



December 25, 2023

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

**Questions and Answers Following the Financial Results Presentation
 for the 1st Quarter of Fiscal Year Ending July 31, 2024**

The following is a list of questions and answers received from multiple investors after the financial results presentation for the 1st quarter of fiscal year ending July 31, 2024, held on December 14, 2023.

Business	Question	Answer
RAKSUL INC. (Company-wide)	What is the progress against the company's full year forecast for the fiscal year ending July 2024 and the 2Q performance forecast?	<ul style="list-style-type: none"> - Raksul business, which accounts for the majority of revenue and profits at each stage, continues to show steady organic growth, and the RAKSUL Group's various consolidated performance indicators for both 1Q and 2Q are marking higher progress than in past years against the full-year company forecast. - Amidst good progress in business, we aim for expanded profitability based on the Quality Growth policy. - 2Q results are expected to be revenue +22-25% YoY, gross profit +35-40% YoY, and EBITDA JPY 1-1.05Bn.
Novasell business segment (TVCM related)	What are the factors behind the decline in the Novasell business segment and the outlook?	<ul style="list-style-type: none"> - Although revenue in the Novasell business declined in 1Q (August-October) due to a temporary drop in the number of business negotiations, in 2Q (November-January), revenue is expected to recover to more than JPY 700MM and gross profit to more than JPY 400MM, and the business will return to profitability on EBITDA basis. - To reduce volatility and achieve sustainable growth as a business, we aim to provide long-term customer value and build relationships by expanding our territory to large corporate clients, expanding software sales, and introducing consulting services.
RAKSUL INC. (Company-wide)	How much increase in fixed costs is related to the relocation of the head office?	<ul style="list-style-type: none"> - Constant increase in fixed costs from change in rent and depreciation will be less than approximately JPY 300MM per year, and furthermore, cost synergies will be achieved by promoting the integration of offices of future acquired companies and other entities. - In addition to the above, relocation-related expenses are

		<p>expected to be incurred in FY25, with a total (including increase in fixed cost) impact of approximately JPY 500MM.</p> <p>– The impact on our FY25 and medium-term profit growth will be limited, from these cost increases.</p>
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