



Financing Package for Medium to Long-Term Growth

RAKSUL INC. (TSE PRIME: 4384)

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Financing Package for Medium to Long-Term Growth

- The purposes of the financing are to secure working capital to support mid-to long-term organic growth, to realize domain expansion through continuous M&A, and to achieve optimal capital efficiency
- Optimized financing conditions and interest rate costs to meet the required funding needs through a combination of bank loans, private placement bonds, committed credit lines (commitment lines), and variable/ fixed interest rates

Types	Financial Institutions	Interest Rates	Period	Total amount of Loan and Committed Credit Line
Bank Loans	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Nippon Life Insurance Company and other	0.41 - 0.85% Per annum Variable and Fixed rates (planned)	5 - 10 years	JPY 4.25Bn (planned)
Private Placement Bonds	2 domestic financial institutions	All-in cost including interest and issuance fees 0.79 - 1.49% Per annum Fixed rates (planned)	4 - 5 years	JPY 2.45Bn (planned)
Committed Credit Lines	Mizuho Bank, Ltd.	Base interest rate + spread	Renewed every year (Renewal requires an evaluation by Mizuho Bank)	JPY 1.0Bn Up to JPY 20Bn with request for increase Credit line increase up to JPY 20Bn can be requested to fund acquisitions in M&A transactions (increase in the credit line requires an evaluation by Mizuho Bank)
Total	-	-	-	JPY 26.7Bn Maximum amount to be raised, including committed credit lines and requests for increase

Current status of Balance Sheet and Future Outlook

- The balance sheet change expected in the future outside of business activities is the redemption of CB in November 2024 (approximately JPY 5Bn)
- This financing will increase the current level of cash and deposits, even assuming the redemption of the CB, and will also secure the means to raise funds necessary for M&A through committed credit line (commitment line)
- The finances will be used as working capital to support organic growth, and as a fund for agile M&A and capital allocation to achieve optimal capital efficiency

Consolidated BS Summary as of October 2023

(in JPY MM)

Cash & Deposits (30% of Total Assets) 10,223	Current Liabilities 9,145 Short-term borrowings 800 Current portion of long-term borrowings 1,604
Other Current Assets 6,800	Non-Current Liabilities 10,156 Bank Loan 4,078 CB (Due in Nov 2024) 5,010
Non-Current Assets 17,470 Goodwill 7,004	Net Assets (44% of Total Assets) 15,193 Share Capital 2,757 Capital Surplus 5,564 Retained Earnings 2,781 Treasury shares -300 Stock Acquisition Rights 1,277 Others 3,112
Assets	Liabilities & Net Assets



BETTER SYSTEMS, BETTER WORLD

Disclaimer

Handling of this material

This material includes forward-looking statements. These forward-looking statements were created based on the information available at the time they were created. They do not guarantee our future results and involve certain risks and uncertainties. Please note that actual results may differ materially from those discussed in the forward-looking statements due to changes in environments surrounding RAKSUL or any other factors.

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.

RAKSUL is not obligated to update or revise any content of the forward-looking statements within this material, even in cases such as where new information becomes available or future events take place.

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