



March 22, 2024

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 2nd 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 2nd quarter of fiscal year ending July 31, 2024, held on March 13, 2024.

Business	Question	Answer
Raksul business segment (Printing EC/ Offline ads)	Organic growth background and outlook; In Raksul business, organic revenue growth slowed from 22% in Q1 (Aug-Oct) to 16% in Q2 (Nov-Jan). What is the background and outlook?	<p>Slower organic growth and purchaser growth observed in Q2 are temporary and will recover for the following reasons. As a result, consolidated Q3 (February-April) revenue growth is expected to be 25-28%, higher than 25.5% in Q2.</p> <ul style="list-style-type: none"> <li>- We have strategically controlled marketing expenses and heightened growth in categories like business cards, which drove higher user growth in the phase of re-opening after the pandemic. As YoY hurdles normalize, the category's impact to overall growth rate will subside.</li> <li>- Growth of packaging category is driven by more and more businesses procuring packaging online, our market share, as well as underlying growth rate of especially B2C e-commerce market. In the phase of reopening, we are seeing slower EC volume growth. However, we see the market slowdown as temporary and structural growth of e-commerce overall to continue.</li> </ul>
Novasell business segment (TVCM related)	Background on QoQ growth in sales (JPY 360 MM in Q1 vs. JPY 713 MM in Q2) and future outlook for Novasell business segment	<ul style="list-style-type: none"> <li>- Q2 sales in the SaaS business continued to grow steadily, with sales up 12% QoQ and 55% YoY. We expect growth to continue, driven by increasing penetration in large enterprises, an increase in long-term contracts and the addition of consulting services.</li> <li>- In the agency business, sales recovered from Q1. As number of deals recover, number of campaigns handled through Novasell has increased with strong orders are continuing in Q3. In the future, we will create a structure for sustainable growth by seeking synergies with SaaS-using customers.</li> </ul>

<p>RAKSUL INC. (Company-wide)</p>	<p>Advertising expense to sales ratio</p>	<ul style="list-style-type: none"> <li data-bbox="727 174 1393 360">– The ratio of advertising expenses to net sales in Q2 increased slightly to 7.4% from 6.8% in Q1, and 7.3% in Q2 of the previous fiscal year. Consolidation of AmidA Holdings Co., Ltd. (referred as AmidA) is the reason for the increase.</li> <li data-bbox="727 383 1393 607">– Newly consolidated AmidA has higher annual advertising expenses of 13.3% of sales (actual in the fiscal year ended June 2023), and simple addition will lift advertising to sales ratio by around 0.5% for the group. We will optimize and control this lift through achieving better marketing efficiency.</li> </ul>
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