2022	FY2023
Equity incentive ratio (as a % of shares outstanding at year-end)	5.49%	4.40%	**5.10%**
Shares outstanding at year-end	57,458,440	58,160,200	**58,476,092**

Granted Stock Compensation

	FY2021	FY2022	FY2023
Amount (JPY MM)	485	376	**703**

Notes

(1) Due to a stock split in February 2023 (from 1 share to 2 shares), number of stock options, number of restricted stock, and number of shares outstanding at the end are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended July 31, 2021.

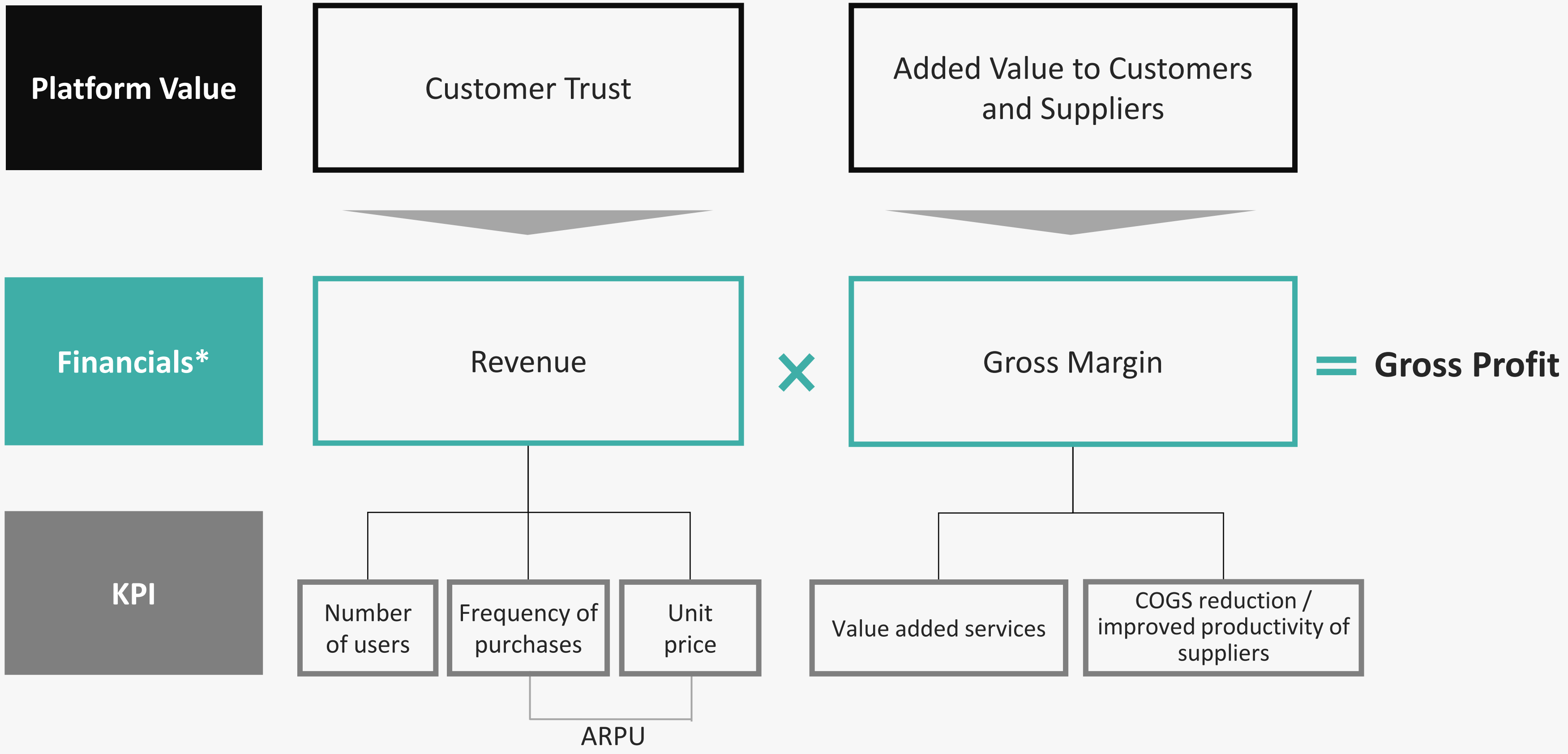
7

Financial Policy

RAKSUL

Our Value Creation Formula

- We focus on growing revenue and gross profit through winning customer trust and maximizing added value to customers and suppliers
- In addition to our existing E-commerce business (transaction based), our SaaS business is expected to expand. Although the revenue size of SaaS is small, its gross margin is high; we consider gross profit to be the indicator that directly links to corporate value



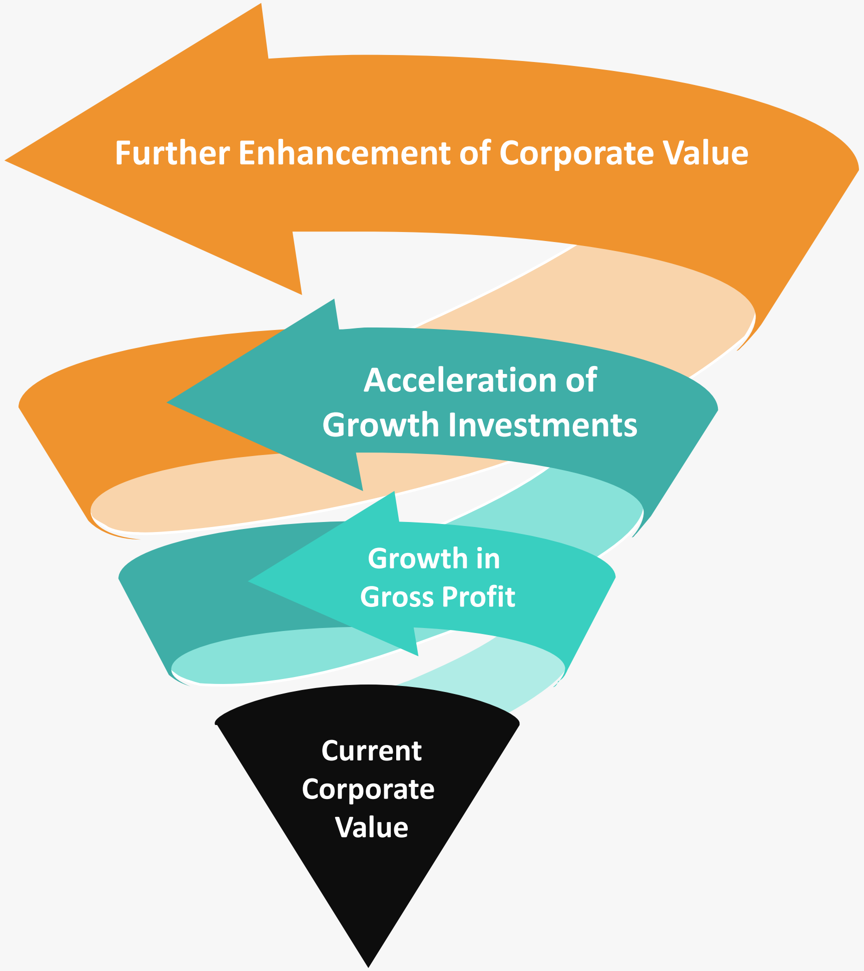
***Accounting standards applied to our revenue and gross profit** (excluding the broadcasting services of Novasell)

Revenue = gross of payments from customers
Gross profit = gross revenue - cost of sales

RAKSUL

Upward Spiral of Value Creation Through Reinvestment

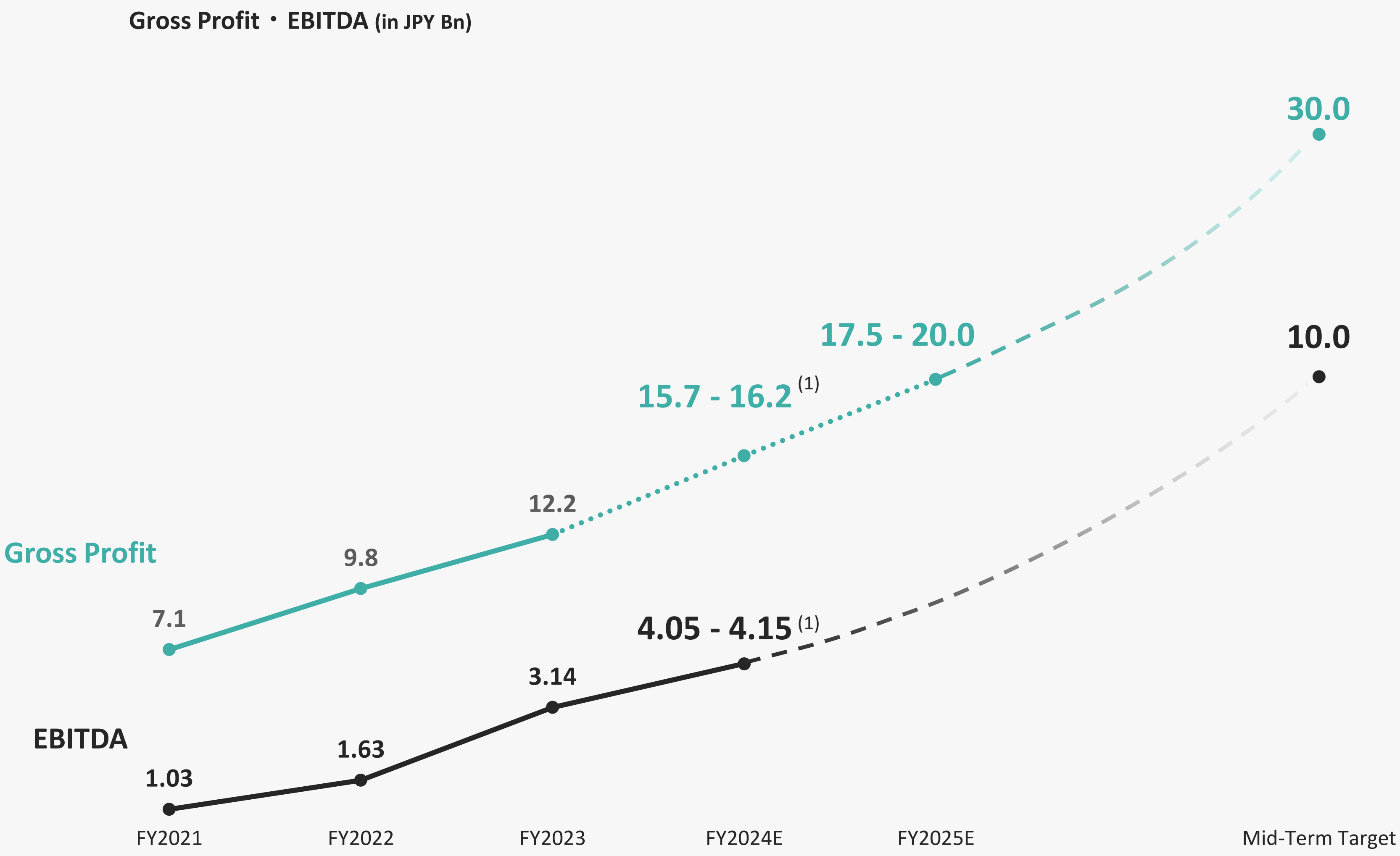
- By maximizing gross profit, we can continuously generate profit while reinvesting towards greater platform value



RAKSUL

Medium to Long-Term Performance Image

- Gross profit of JPY 17.5-20.0Bn in FY2025 is almost certainly achievable
- Aiming for gross profit of JPY 30Bn and EBITDA of JPY 10Bn in the medium term
- Growth drivers in the next few years are organic business growth and continuous M&A



Notes
(1) Financial forecast after the completion of TOB for AMIDA

RAKSUL

BS Policy

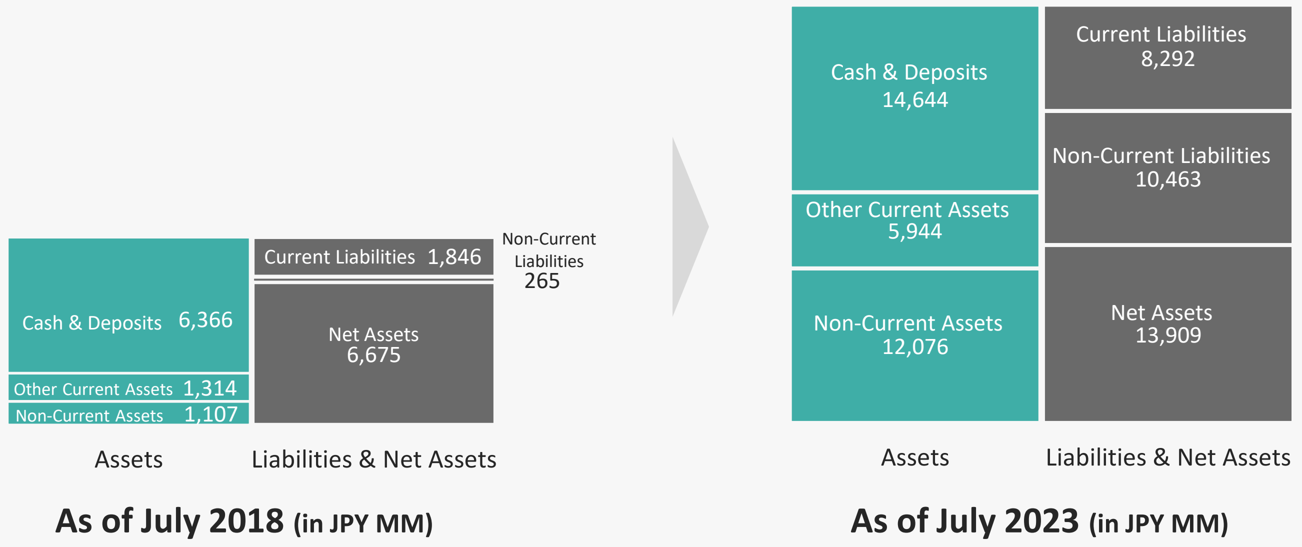
- By focusing on growth while managing BS in a disciplined manner, we will pursue both business portfolio construction and capital efficiency

Assets

- The maximum amount of goodwill recognized through future M&A activities shall be approximately 70% of net assets

Liabilities & Net Assets

- As CF is expected to increase in the future, priority will be borrowing and issuing bonds/CBs
- Moreover, we will raise equity when bold investments are needed
- We aim to exceed 20% of either ROE or ROIC in 4-5 years



Approach to Shareholder Return

- Focus on the long-term share price increase in terms of Total Shareholder Return (TSR)
- We aim to achieve long-term share price increase by growing gross profit, EBITDA, and CF and improving capital efficiency
- Depending on stock price levels, share buybacks will be considered in order to improve capital efficiency

Total Shareholder Return

Our focus

Capital gain
(Increase in share price)

+

Income gain
(Dividend)

- Aim for long-term increase in share price by maximizing gross profit and operating cashflow

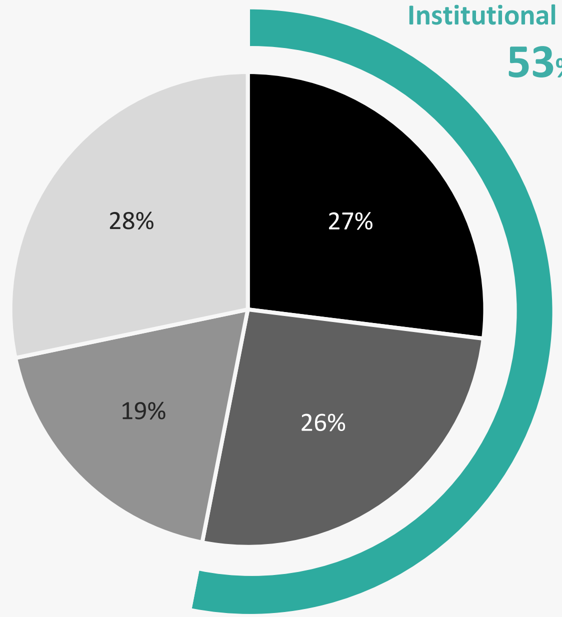
- No plan in the short term
- Will be implemented on a small scale at a time when stable profit and CF growth from existing businesses and accumulation of retained earnings are expected to continue

RAKSUL

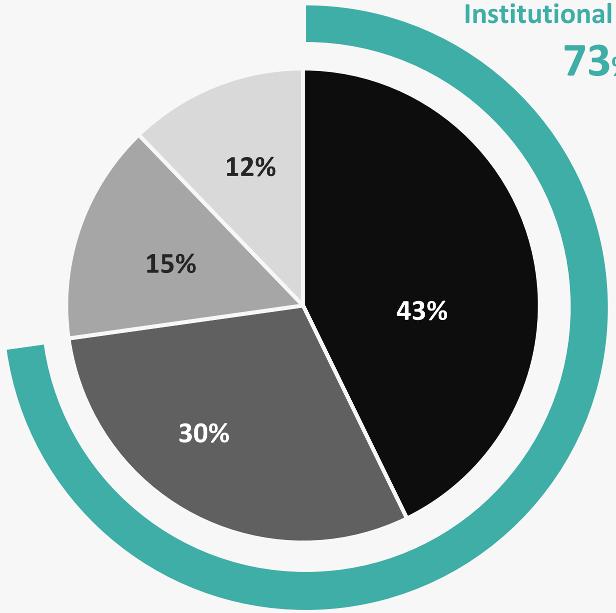
Composition of Shareholders

- It has been 5 years since the IPO in May 2018, and the percentage of shares held by institutional investors (1) has increased to over 70%
- There are no shareholders that would be a concern for overhang
- We have approx. 9,800 shareholders. We aim to continue meeting the expectations of our diverse shareholders

As of July 2018



As of July 2023



Institutional Investors (International)
Institutional Investors (Domestic)
Our officers and employees
Private Investors etc.

Notes
(1) Financial institutions, financial instruments business operators, and foreign corporations, etc. (excluding individuals) among attributes defined in Form No. 3 of Cabinet Office Ordinance on Disclosure of Corporate Information, etc. "Part I: Corporate Information, Section 4: Status of the Submitting Company, 1. Status of Shares, etc. (5) Status by each owner"

8

Q&A

RAKSUL

Q&A

	Questions	Answers
Companywide	What are the risk scenarios for this quarter's guidance?	• In the event of a worldwide recession, we may be partially affected due to a slump in domestic demand • Recognizing that the advertising market is already weak, we do not anticipate further deterioration • Our resilience to economic fluctuations is increasing with the additions of defensive categories (e.g., Japanese business stamps) and software businesses to the portfolio
Companywide	What is the reason for the decrease in only net income in the forecast for FY2024?	• Net income for FY2023 temporarily increased due to the recording of an extraordinary income of approximately JPY 1.6Bn in August 2022 from Hacobell's JV arrangement • Excluding net income, EBITDA and ordinary income are expected to grow by more than 30% YoY under the assumption of AMIDA becoming a consolidated subsidiary
Companywide	Under the Quality Growth policy, will the company pay dividends and conduct share buy backs?	• In order to improve capital efficiency, we are currently prioritizing growth investments through M&A and some capital investments • If there is excess capital / cash and deposits after using the growth investments, we will consider implementing share buybacks • Dividends will be considered along with the stable profit growth
JOSYS	What is the summary and purpose of JOSYS's fundraising? What is its involvement with RAKSUL?	• JOSYS raised JPY 13.5Bn to fund its global expansion and full-scale entry into the enterprise market. Part of this investment came from RAKSUL • RAKSUL can continue to reconsolidate JOSYS if it exercises its stock options • No impact on RAKSUL's PL as JOSYS is currently not consolidated

Reference Materials

RAKSUL

Company Overview

Name:	RAKSUL INC.
HQ:	Shinagawa-ku, Tokyo, Japan
Foundation:	September 2009
Management Team:	Yo Nagami, CEO
	Yasukane Matsumoto, Founder / Chairman
	Tatsuru Watanabe, SVP of Raksul
	Masaki Tabe, CMO / SVP of Novasell
	Shinnosuke Nishida, CAO / SVP of Corporate
	Sota Mizushima, CPO / SVP of Technology
	Yukiko Shiozaki, CHRO / SVP of HR
	Yoshihiko Miyauchi, Outside Director
	Kenji Kobayashi, Outside Director
	Yumiko Murakami, Outside Director
	Naomi Mori, Outside Director, Audit & Supervisory Committee Member
	Masahiro Kotosaka, Outside Director, Audit & Supervisory Committee Member
	Junko Utsunomiya, Outside Director, Audit & Supervisory Committee Member

RAKSUL

Management Team

Yo Nagami
CEO
- Graduated from Keio University, Policy Studies; MBA from Wharton School of the University of Pennsylvania
- Joined RAKSUL in April 2014 after working at Mizuho Securities, Carlyle, and DeNA
- Has a wide range of knowledge through finance and investment companies and is well versed in all aspects of financial strategy

Tatsuru Watanabe
SVP of Raksul
- Graduate School of Engineering, Kyoto University
- Joined RAKSUL in July 2017, after working for TOYOTA MOTOR CORPORATION. Responsible for the overall management planning, organizational planning, and PMI of investment portfolio companies for the overall Raksul business segment

Shinnosuke Nishida
CAO / SVP of Corporate
- Graduated from Aoyama Gakuin University, International Political Economy
- Joined RAKSUL in August 2014 after working for MORI BUILDING and DeNA; responsible for the 2018 Mothers listing and all corporate actions over the past few years, serving as a director and auditor for Novasell and Peraichi

Yukiko Shiozaki
CHRO / SVP of HR
- Graduated from Tsuda University, Arts and Sciences; MPS & MA from Cornell University
- Joined RAKSUL in December 2022 after holding a key HR leadership positions at several U.S. based companies, including GE/IBM. Has extensive knowledge in strategic planning and organizational transformation of HR organizations, and oversees the HR area of the entire company

Yasukane Matsumoto
Founder / Chairman
- Graduated from Keio University, Commerce
- Established the company in September 2009 after working for A.T. Kearney
- Established a business model called "Sharing Economy" to utilize idle assets in the printing industry

Masaki Tabe
CMO / SVP of Novasell
- Graduated from Chuo University, Literature
- Joined RAKSUL in August 2014 after working for Marui Group and TAKE AND GIVE NEEDS
- Specializes in new customer acquisition centered on TV commercials and stabilizing the repeat rate through data-driven CRM, and oversees not only promotions but also the 4P strategy in general

Sota Mizushima
CPO / SVP of Technology
- Graduated from Graduate School of Media and Governance, Keio University
- Joined RAKSUL in October 2017 after working for IBM Japan and DeNA, serving as CPO and product owner of the printing business. Launched Raksul Vietnam and Design Promotion Office and leads product development

RAKSUL

Management Team (Outside Directors)

Yoshihiko Miyauchi

Outside Director

- Graduated from Kansei Gakuin University, Commerce; MBA from University of Washington
- Long standing career at ORIX Corporation since 1964, previous positions include Representative Executive Officer, Chairman, and CEO
- Senior Chairman of ORIX Corporation since 2014
- Joined RAKSUL as Outside Director in October 2019

Kenji Kobayashi

Outside Director

- Graduated from The University of Tokyo; Master of Literature, Graduate School of Humanities and Sociology
- Joined Corporate Direction, Inc. in 2005
- Joined DeNA Co., Ltd., where he served as a director and executive officer (2009-2017)
- Co-Founder of Signifiant Inc., since 2017
- Joined RAKSUL as Outside Director in October 2020

Yumiko Murakami

Outside Director

- Graduated from Sophia University; M.S., Stanford University; M.A., Harvard University
- United Nations Transitional Authority in Cambodia in 1991
- Managing Director at Goldman Sachs and Co in 1997
- Managing Director at Credit Suisse Securities (Japan) Limited in 2009
- Founded MPower Partners Fund L.P. General Partner in 2021
- Joined RAKSUL as Outside Director in October 2021

Naomi Mori

Outside Director,
Audit & Supervisory Committee member

- Graduated from Saitama University, Education
- Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) in 1997
- Joined Asahi & Co. (currently KPMG AZSA LLC) in 1998
- Joined Makoto Sato Accounting Office in 2013
- Joined RAKSUL as Outside Corporate Auditor in October 2014

Masahiro Kotosaka

Outside Director,
Audit & Supervisory Committee member

- Graduated from Keio University; MSc. in Management Research with Distinction; D.Phil. in Management Studies from University of Oxford
- Joined McKinsey & Company, Inc. in 2004
- Associate Professor of College of Business Administration, Ritsumeikan University in 2013
- Associate Fellow at the Foundation France-Japon de L'École des Hautes Études en Sciences Socials in 2015
- Associate Professor at Faculty of Policy Management, Keio University since 2016
- Joined RAKSUL as Outside Corporate Auditor in June 2017

Junko Utsunomiya

Outside Director,
Audit & Supervisory Committee member

- Graduated from The University of Tokyo; Law; LL.M. from Columbia University
- Registered as attorney at law and joined a law firm, Nagashima Ohno & Tsunematsu in 2000
- Temporarily transferred to the Tokyo Stock Exchange, Inc. in 2007
- Established Utsunomiya Law Office in 2011
- Established a law firm, Utsunomiya Shimizu & Haruki, and assumed office as Partner since 2018
- Joined RAKSUL as Outside Corporate Auditor in October 2018

RAKSUL

Organizational Structure that Enables Deep Penetration into the Industries

- RAKSUL is a technology company with operational know-how and marketing expertise
- This is how we clearly differentiate ourselves from other pure-Internet players and legacy industry incumbents

Technology

Continuous product development led by industry-leading engineers

Marketing

Experience with total of JPY 5Bn+ advertising campaigns with in-house expertise from planning to effectiveness analysis

Operation

Efficient production process developed through in-house R&D with 3 printing machines

Our Technology Development Centers

■ In order to strengthen our technology development,
we established two new technology development centers in Vietnam and India in 2020

Vietnam

- Since 2018, we have been conducting operations/service development for Raksul business segment together with local companies responsible for offshore development
- By establishing a center, we will strengthen our ability to recruit local development members and refine products and services mainly for the Raksul business segment

＜Overview＞
RAKSUL VIETNAM COMPANY LIMITED
Location : Ho Chi Minh, Socialist Republic of Vietnam
Establishment date : June 2020

India

- We have established a development center in Bengaluru, India, the third largest country in the world in terms of the number of IT engineers, to strengthen our development capabilities

＜Overview＞
RAKSUL INDIA PRIVATE LIMITED
Location : Bengaluru, Republic of India
Establishment date : July 2020

Vietnam Office

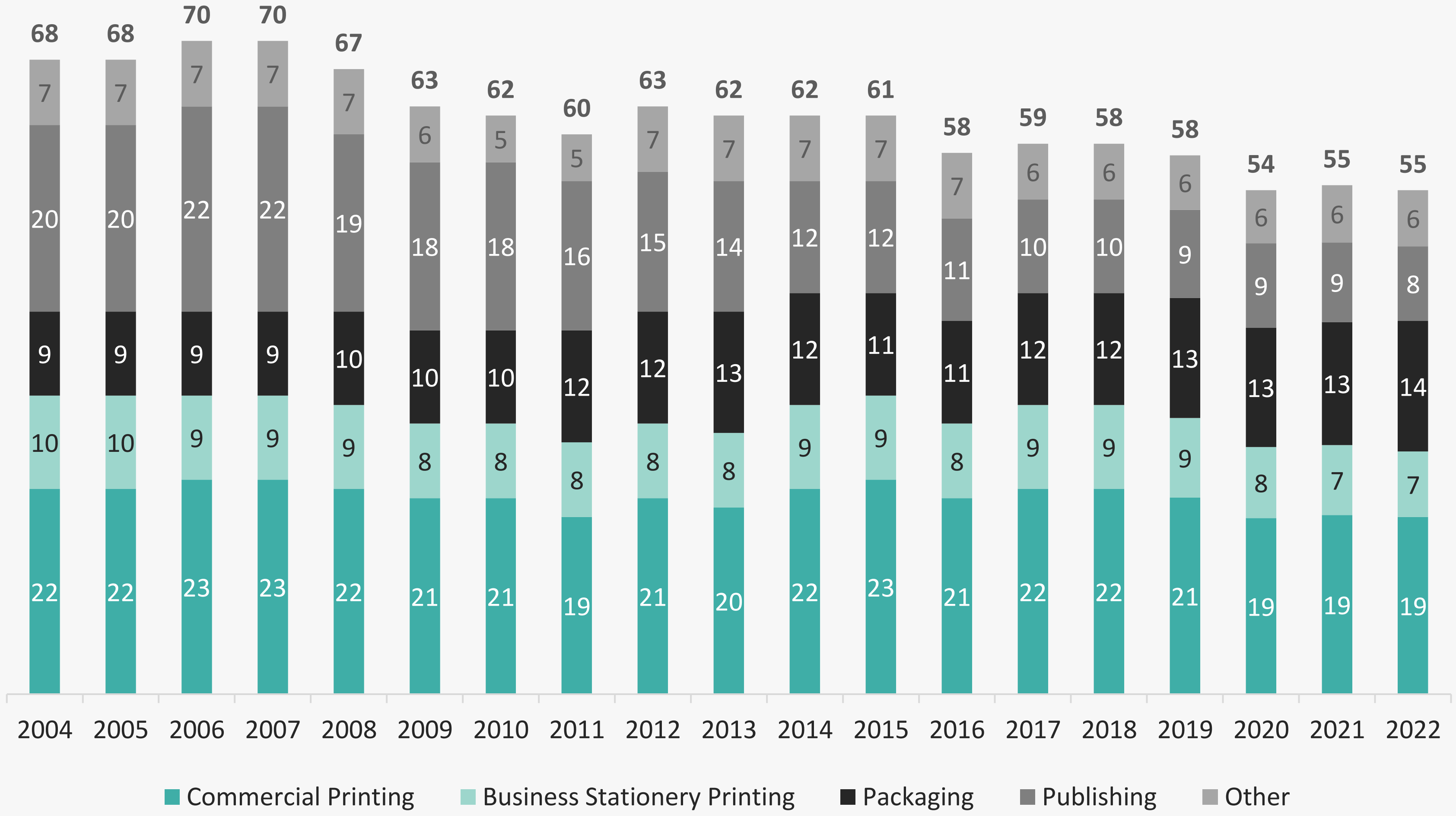
Source : Human Resocia “IT Engineer Report”

Raksul

Historical Trends of Japanese Printing Market

- The overall printing market size decreased due to the shrinking publishing segment, while the segment size of business stationery printing and commercial printing (i.e. Raksul's target segments) remained roughly flat

(in JPY 100Bn)

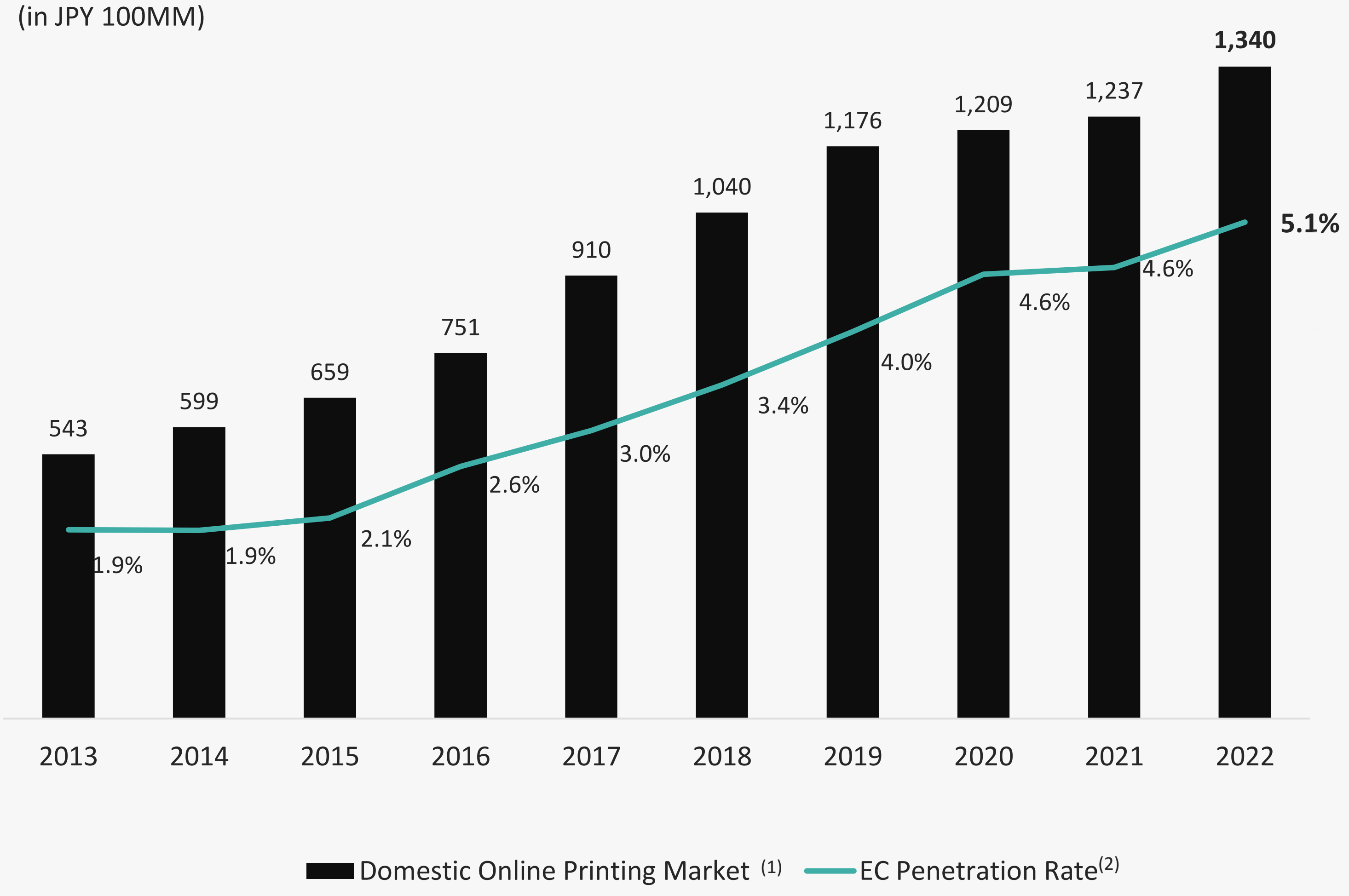


Source : Estimated based on "Summary of the Economic Census of Activities by industry (manufacturing industry, summary version)" and "Current Production Statistics: Paper, Printing, and Plastic" (METI)

Raksul

Growth of the Domestic Online Printing Market

- Domestic mail-order printing market is expected to grow to JPY 134Bn in 2022[(1)], and the EC rate has grown to 5.1%[(2)]



Notes

(1) Yano Research Institute "Survey on the Domestic Online Printing Market," February 2023

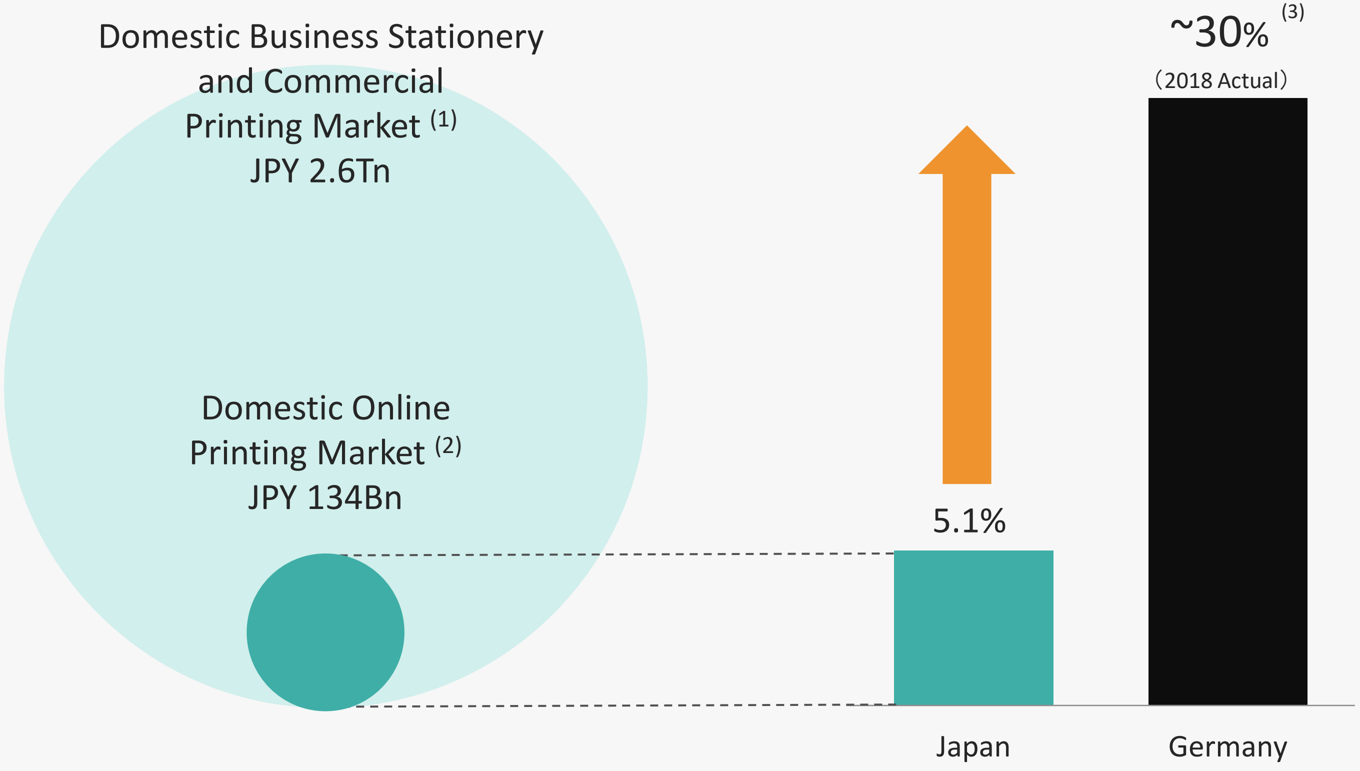
(2) Calculated by dividing the market size of Yano Research Institute "Survey of the Domestic Online Printing Market" by the market size of Commercial printing and office printing, which we estimated based on "Summary of the Economic Census of Activities by industry (manufacturing industry, summary version)" and "Current Production Statistics: Paper, Printing, and Plastic" (METI)

RAKSUL

ラクスル Raksul

TAM Expansion Driven by Further EC Penetration

- There is still huge potential for E-commerce penetration in the printing industry



Source : Yano Research Institute, METI

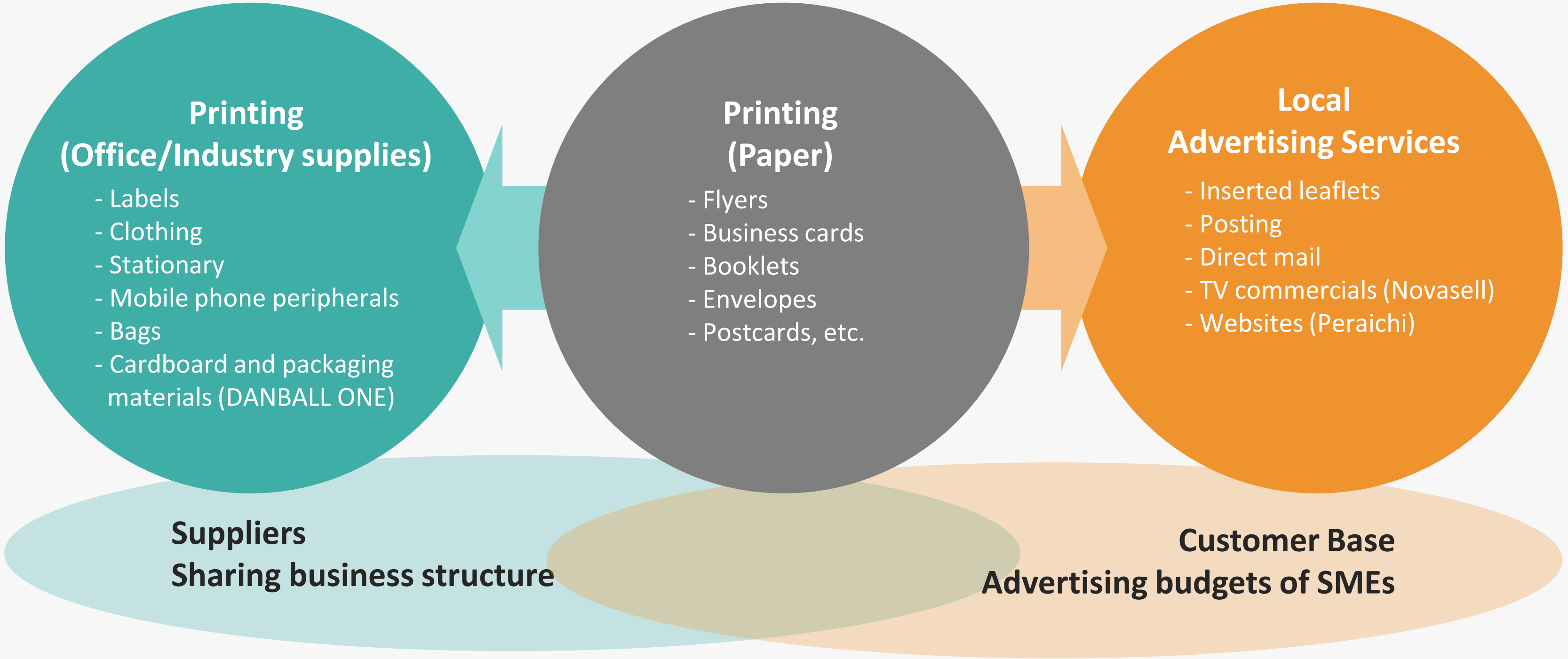
Notes

(1) Calculated based on “Current Production Statistics: Paper, Printing, and Plastic” (METI)
(2) Calculated based on the financial information of domestic online printing companies (2019)
(3) Source : zipcon consulting (2019)

Raksul

Market and Growth Strategy

- By utilizing the customer and supplier base we have acquired through our flyer printing business, we aim to expand TAM and increase revenue per customer through the following expansions:
  1) Increase ARPU of existing customers by expanding offline advertising services
  2) Expand the customer base by launching additional unique product lines
- Making DANBALL ONE a consolidated subsidiary is an important step in expanding into the industrial supplies field related to printing



Penetration into small-lot printing for office/industrial items by utilizing sharing know-how
Market scale: JPY 3-5Tn
EC penetration ratio: 1%

- Small lot printing on paper such as flyers
- We have achieved the highest growth in this market
Market scale: JPY 2.6Tn
EC penetration ratio: 5-6%

Improve customer ARPU by cross-selling to existing customers
Market scale: JPY 1-2Tn
(excl. TV commercials)
EC penetration ratio: less than 1% (excl. websites)

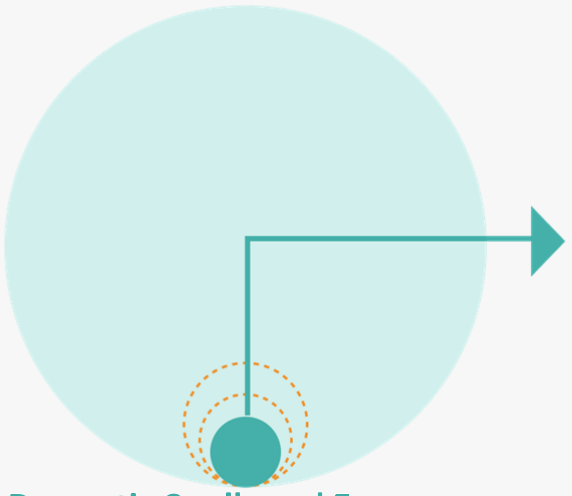
Source : Estimated based on Yano Research Institute, METI, Dentsu "Advertising Expenditures in Japan", financial information of domestic online printing companies

ラクスル Raksul

Domestic Cardboard E-commerce Market

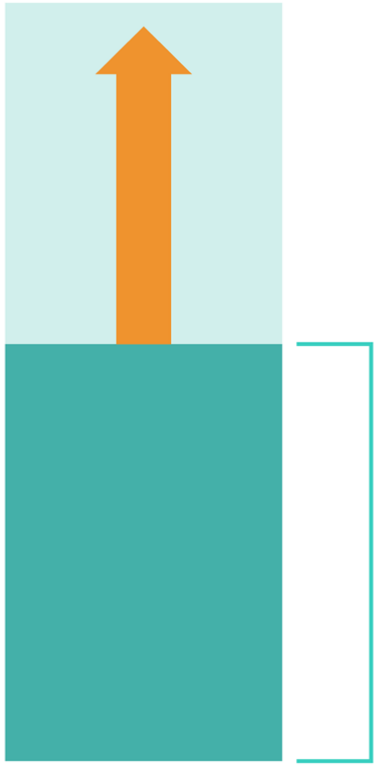
- DANBALL ONE operates an ordering platform for packaging materials
- DANBALL ONE accounts for around over 50% of the domestic cardboard E-commerce market
- The market benefits from the growing demand of E-commerce in Japan. The domestic cardboard E-commerce market is growing at a CAGR of 30％

Domestic Cardboard Market
JPY 1.8Tn (1)



Domestic Cardboard E-commerce Market
JPY 8.5Bn (2)

DANBALL ONE's Market Share in Domestic Cardboard E-commerce Market



No.1 domestic sales share for 5 consecutive years as an E-commerce specialized in cardboard and packaging materials

*E-commerce website specialized in cardboard and packaging materials, Survey by TOKYO SHOKO RESEARCH (as of September 2022)
*Revenue, number of orders, number of users, number of reviews, and revenue growth rate

Over **50**%

Sources :
(1) Shipment volume of Japanese packaging industry 2020, Japan Packaging Institute, cardboard products
(2) Estimated based on financial information of domestic cardboard E-commerce companies (2021)

ラクスル Raksul

Overview of Peraichi Inc.

- We have acquired shares in Peraichi Inc. as part of business development in sales promotion area by leveraging the customer base of existing Raksul business
- Accounting as equity-method affiliate from FY2022 3Q onward

ペライチ

Company name : Peraichi Inc.

Business : Operation of Website creation SaaS “Peraichi”

CEO : Kunihiro Yasui

Financial standing : Monthly revenue around JPY 80MM; growth continuing after the COVID environment

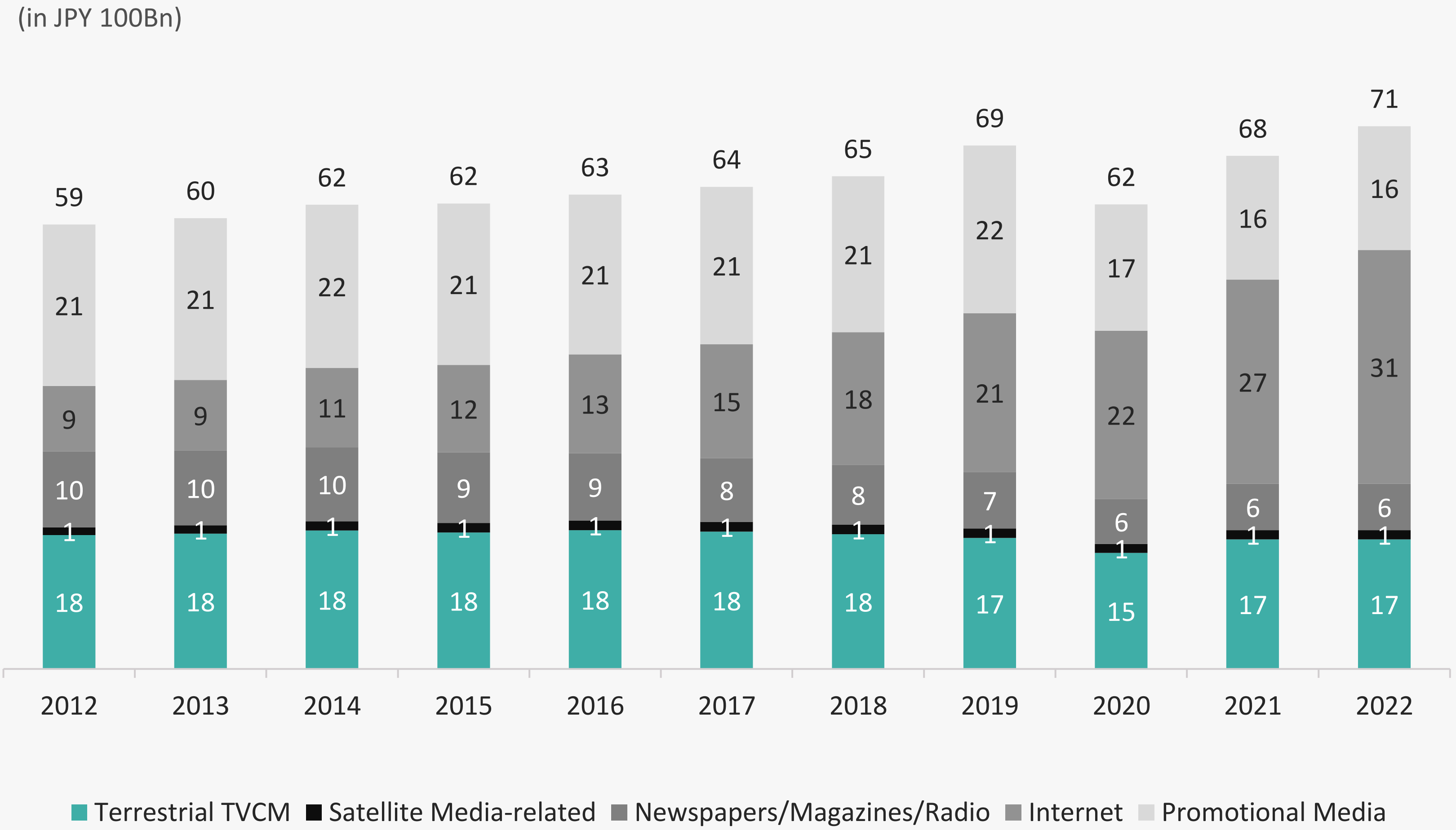
Service Overview

- A SaaS service which enables anyone to easily create a website
- Offer payment function for online shops
- Highly compatible with printing EC (commercial printing) as the service is utilized by SMEs in various industries nationwide for sales promotion and marketing purposes

Novasell

Domestic Advertising Market

- The Terrestrial TV Commercial market recovered in the second half of 2021 and growth of Internet ad spending accelerated



Source : Dentsu "Advertising Expenditures in Japan" (2022)

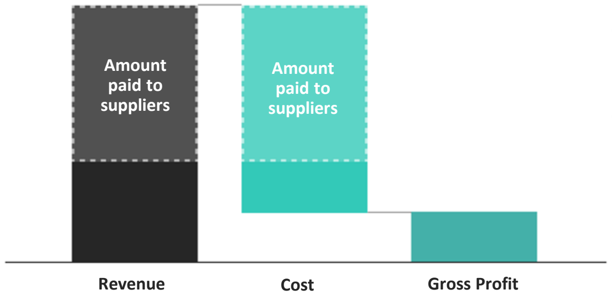
Changes in Accounting Methods due to New Revenue Recognition Standards

- Changed from the previous accounting methods as the new revenue recognition standards become compulsory from FY2022
- Changed the accounting method for Novasell's broadcasting services from gross to net revenue
- The amount of discount from coupons in Raksul and Hacobell business segments has been changed from "SG&A expenses" to "sales allowance"

	Previous Accounting Methods	New Revenue Recognition Standards	Impact

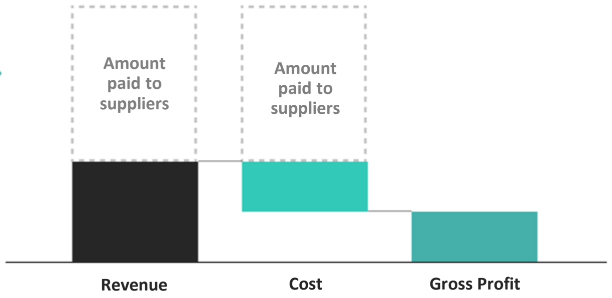
Novasell

Previous Accounting Methods: Revenues earned from customers booked as gross revenue



New Revenue Recognition Standards: Broadcasting services: revenues excluding payments to suppliers

Production / SaaS services: revenues earned from customers (unchanged)



Impact:

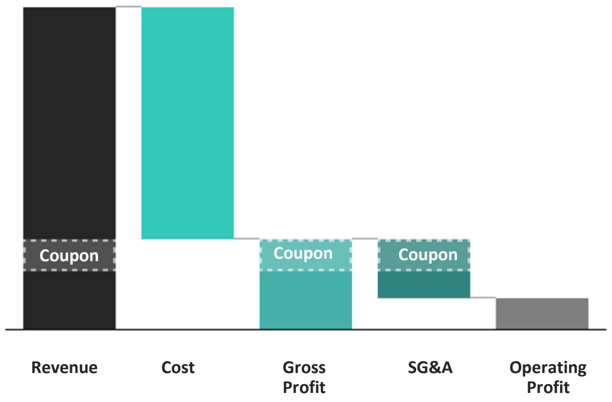
Revenue: Decrease

Gross Profit: None

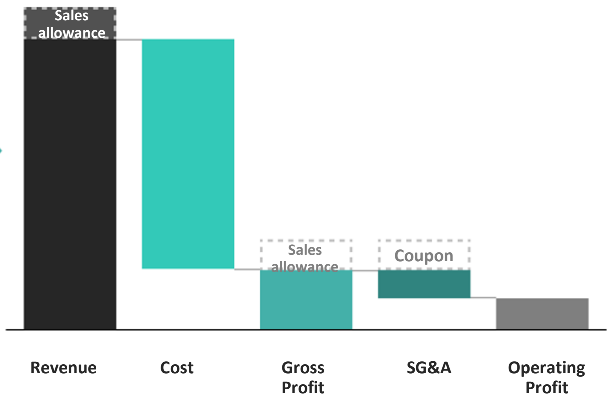
Operating Profit: None

Raksul / Hacobell

Previous Accounting Methods: Coupon discount amount booked as SG&A expenses



New Revenue Recognition Standards: Coupon discount amount booked as sales allowance



Impact:

Revenue: Decrease

Gross Profit: Decrease

Operating Profit: None

RAKSUL

Financial Highlights by Business Segment (New Revenue Recognition Standards)

	(in JPY MM)	FY2021 1Q	FY2021 2Q	FY2021 3Q	FY2021 4Q	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q
Revenue	Raksul	4,430	5,073	5,605	5,144	5,461	6,092	7,894	7,877	8,540	9,316	9,919	**9,979**
	Novasell	322	498	722	498	720	1,007	538	562	643	703	542	**766**
	Hacobell	553	1,004	655	723	741	835	869	1,031	-	-	-	**-**
	Others	66	73	77	73	84	97	80	84	154	151	147	**151**
Gross Profit	Raksul	1,201	1,361	1,514	1,373	1,478	1,697	2,395	2,347	2,440	2,646	2,847	**2,763**
	Novasell	165	206	405	305	313	433	253	292	368	348	352	**375**
	Hacobell	91	142	112	96	97	104	131	130	-	-	-	**-**
	Others	26	29	29	28	33	38	27	29	38	37	37	**38**
Segment Profit (non-GAAP)	Raksul	453	568	767	565	583	697	1,055	1,153	1,073	1,172	1,161	**1,180**
	Novasell	19	17	94	-95	-18	69	-122	-32	24	34	12	**-39**
	Hacobell	-21	21	-17	-59	-68	-46	-11	-2	-	-	-	**-**
	Others and corporate expenses	-242	-291	-354	-394	-396	-429	-361	-436	-345	-324	-315	**-491**
Segment Profit (financial accounting)	Raksul	408	515	711	505	534	641	863	962	875	942	926	**956**
	Novasell	16	10	85	-103	-25	63	-129	-39	17	21	-0	**-53**
	Hacobell	-27	11	-28	-70	-79	-59	-25	-16	-	-	-	**-**
	Others and corporate expenses	-330	-391	-462	-631	-534	-580	-517	-592	-501	-404	-419	**-595**
EBITDA	Company wide	209	315	490	15	99	292	560	681	753	882	859	**649**

RAKSUL

Difference between non-GAAP profit and accounting profit

- From FY2020, we have been disclosing non-GAAP profits after adding back the stock-based compensation expense
- The amount in "Difference (stock-based compensation expense)" varies between operating profit and ordinary profit as RS held by resignees are expensed off as non-operating expenses

(JPY MM)	FY2023 4Q (2023/5-2023/7)			FY2023 (2022/8-2023/7)		
	Actual (non-GAAP)	Difference (stock-based compensation expense)	Actual (financial accounting)	**Actual (non-GAAP)**	Difference (stock-based compensation expense)	Actual (financial accounting)
Revenue	**10,897**	-	10,897	**41,018**	-	41,018
Gross Profit	**3,177**	-	3,177	**12,295**	-	12,295
Operating Profit	**466**	158	307	**2,417**	652	1,765
EBITDA	**649**	158	490	**3,145**	652	2,493
Ordinary Profit	**263**	170	92	**1,862**	693	1,168
Net Profit	**74**	170	-95	**2,022**	693	1,329

RAKSUL

Cash Flow Statement

(in JPY MM)	FY2022	**FY2023**
Cash flow from operating activities	837	**2,902**
Cash flow from investing activities	-2,808	**297**
Cash flow from financial activities	2,206	**-2,238**
Net change in cash and cash equivalents	235	**962**
Cash and cash equivalents at end of period	13,682	**14,644**

RAKSUL

Balance Sheet

(in JPY MM)	FY2022 4Q	FY2023 4Q
Current Assets	19,660	**20,589**
Cash & Deposits	13,682	**14,644**
Non-Current Assets	8,973	**12,076**
Total Assets	28,633	**32,665**
Current Liabilities (interest-bearing liabilities)	7,774 (2,495)	**8,292** **(2,447)**
Non-Current Liabilities (interest-bearing liabilities)	11,546 (11,440)	**10,463** **(9,465)**
Net Assets	9,312	**13,909**
Share Capital	2,694	**2,742**
Capital Surplus	5,501	**5,549**
Retained Earnings	165	**1,540**
Treasury Shares	-0	**-300**
Stock Acquisition Rights	930	**1,341**
Others	22	**3,036**
Total Liabilities & Net Assets	28,633	**32,665**

Issuance of Stock-Based Compensation and Performance Target Linked Stock Options(1)

- Issued a total of 4 stock options linked to stock-based compensation and performance target linked stock options in December 2022
- 1. and 2. are stock-based compensations as annual incentives (1-yen SO instead of RS has been implemented for employees from the current fiscal year)
- 3. and 4. (collectively called Quality Growth Stock Option 2022) are stock-based compensations linked to performance targets and serve as medium-term incentives. However, the decision was made to abandon the Trust SO because it could no longer fulfill its original purpose

Name	Type	Number of Shares (Dilution %[2])	Allotees	Conditions for Exercise, etc.
1.Restricted Stock-Based Compensation (RS)	Stock-Based Compensation	11,260 shares (0.04%)	Directors	Restriction on transfers lifted in a lump sum after 3 years
2. Stock Acquisition Rights No.13 (1-yen SO)[3]	Stock-Based Compensation	42,370 shares (0.15%)	Employees	Exercisable in one sixth increments every 6 months
3. Stock Acquisition Rights No.14 (Paid-in SO)	Performance Target Linked (Quality Growth Stock Option 2022)	192,500 shares (0.66%)	Directors Employees	When EBITDA[3] a) Exceeds JPY 2.8Bn in FY2023 or FY2024: 50% exercisable b) Exceeds JPY 4.0Bn in FY2024 or FY2025: 50% exercisable
4. Stock Acquisition Rights No.15 (Trust SO)[4]	Performance Target Linked (Quality Growth Stock Option 2022)	167,500 shares (0.58%)	Directors Employees New hires	Same as above
Total		413,630 shares (1.42%)		

Notes
(1) In February 2023, we executed a stock split (from 1 share to 2 shares). This page shows the number of shares before the stock split.
(2) Dilution rate based on 29,080,100 shares (290,297 voting rights), the total number of outstanding shares of the Company as of July 31, 2022
(3) Stock Acquisition Rights described in the "Announcement of Issuance of Stock-based Compensation Stock Options (Stock Acquisition Rights No.13)" disclosed on November 17, 2022
(4) Stock Acquisition Rights described in the "Announcement of Issuance of Stock Acquisition Rights No.15 Using a Third-party Allotment Collectively Called "Quality Growth Stock Option 2022", and Introduction of a Market Value Issued Stock Acquisition Rights Trust" disclosed on November 17, 2022

RAKSUL

Stock Incentive Design based on Quality Growth

- Performance target-linked stock options (collectively called Quality Growth Stock Option 2022) issued in December 2022
- Gross profit, the condition for exercising the Stock Acquisition Rights No.12 issued in July 2020, was substantially achieved. EBITDA has been now set as the condition for the exercise, with the aim of generating profit while continuing the growth
- Potential dilution from these stock options is 0.66% (Figures after abandonment of Trust SO)

Purpose

With the intention of improving our business performance and corporate value over the medium-to-long term, we aim to further enhance the motivation and morale of our directors and employees and further strengthen company cohesiveness

Condition of Exercise

Issued in July 2020 **Stock Acquisition Rights No.12 (Paid-in SO)**	Issued in December 2022 **Quality Growth Stock Option 2022 (Paid-in SO/Trust SO)**
Gross Profit FY2022 - FY2024 **JPY 7.7Bn** Achieved — FY2022 Result **JPY 9.8Bn**	**EBITDA** a) FY2023 or FY2024 **JPY 2.8Bn** (50% Exercisable) b) FY2024 or FY2025 **JPY 4.0Bn** (50% Exercisable)

RAKSUL

External Ratings / Strengthening ESG Information Disclosure

- RAKSUL was selected as constituent of the FTSE Blossom Japan Index[(1)] in June 2023 for the first time
- We have been maintaining an "A" rating by MSCI ESG Research [(2)] as of May 2023
- We expressed our support for TCFD [(3)] recommendations and joined the TCFD consortium in April 2021. In addition, we conducted and disclosed a scenario analysis using the disclosure framework recommended by TCFD

FTSE Blossom Japan Index

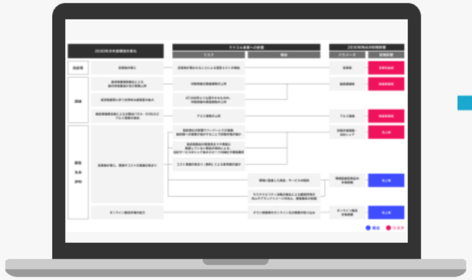
FTSE Blossom Japan Sector Relative Index

MSCI ESG RATINGS

A

CCC	B	BB	BBB	A	AA	AAA

As of 2023, RAKSUL INC. received an MSCI ESG Rating of A.



TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

https://corp.raksul.com/en/esg/environment/tcfd/

Notes

(1) FTSE Blossom Japan Index is an index designed by FTSE Russel, a member of the London Stock Exchange Group, to measure the performance of Japanese companies with high ESG ratings and consists of 310 Japanese stocks with excellent ESG ratings as of June 19, 2023.
FTSE Blossom Japan Index Series website: https://www.ftserussell.com/ja/products/indices/blossom-japan

(2) MSCI is a financial service provider headquartered in New York, U.S.A. The company is listed on the New York Stock Exchange and provides a range of tools that support the investment decision making of institutional investors around the world, including large public pension funds, asset management firms, and hedge funds. MSCI website: https://www.msci.com/

(3) TCFD: Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB), an international body consisting of national financial authorities and international standard-setting bodies. This international initiative aims to support companies with climate related disclosure and to stabilize the financial market through a smooth transition to a low-carbon society

RAKSUL

Sources

P45

Indirect cost market	Estimated based on the otal selling, general and administrative expenses of all stocks listed on the Tokyo Stock Exchange (excluding ETFs, REITs and securities investments)	
Raksul	Business stationery and commercial printing	Calculated based on "Current Production Statistics: Paper, Printing, and Plastic" (METI), production volume basis
	Novelty items	Estimated based on "Corporate Gift Market" (Yano Research Institute Report, 2020)
	Promotional media = Offline advertising	Total of inserts, Directmails, and free magazines from "Advertising Expenditures in Japan" (Dentsu, 2020)
Hacobell	Trucking	Estimated based on "Japan Trucking Industry 2018 - Current Status and Issues" (Japan Trucking Association)
Novasell	TV commercials	"Advertising Expenditures in Japan" (Dentsu, 2021)
	Taxi advertising	Not added as value since it is part of the transportation digital signage market
JOSYS	Total device value in the domestic IT market shipment forecast	"Domestic IT Market Forecast by Industry Sector / Employee Size / Annual Sales Size, 2021-2025: Considering the Impact of COVID-19 as of the End of March 2021" (IDC Japan, May 2021)
	Industry general-purpose SaaS	"2021 Current Status and Future Prospects of Cloud Computing <Market>" (Fuji Chimera Research Institute, March 2021)
DANBALL ONE	Packaging materials	Shipment volume of Japan packaging industry 2020, Japan Packaging Institute, paper and cardboard products
Peraichi	Website production	Estimated based on "Web Integration & Internet Advertising Platform Market Status and Outlook 2017 Edition" (Mick Economic Research Institute) + CMS providers' revenue

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Disclaimer

Handling of this material

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The factors which may affect actual results include but are not limited to: Japanese and global economic conditions, and conditions of markets in which RAKSUL operates.

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