



Financial Results for the 3rd Quarter of Fiscal Year Ending July 31, 2024

RAKSUL INC. (TSE PRIME: 4384)

June 11, 2024



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- 1. CEO Message**
2. Financial Highlights
3. Q&A
4. Reference Materials





Quarterly Financial Summary

<p>Company Wide</p>	<p>Revenue +27.9% YoY, Gross Profit +45.5%, EBITDA (non-GAAP)⁽¹⁾ JPY 1,378MM, Operating Profit (non-GAAP⁽²⁾) JPY 1,216MM, Net Income (non-GAAP⁽²⁾) JPY 644MM</p> <ul style="list-style-type: none"> EBITDA of JPY 1,378MM (YoY +60.5%), record high continuing from 1Q and 2Q, driven by contribution from new consolidations on top of organic growth. We've exceeded 2Q guidance in all figures, especially exceeding our EBITDA range Margin improved amidst investment in growth. Group EBITDA margin exceeded 10% for the first time
<p> Raksul</p>	<p>Raksul Business Segment ("Raksul"): Revenue +25.2% YoY, Gross Profit +40.4% YoY</p> <ul style="list-style-type: none"> Segment gross margin reached a record high of 32.2% due to continuous improvement in profitability and consolidation of AmidA, a company with high gross margin Strong organic growth maintained despite hurdles in the wake of post-COVID-19 reopening in the previous year
<p> Novasell</p>	<p>Novasell Business Segment ("Novasell"): Revenue +47.7% YoY, Gross Profit +40.5% YoY</p> <ul style="list-style-type: none"> Agency business recovered, and together with solid SaaS business, secured YoY revenue and profit growth 3Q gross profit hits record high, EBITDA similarly strong
<p>Corporate Actions</p>	<p>Acquisition of shares of A-LINK Services Co., Ltd (Consolidation)</p> <ul style="list-style-type: none"> We plan to acquire shares of A-LINK Services Co., Ltd. in June 2024 with the aim of expanding the market share of tote bags, a major category in the custom merchandise domain, and increasing value to customers <p>Acquisition of shares of Wild Side Inc. and Antoo Inc. (Consolidation)</p> <ul style="list-style-type: none"> We acquired shares of Wild Side Inc. in March to strengthen the media buying function, and in June we acquired Antoo, Inc. to expand the service menu into the PR video domain <p>Change in Dividend Forecast</p> <ul style="list-style-type: none"> With increasing confidence in stable profit generation and expansion, the dividend forecast, previously set at JPY 0, was changed to JPY 1.7. In line with the medium-term financial policy announced in March, we will steadily seize opportunities for growth investments while returning stable profit growth to shareholders through share buybacks and dividends

Notes

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

(2) Adjustments: amortization goodwill, stock compensation expense

Company Overview & Evolution of Growth Drivers

Our Vision

Better Systems, Better World

Themes we address

Structural transformation of traditional B2B industries

Promotion of digitalization of customer procurement/sales order processes

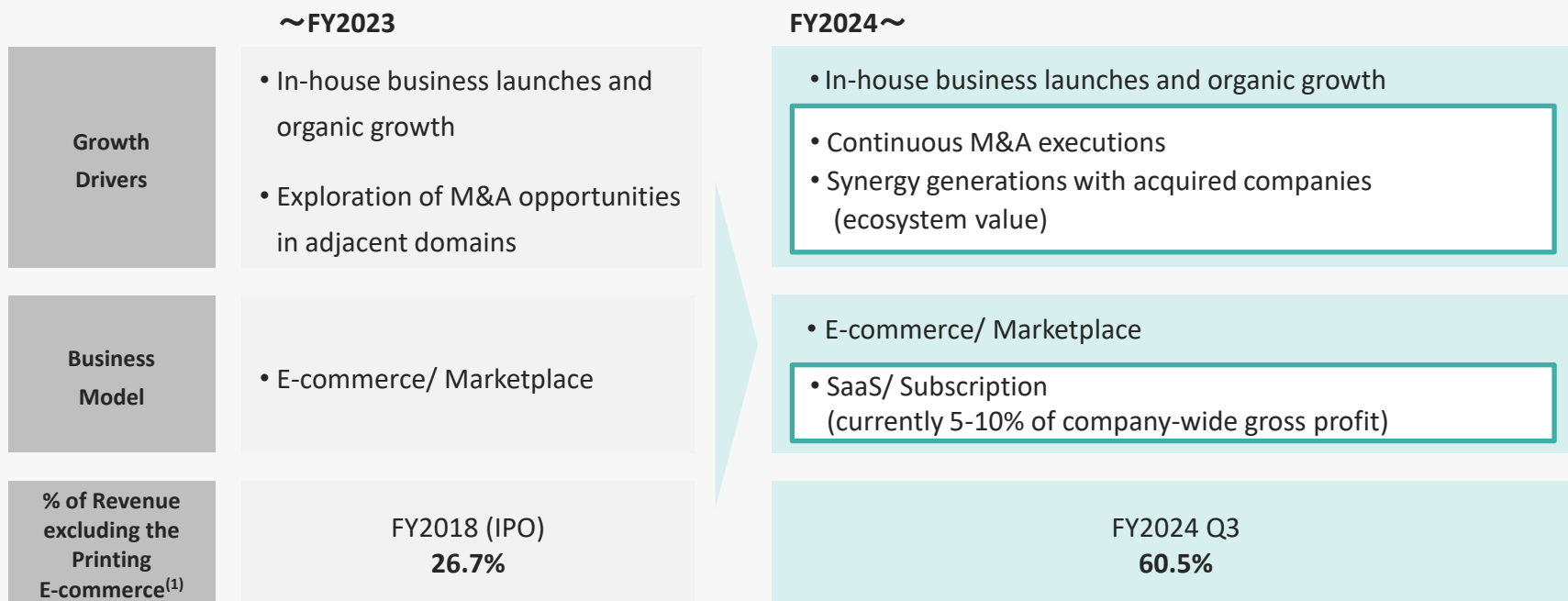
Our Strengths

- Large customer base (over 2.6 million registered users)⁽¹⁾
- Software development capabilities in Japan and overseas
- Talents and organizational expertise to penetrate deeply into existing industries (business development, SCM, management, etc.)

Market Size

- JPY 140Tn in Japan's total indirect business costs
- JPY 11Tn in businesses RAKSUL is already involved in
- Of which JPY 500Bn currently transacted online

Evolution of Growth Drivers



Notes

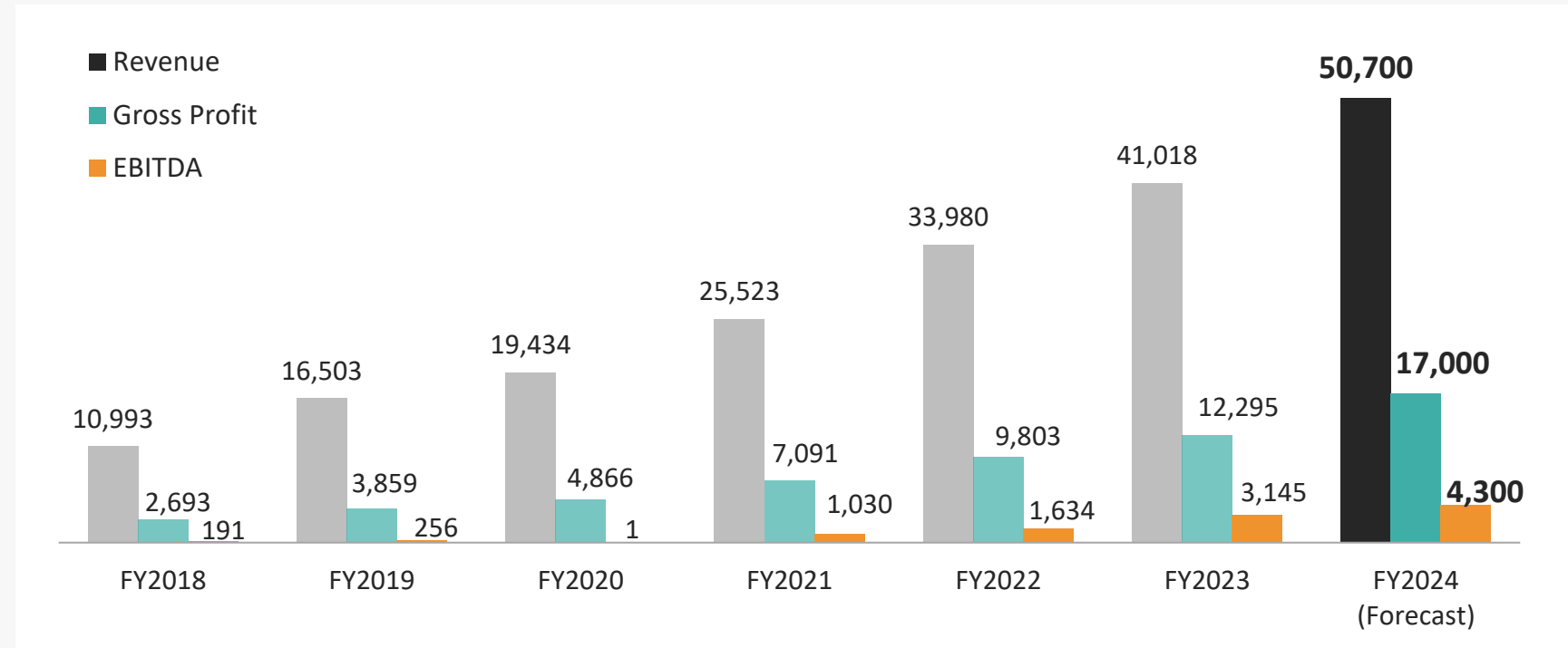
(1) Cumulative number of registered users on raksul.com (2) Printing/ Solution domain



Growth Track Record

- Continued Quality Growth (business expansion with profit/CF)
- Each business segment continues to grow steadily and is on pace to meet or slightly exceed the full-year forecasts that were revised upwards in March 2024

Company-wide performance since listing⁽¹⁾ (in JPY MM)



Financial Figures / Performance Indicators(Forecast for FY2024)

Revenue (in JPY MM)	50,700	(YoY+23.6%)	Net Income (non-GAAP/in JPY MM)	3,490	(YoY+38.6%)
Gross Profit (in JPY MM)	17,000	(YoY+38.3%)	EPS ⁽²⁾ (in JPY)	59.8	(YoY+38.1%)
EBITDA (in JPY MM)	4,300	(YoY+36.7%)			
Operating Profit (non-GAAP/in JPY MM)	3,690	(YoY+26.7%)			

Notes

(1) Results prior to FY2021 are calculated based on the new revenue recognition standards

(2) Calculated based on the average number of shares the fiscal year as of 3Q



Realization of Quality Growth

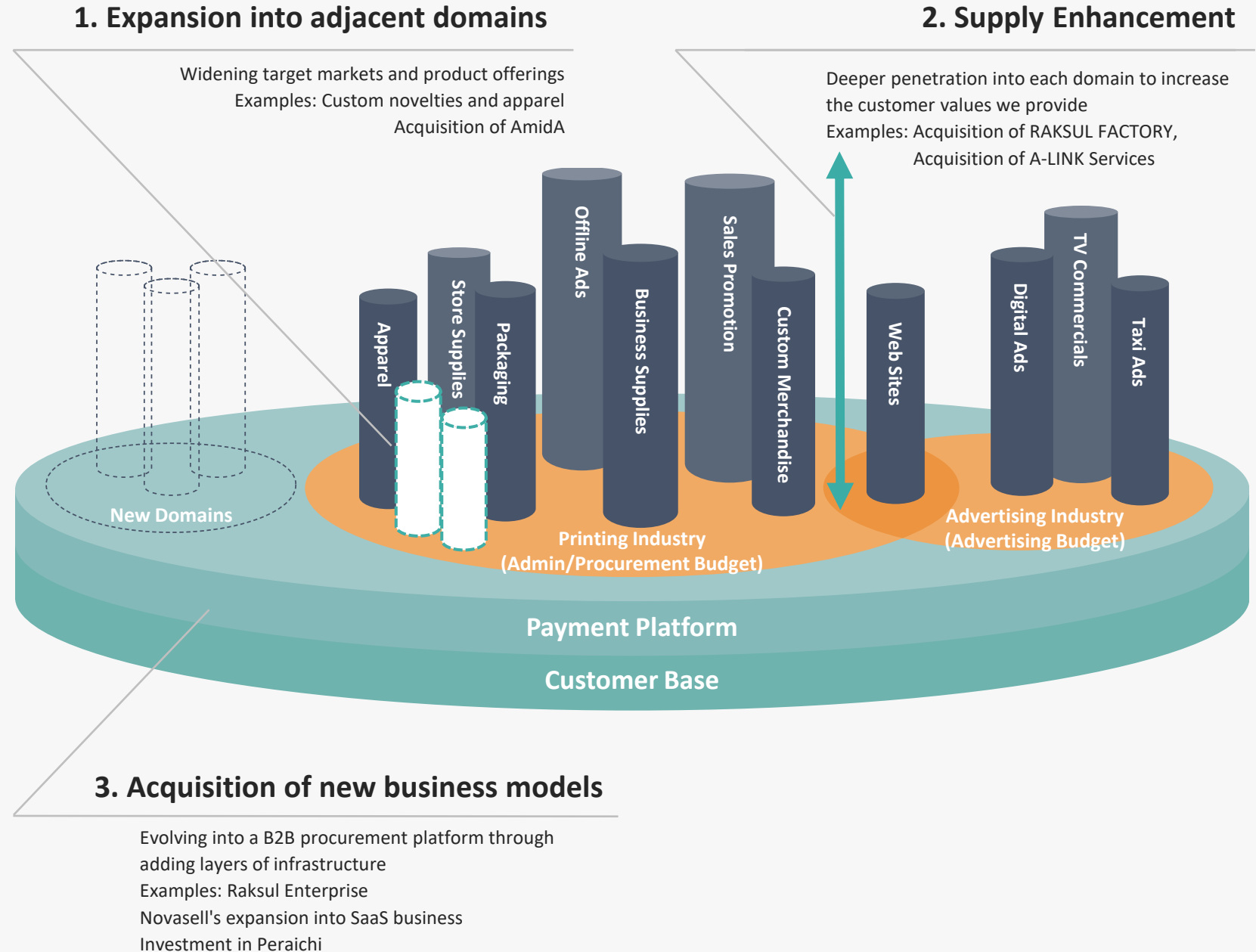
- Our gross profit is similar in nature to net revenue of general software companies
- Continued gross profit growth and improved EBITDA margin while scaling the business

	FY2020	FY2021	FY2022	FY2023	FY2024 3Q Cumulative Total
Gross Profit Growth (Excl. Hacobell)	+24.6%	+42.1%	+40.5%	+31.7%	+38.4%
EBITDA Margin vs Gross Profit	0.0%	14.5%	16.7%	25.6%	28.2%



Medium-term direction of our expansion

- Expanded from our original online printing business to a wide range of products and evolved into a platform that provides custom products and services needed in offices, stores, e-commerce, and all forms of businesses
- Going forward, RAKSUL will expand organically and through M&A in 3 key directions shown in the diagram on the right





TAM Expansion through Organic Businesses

- This month, we have expanded our business into merchandising business and enhanced our advertising services for Raksul customers
- We will further provide convenience to Raksul's customer base of more than 2.6 million users, mainly SMEs and sole proprietors

Background

SMEs account for 99% of all businesses in Japan, are Raksul's main customer base
Needs for efficient procurement/purchase and customer attraction processes continue to be strong



Expansion into Merchandising Domain

Scattered accounts, payment, and delivery information when purchasing through different e-commerce for each diverse product

Sales of store merchandise, packaging materials, and office supplies within Raksul



Enhanced Ad Service for Raksul Customers

Unable to spend human resources and budget on complex & diverse customer acquisition activities

Simple, low-cost advertising service, leveraging Novasell's knowledge

Affordable PR video production service



Geo-specific web advertisement service



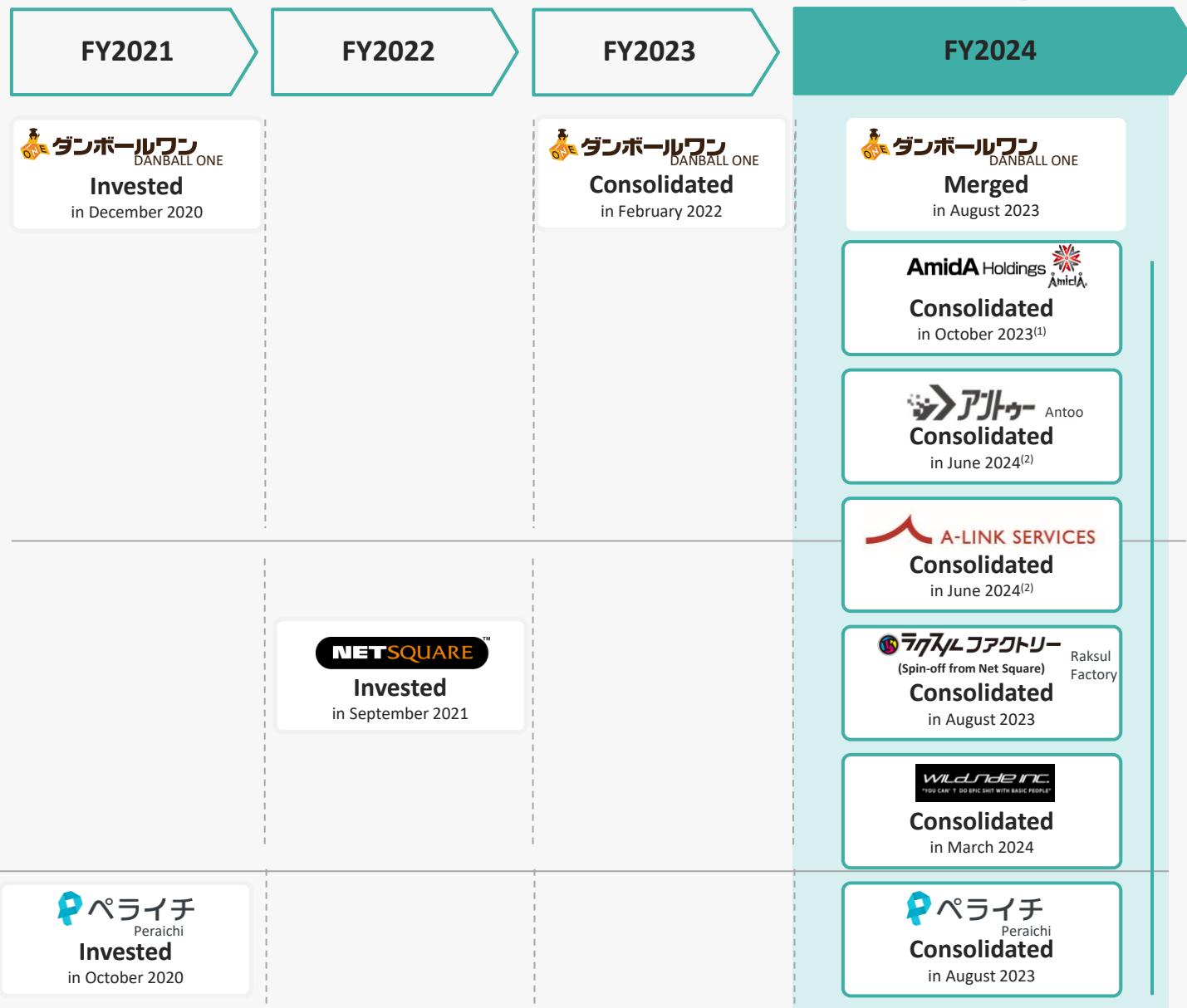
M&A Track Record

- We continuously execute M&A transactions to supplement organic growth. Six new companies were consolidated in this fiscal year
- The amount of investments related to new consolidations in FY2024 was approx. JPY 5.1Bn (stock acquisition costs excluding net cash, including future earn-outs, etc.)
- EV/EBITDA multiples are all less than 5x to earnings in the first year of consolidation (The consolidated subsidiaries will contribute a full year from FY2025 onwards)

1. Expansion into Adjacent Domains

2. Supply Enhancement

3. New Business Models



Newly consolidated

Notes
 (1) Contribution to earnings began in FY2024 2Q
 (2) Contribution to earnings will start in FY2025 (Planned)

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Quarterly Financial Highlights and 4Q Forecast

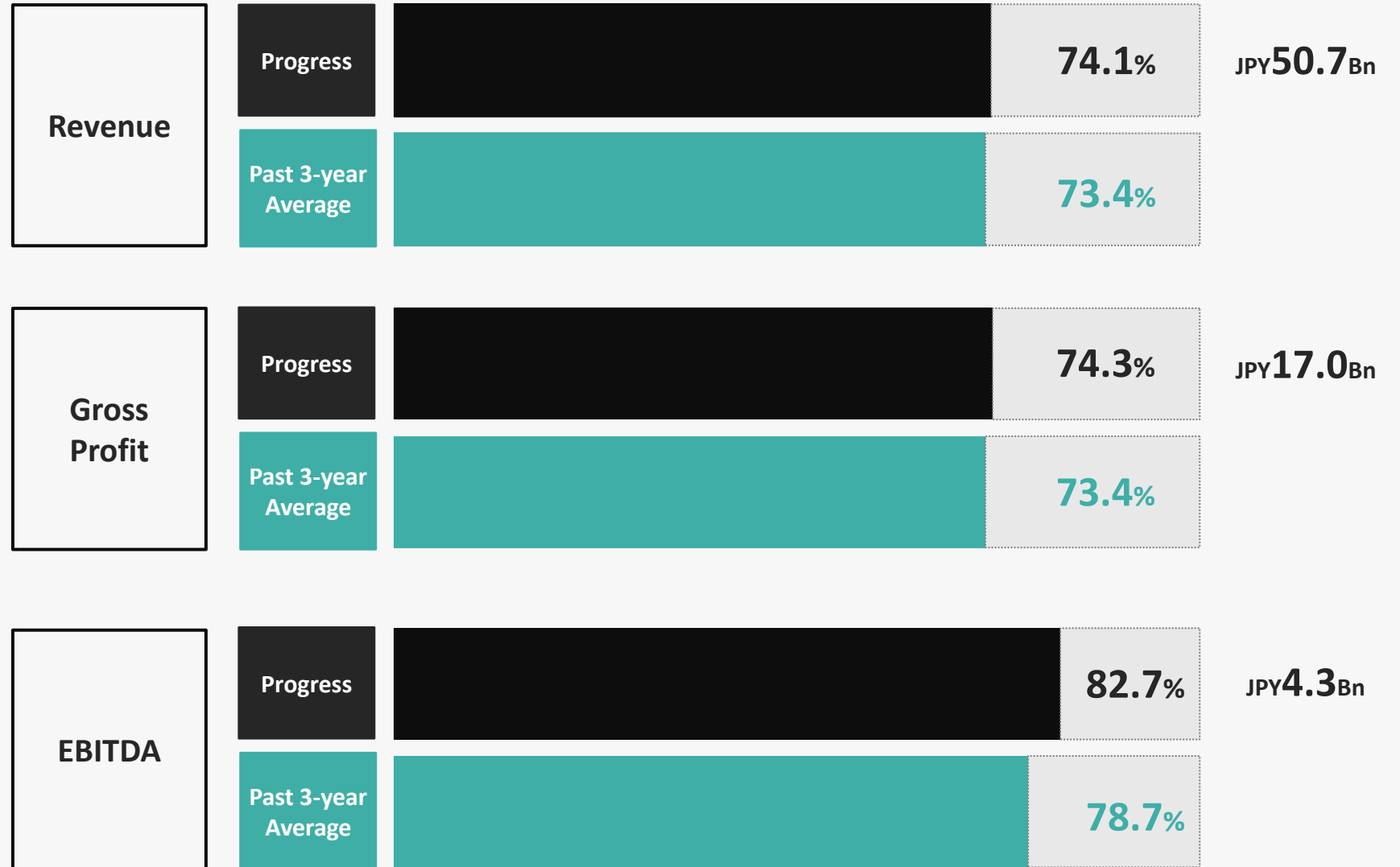
- Steady growth in revenue, gross profit, EBITDA, and other income categories
- EBITDA reached a new quarterly record high while maintaining sustained revenue growth
- Recorded an office-related extraordinary loss of approx. 140 million yen in 3Q, which was not incorporated in the revised plan
- Business environment remained largely unchanged in 4Q, making progress in line or slightly above the revised plan set in March
- In 4Q, we expect to make a one-time investment of approx. 300 million yen, including acquisition-related costs mentioned later, and advertising in focused categories from the next fiscal year. The actual EBITDA is more than 1.1-1.3 billion yen if without the investment costs

(in JPY MM)	FY2024 3Q (2024/2 - 2024/4)			FY2024 3Q Cumulative Total (2023/8 - 2024/4)			FY2024 4Q Forecast
	Actual	FY2024 3Q Actual	YoY	Actual	FY2023 3Q Cumulative Total	YoY	Forecast as of June 11
Revenue	13,566	10,610	+27.9%	37,557	30,120	+24.7%	+22-25%
Raksul	12,416	9,919	+25.2%	34,534	27,777	+24.3%	
Novasell	801	542	+47.7%	1,874	1,889	-0.7%	
Gross Profit	4,712	3,237	+45.5%	12,623	9,117	+38.4%	+42-45%
Raksul	3,997	2,847	+40.4%	10,700	7,935	+34.8%	
Novasell	495	352	+40.5%	1,172	1,068	9.7%	
Gross Margin	34.7%	30.5%	+4.2pt	33.6%	30.3%	+3.3pt	
EBITDA	1,378	859	+60.5%	3,556	2,495	+42.5%	800-1,000
Operating Profit (non-GAAP)	1,216	801	+51.9%	3,138	2,322	+35.1%	
Net Income (non-GAAP)	644	401	+60.5%	3,062	2,319	+32.0%	
EPS (non-GAAP)	JPY 11.1	JPY 6.9	JPY +4.2	JPY 52.5	JPY 39.9	JPY +12.6	

Progress against Full-Year Forecast

- Steady progress against the revised full-year forecast disclosed on March 13, 2024

Revised Forecast
Disclosed in March 2024



Revenue by Business

Segment

- Revenues continue to grow quarter over quarter
- Raksul segment revenue is broken down into the following 3 categories from 2Q

Printing & Solutions

Printed materials on paper used by customers in their business activities, and printing solutions for large companies

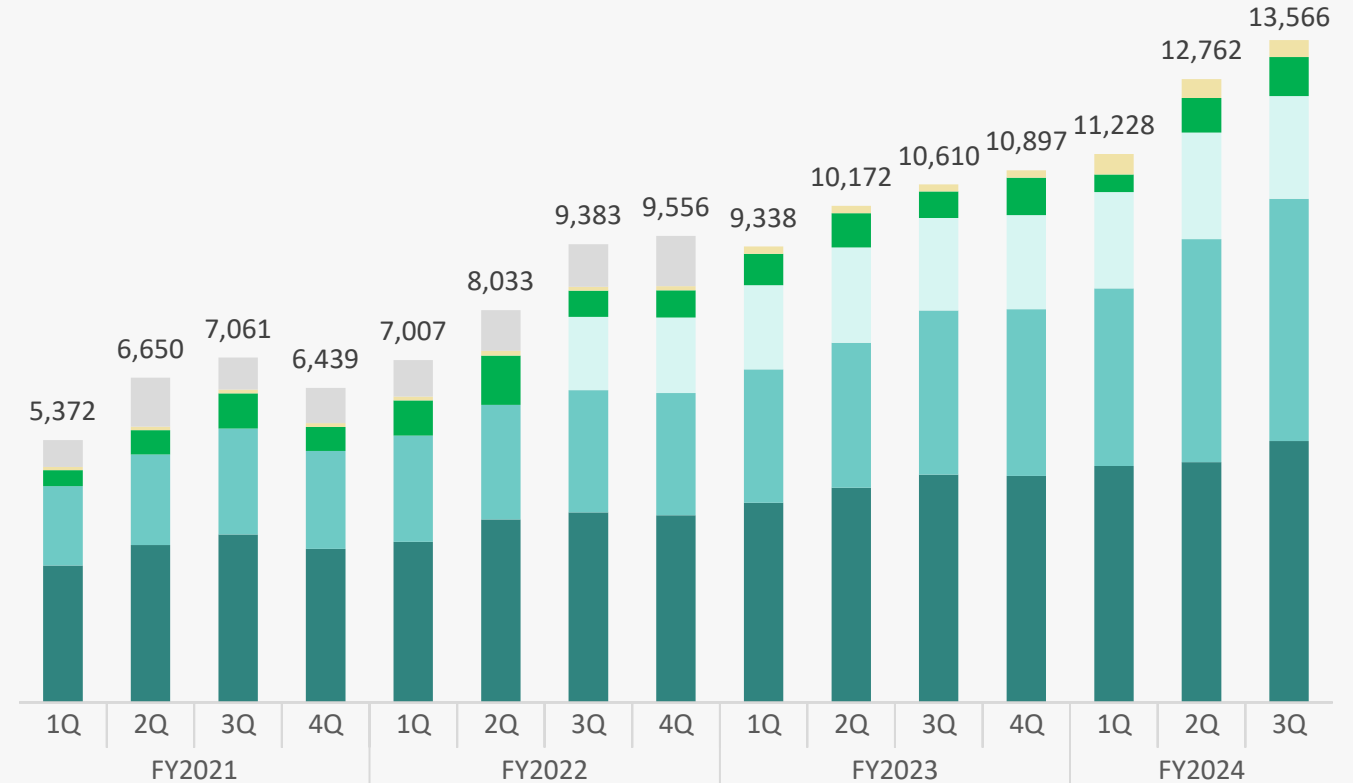
Business Supplies & Peripherals

Customized items used by customers in offices and stores, as well as other services

Packaging

Cardboard, paper bags, and other types of packaging

(in JPY MM)

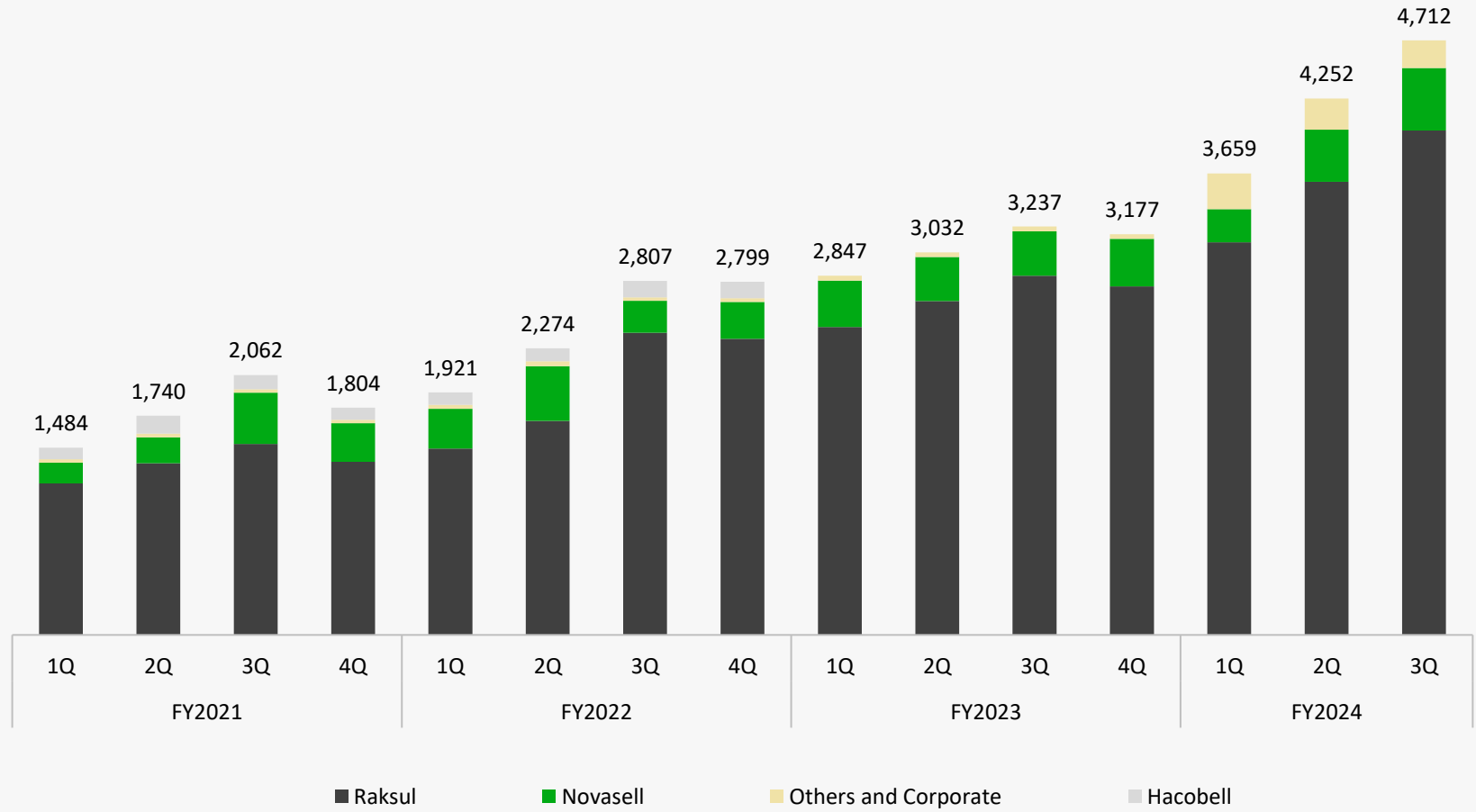


	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	FY2021				FY2022				FY2023				FY2024		
Total	5,372	6,650	7,061	6,439	7,007	8,033	9,383	9,556	9,338	10,172	10,610	10,897	11,228	12,762	13,566
■ Hacobell	553	1,004	655	723	741	835	869	1,031	0	0	0	0	0	0	0
■ Others & Corporate	66	73	77	73	84	97	80	84	154	151	147	151	416	382	348
■ Novasell	322	498	722	498	720	1,007	538	562	643	703	542	766	360	713	801
■ Packaging	0	0	0	0	0	0	1,501	1,543	1,723	1,951	1,893	1,924	1,973	2,182	2,104
■ Business Supplies & Peripherals	1,626	1,849	2,167	2,000	2,174	2,345	2,506	2,501	2,732	2,972	3,364	3,418	3,639	4,562	4,958
■ Printing & Solutions	2,803	3,223	3,438	3,144	3,286	3,747	3,886	3,833	4,084	4,392	4,661	4,635	4,838	4,921	5,353

Gross Profit

- Gross profit continues its growth trend driven by revenue growth and stable gross margin
- Expected range of gross margin over the medium term
 - Raksul Business : 30 - 33%
 - Novasell Business : 50 - 60%

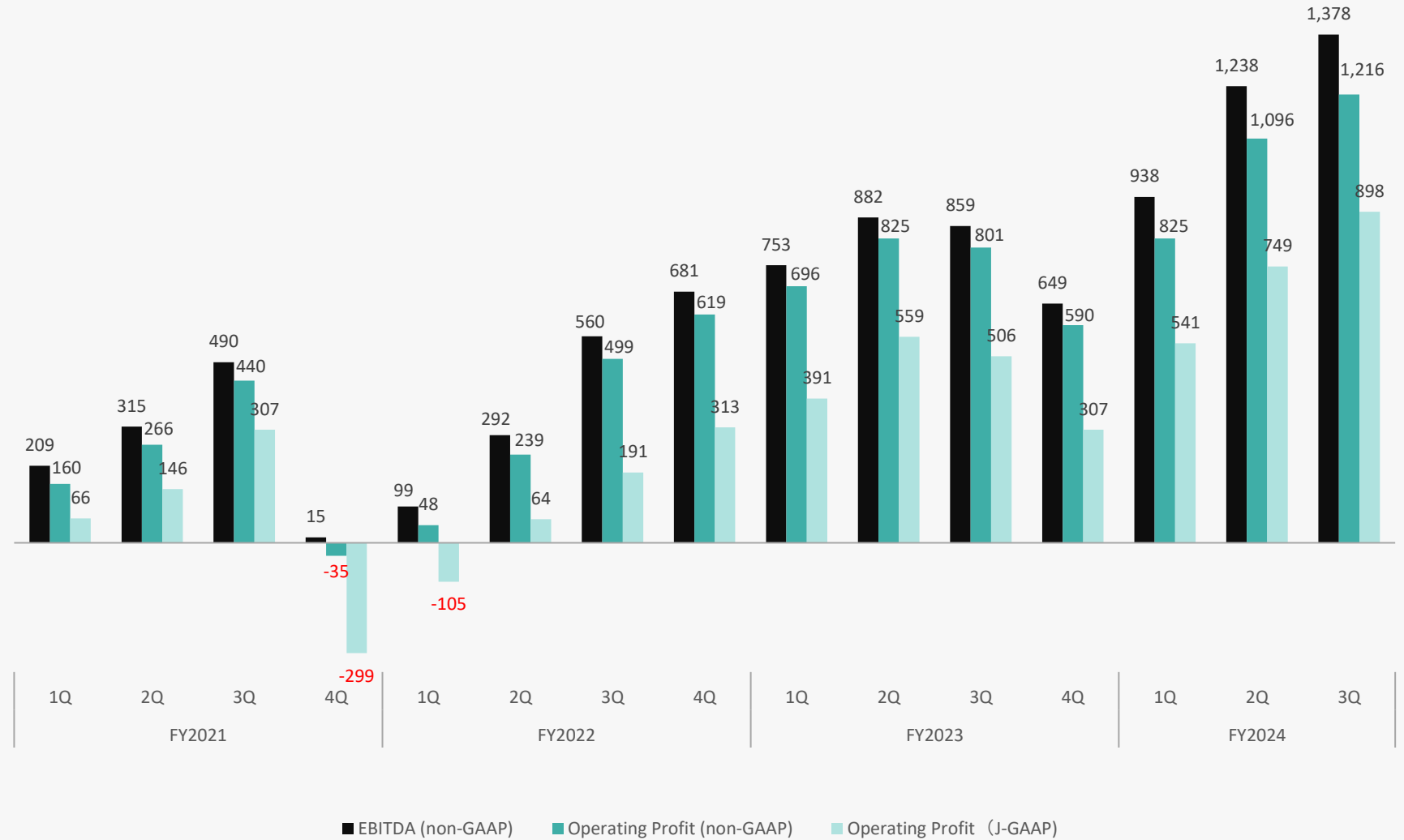
(in JPY MM)



EBITDA and Operating Profit

- Quarterly EBITDA exceeded JPY 1.3Bn and landed at a record high following Q2
- Non-GAAP and J-GAAP operating profits on a similar trend, updating record-high profits
- Non-GAAP adjustments at the operating profit level include stock-based compensation expense and amortization of goodwill

(in JPY MM)

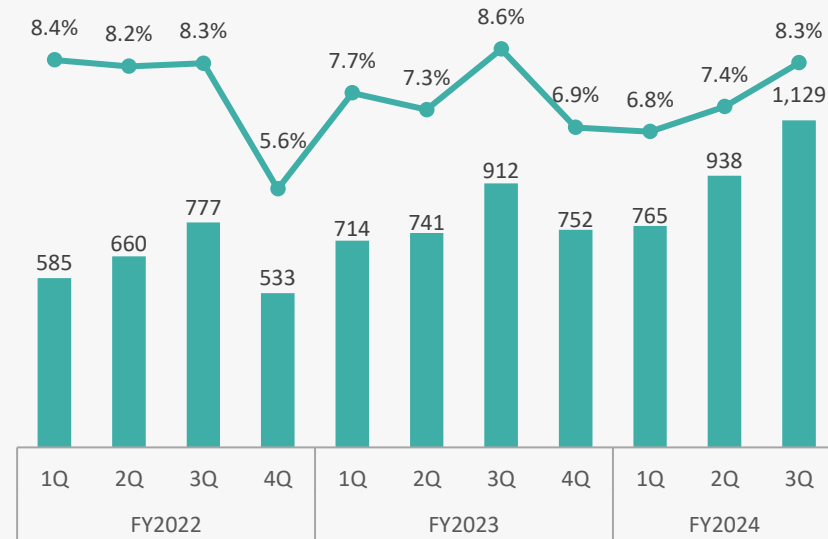


SG&A Spend (1)

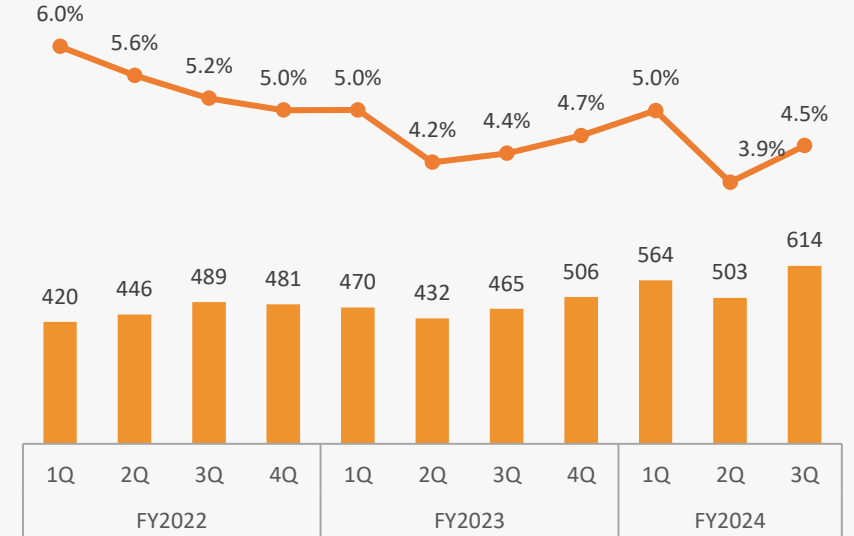
- Continued investment in growth, mainly in advertising and technology development
- Ratio of advertising expenses to revenue increased in 3Q due to high season and consolidation of AmidA

(in JPY MM)

Ratio of Advertising Expenses to Revenue



Ratio of Tech & Development Investments to Revenue



	FY2022				FY2023				FY2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total SG&A expenses⁽¹⁾	1,873	2,034	2,308	2,180	2,151	2,206	2,436	2,587	2,833	3,155	3,495
Sales & Marketing	622	695	826	577	736	750	923	811	809	976	1,174
Tech & Development	420	446	489	481	470	432	465	506	564	503	614
Others	831	891	992	1,120	944	1,023	1,047	1,268	1,458	1,675	1,706

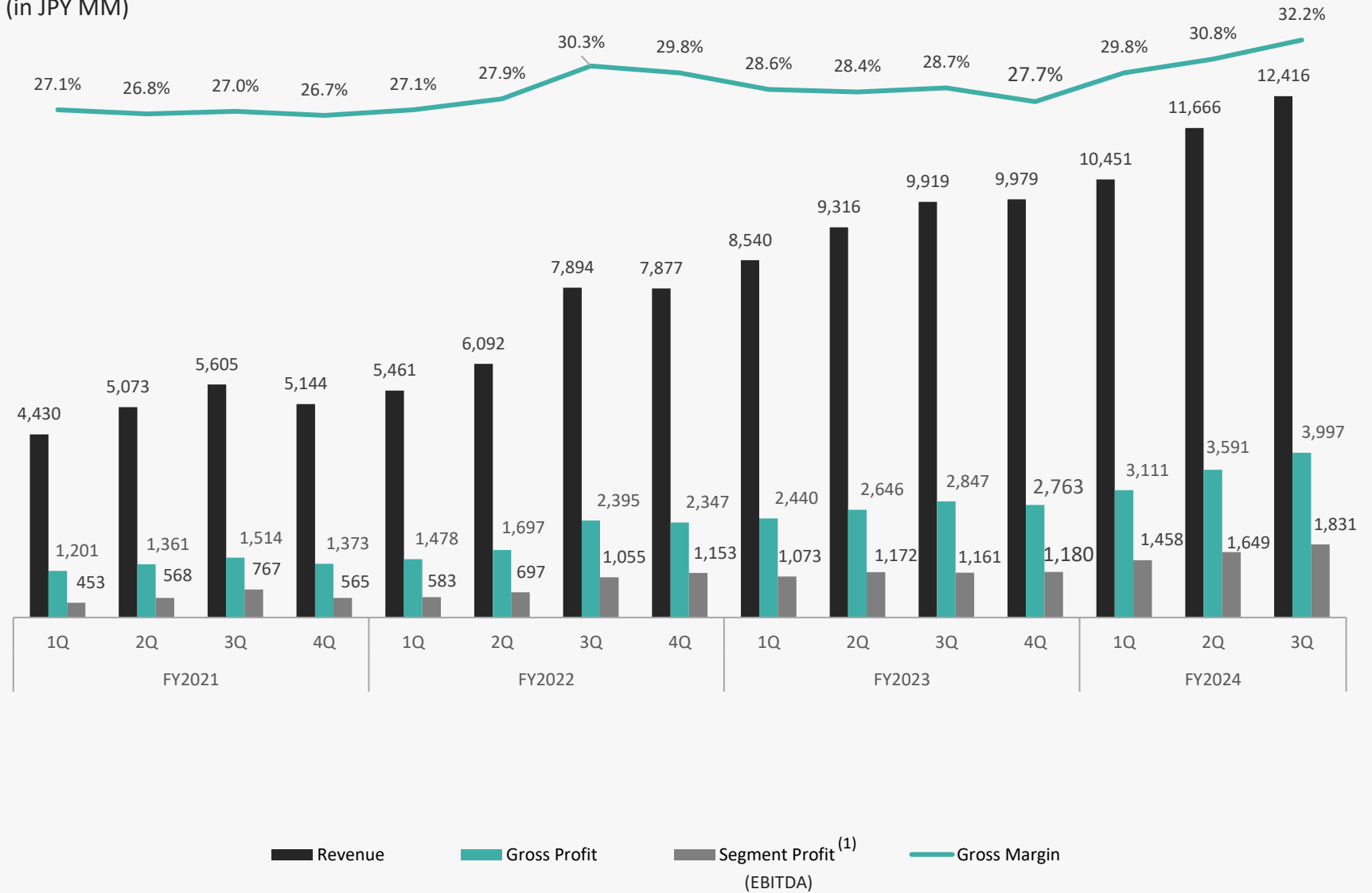
Notes

(1) Stock-based compensation expenses and amortization goodwill not included

Rakusul Business Performance

- Gross margin rose to a record high of 32.2%, due to the impact of AmidA consolidation and improvement in unit prices
- Revenue organic growth, including DANBALL ONE, improved from 15.8% in 2Q to 16.3% in 3Q
- Improvement trend in growth momentum continues and is expected to continue in 4Q as mentioned in the monthly trend on a later page

(in JPY MM)



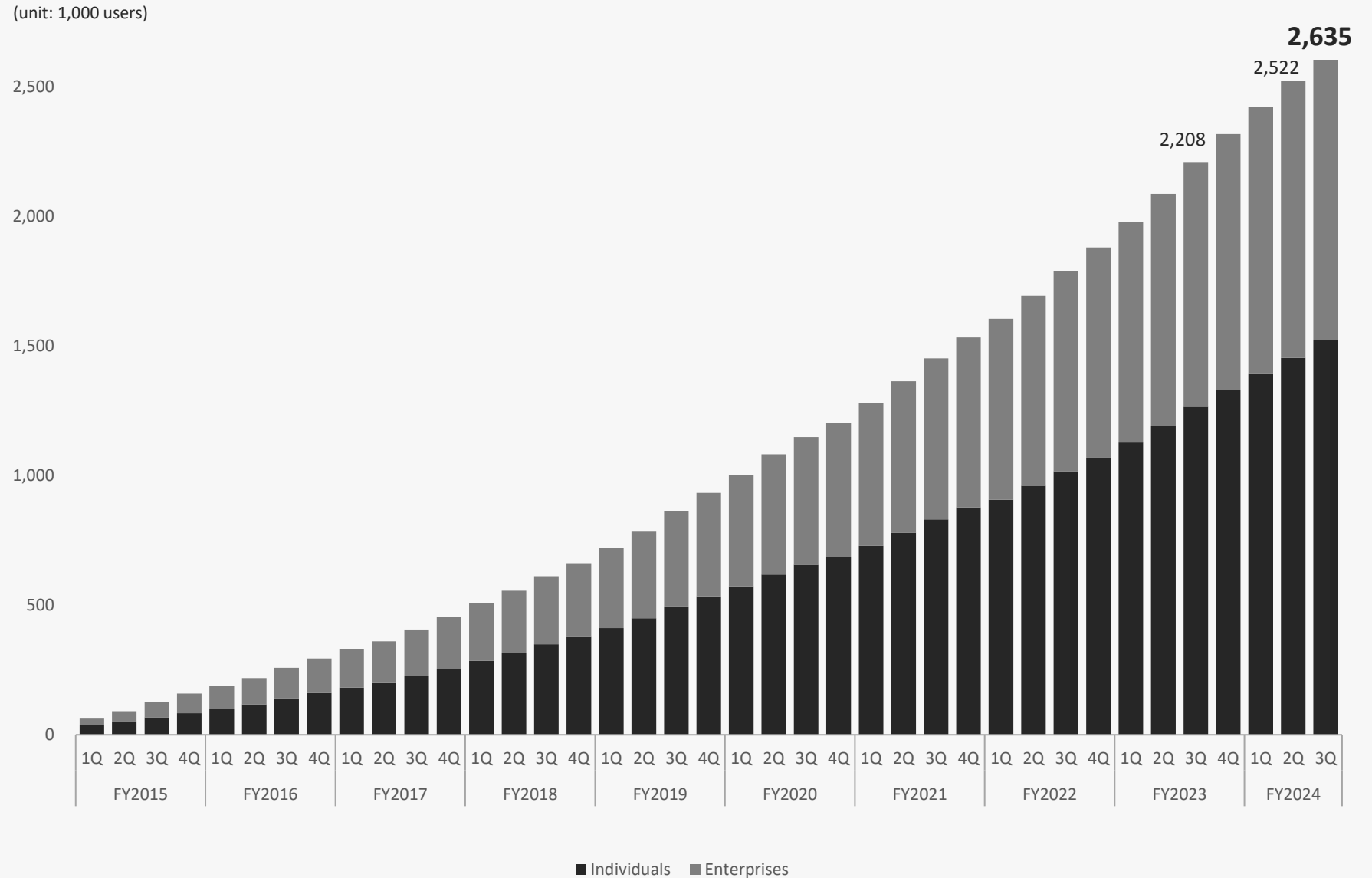
Notes

(1) SG&A expenses include internal transactions



Number of Registered Users on raksul.com Platform ⁽¹⁾

- Our customer base continues to grow
- The number of total users for 3Q was 2,635,410



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



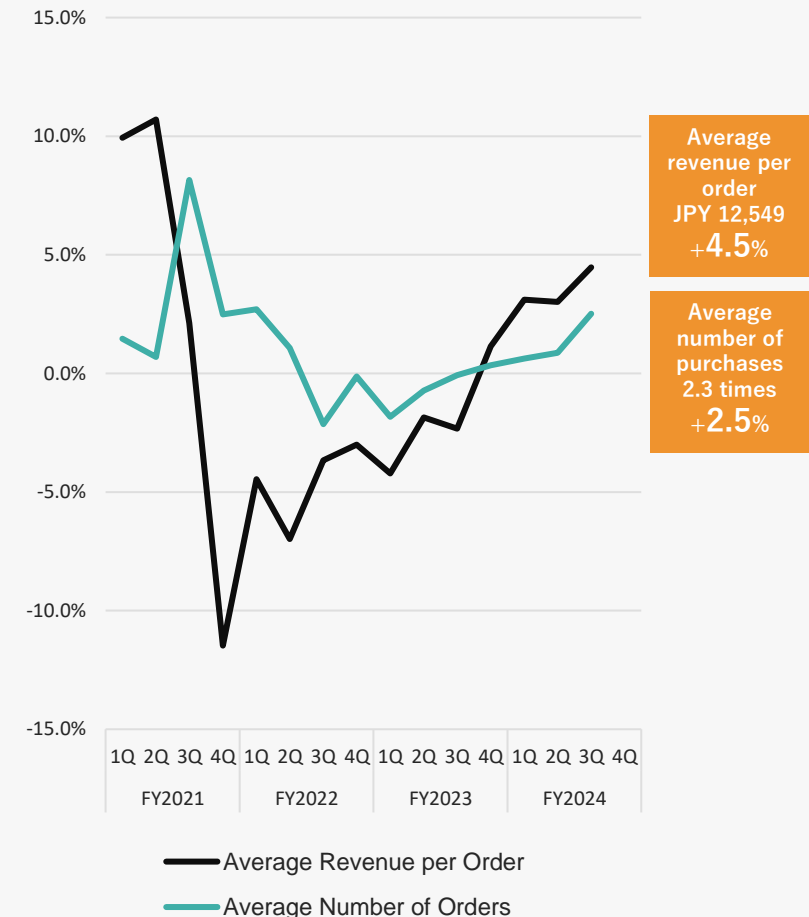
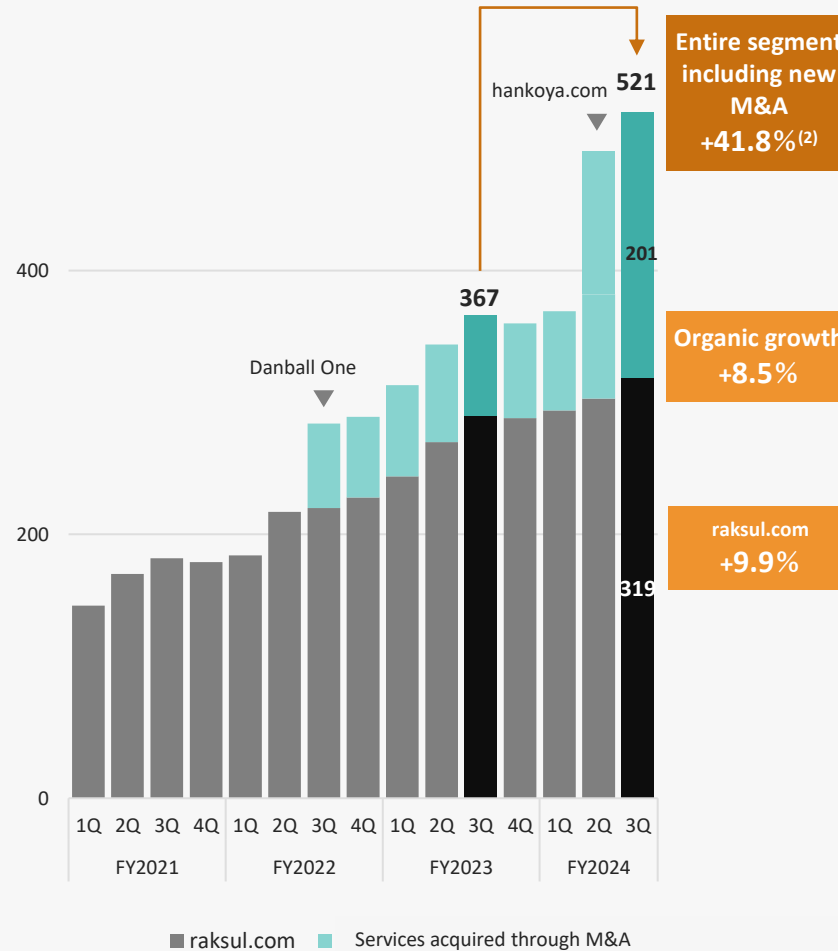
Raksul Business KPI Trends⁽¹⁾

- Growth in customer ARPU will expand due to an increase in purchase frequency and unit price as a result of progress with cross-selling
- User growth on raksul.com is at 10%, organic growth including DANBALL ONE at 8.5%
- Through successive acquisitions, the number of purchasing users has been accumulating, mainly businesses and sole proprietors

Average Number of Orders per quarter & Average Revenue per Order YoY (Organic growth rate of existing services only)

Number of Purchasing Users per quarter

(unit: 1,000 users)



Note

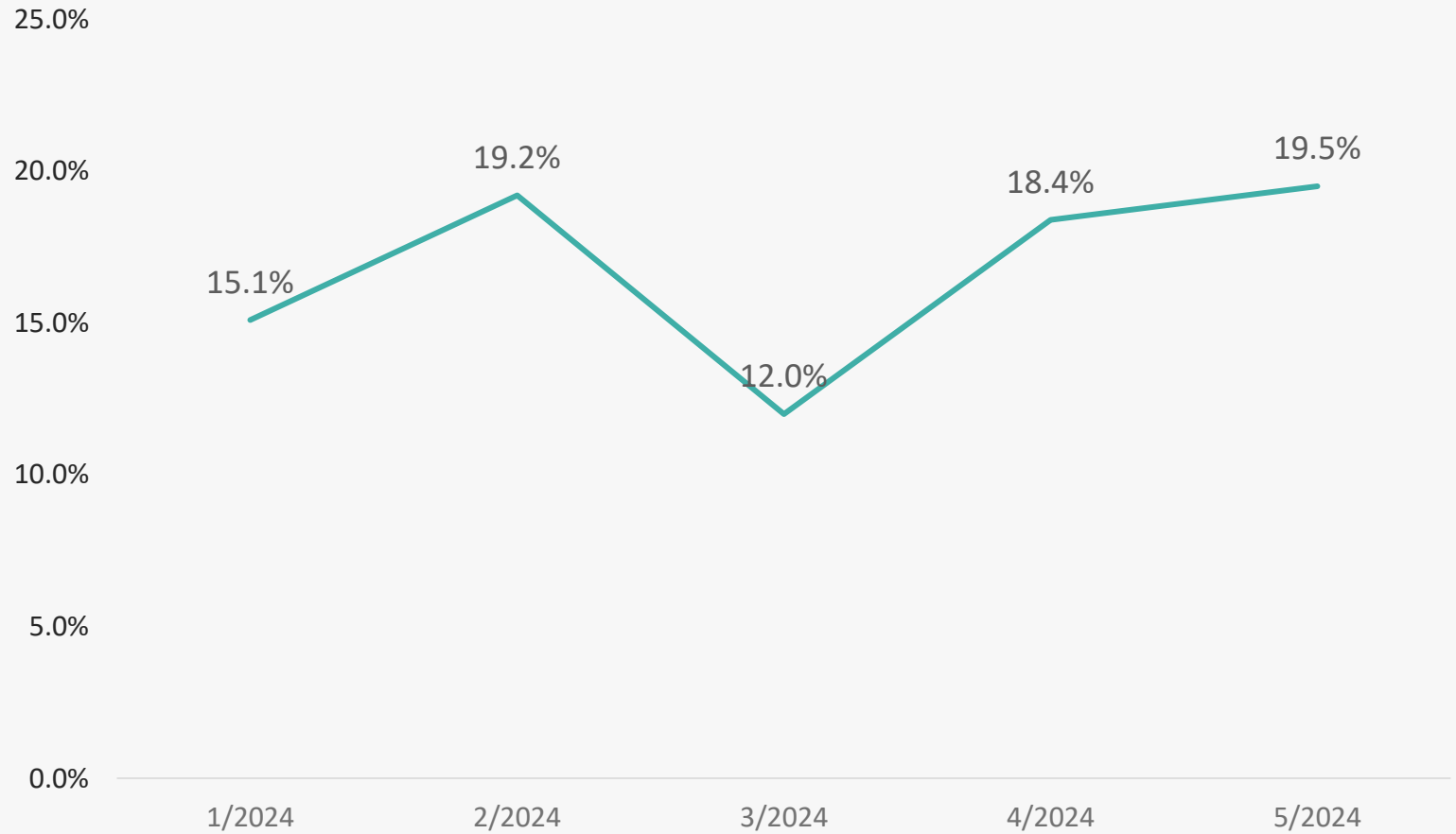
(1) For each indicator disclosed in March 2024, refer to the excel on our IR website

(2) There is some overlap between AmidA users and aksul.com users



(Reference) Raksul Business Organic Growth Rate Trends

- Temporary slowdown in organic growth rate of Raksul business since the beginning of 2024 due to high YoY comparables and trends in certain product categories in the wake of post-COVID-19 reopening in the previous year
- Various indicators are on the recovery track, and YoY growth was back to 19.5% in May
- We will continue to maximize organic growth of Raksul business while continuing with Quality Growth as a platform through new business development and M&A





Acquisition of shares of A-LINK Services Co., Ltd (Consolidation)

- We plan to acquire shares of A-LINK Services Co., Ltd (A-LINK Services) in June 2024 to expand the market share of tote bags, a major category in the custom merchandise domain, and increase added value to our customers

Business Overview Manufacture and sale of original tote bags and operation of the "Tote Bag Kobo" e-commerce website

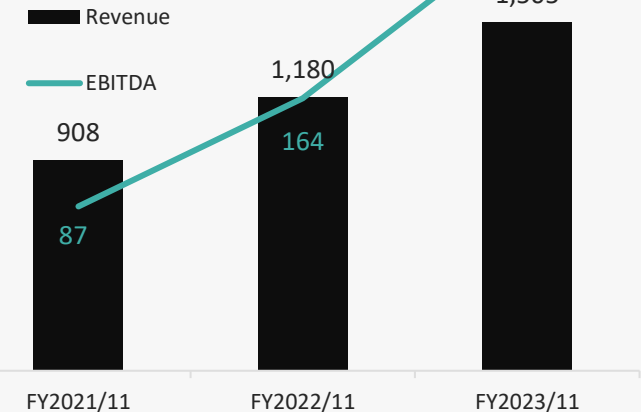
- Objectives**
- **Market Share Expansion**
To increase the market share of tote bags, a major category in the custom merchandise domain, by capturing the user base of A-LINK Service, which is one of the leading specialty e-commerce websites in the industry
 - **Supply Enhancement**
To reduce costs and increase the added value to customers in pricing and delivery time by having the production capability of material procurement and print processing

- Acquisition cost /Financing**
- Acquisition value : Approx. JPY 1.27Bn*/ Acquisition Fee : Approx. JPY 100MM
 - Funding: Cash on hand (No plan to raise funds in connection with this transaction)

- Financial Impact**
- Financial results of the acquired business will be disclosed as part of the Raksul business segment from next fiscal year onwards
 - Strong growth in the past 2 years benefiting from e-commerce acceleration & recovery demand from COVID-19
 - Acquisition-related expenses of approx. JPY 100MM are included in FY2024 4Q
 - The impact on the consolidated results for FY2025 is expected to be about JPY 1.7Bn in revenue, JPY 700MM in gross profit, and JPY 300MM in EBITDA

Results for the last 3 years

(in JPY MM, inclusive of tax)



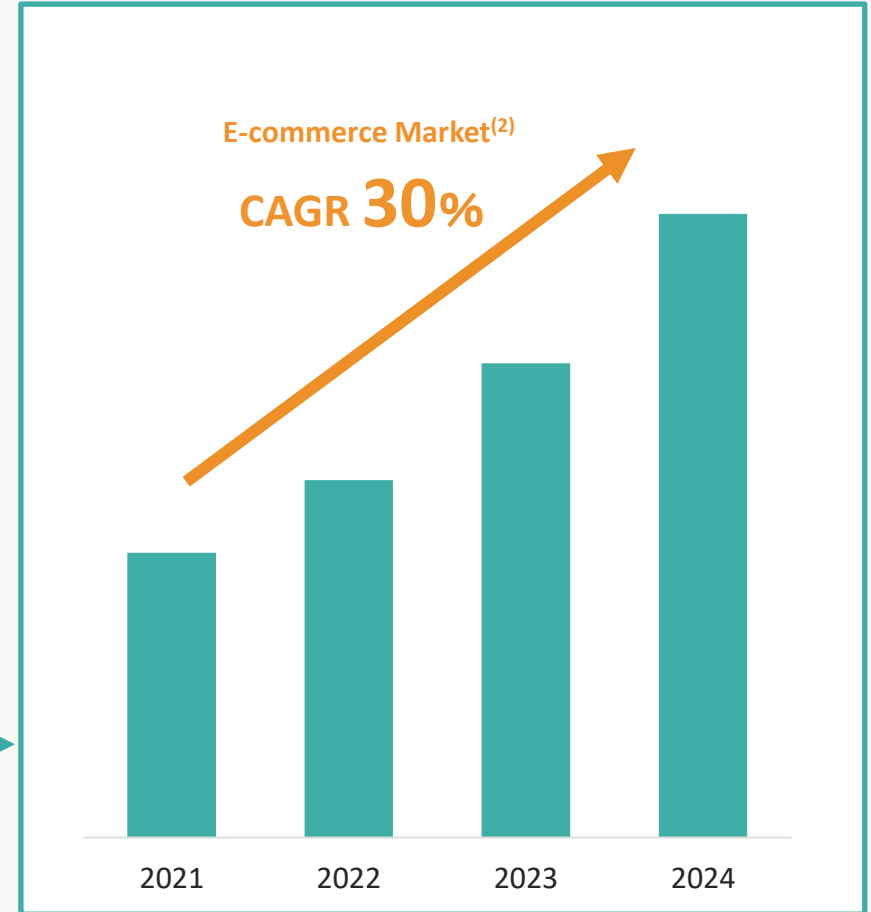
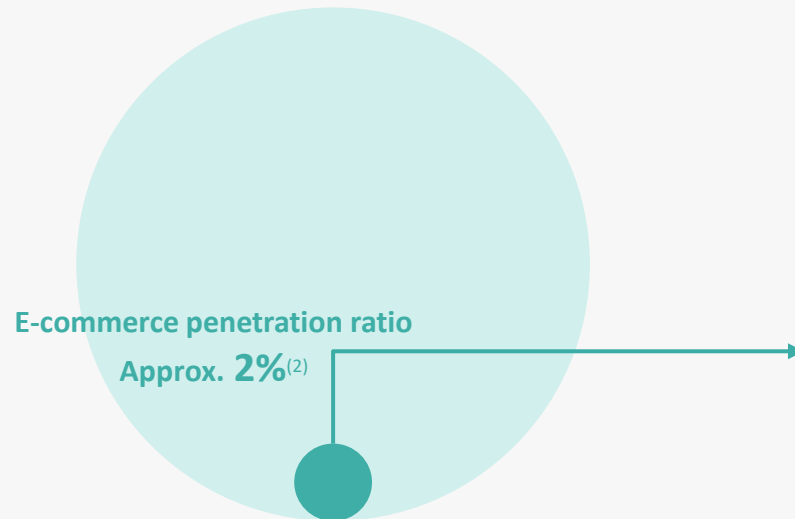
* Some other conditional payments are available



Market Growth Potential of Custom Merchandise E-commerce

- The domestic market for custom merchandise (including novelty gifts, character goods, creator merchandise, etc.) is approximately JPY1.4Tn⁽¹⁾ with a CAGR of 2-3%⁽³⁾
- Its E-commerce market is especially strong at a growth rate of CAGR 30%. There is much room for further expansion as the shift to e-commerce continues
- With cross-selling and the launch of in-house businesses, Raksul’s custom merchandise business has been growing rapidly due to its high affinity with Raksul’s customers, mainly SMEs
- With the acquisition of A-Link Services as a subsidiary, we plan to become one of the leading companies in the E-commerce market in 2025

Custom Merchandise Market in Japan
Approx. JPY 1.4Tn⁽¹⁾



Notes

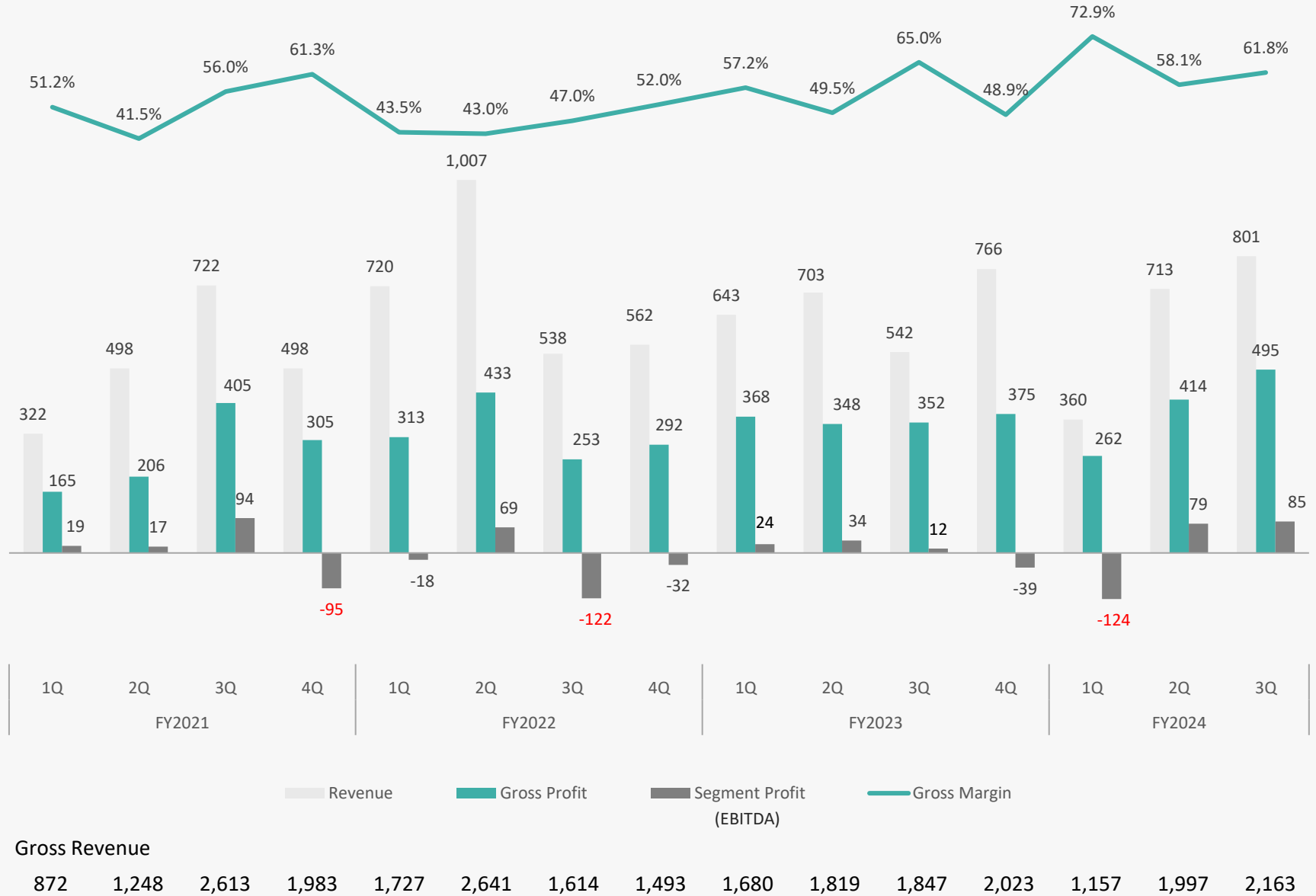
(1) Calculated based on “Gift Market White Paper (2022),” “Research on Corporate Gift Market (2024),” and “Research on Character Business (2023)” by Yano Research Institute Ltd, and “Survey on the Domestic Creator Economy” by Mitsubishi UFJ Research and Consulting
 (2) Calculated based financial information of domestic original goods E-commerce companies
 (3) Business Research Insights “Gifts Novelty and Souvenirs Market Size, Share, Growth, and Industry Analysis”



Novasell Business Performance (1)

- 3Q gross profit hits record high, EBITDA similarly strong. Both gross profit and gross margin improved in YoY with strong agency business and continuously solid SaaS business
- SaaS quarterly revenue grew to 170MM (YoY +109.5%), with continuous growth in every quarter since the start of the business
- 4Q revenue is expected to decline in QoQ, partly due to the off-peak season
- By applying the new revenue recognition standards, revenue is netted for broadcasting services, and gross revenue is recognized for production and SaaS services

(in JPY MM)



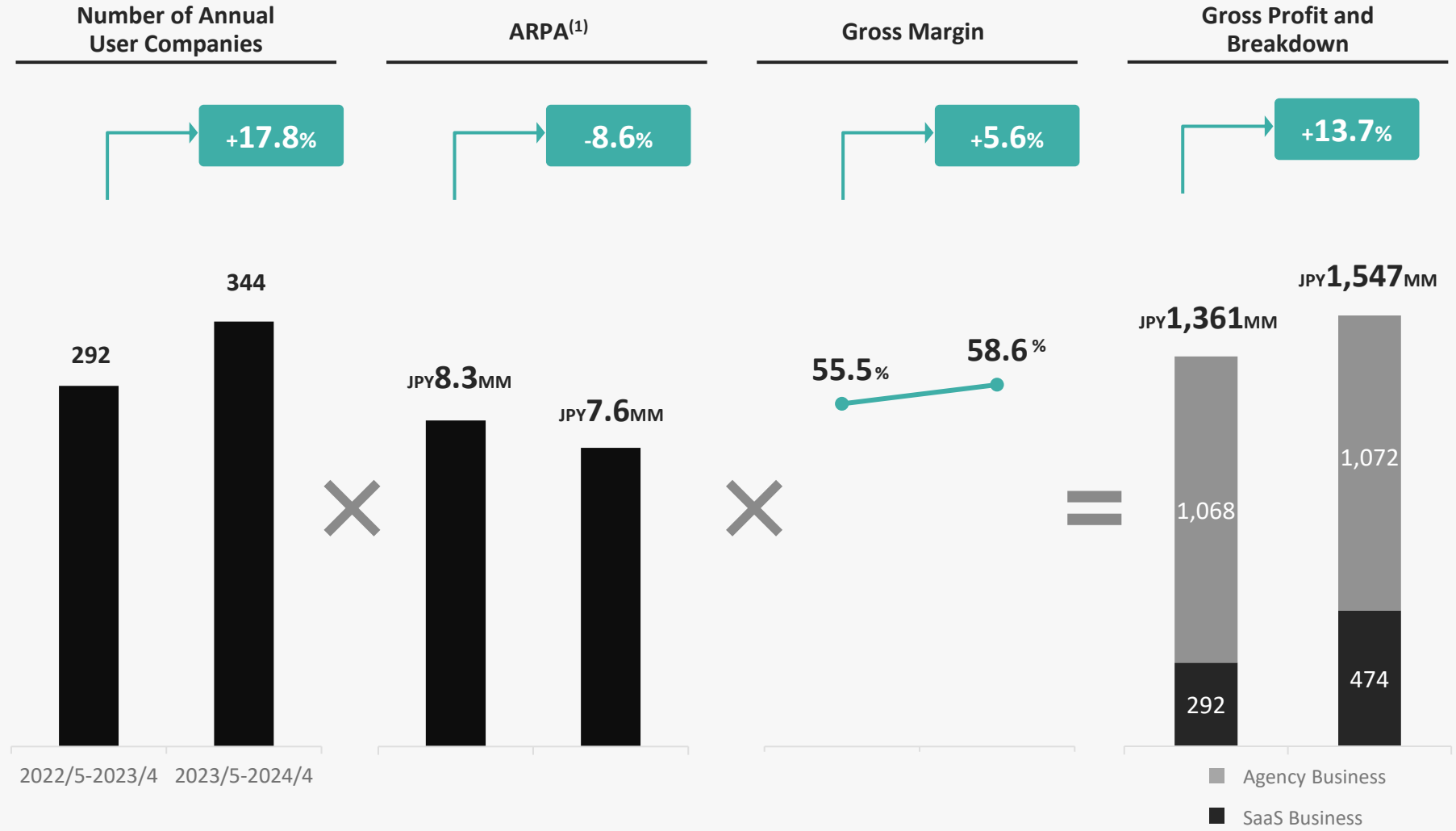
Notes

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

Novasell Business

KPI Trends

- ARPA declined due to strong SaaS business. In the meantime, unit price is on an increasing trend in SaaS business (+25.2% YoY)
- Total number of SaaS users for 2023/5-2024/4 was 251 companies (+33.5% YoY). More than 95% of them are using paid services, and the number of companies using paid services increased +40.1% YoY



Notes
 (1) ARPA=Average Revenue Per Account



Acquisition of shares of Wild Side Inc. and Antoo Inc.

- In order strengthen supply and expanding our service menu, we acquired shares of Wild Side Inc. in March 2024 and Antoo Inc. in June 2024, making them subsidiaries

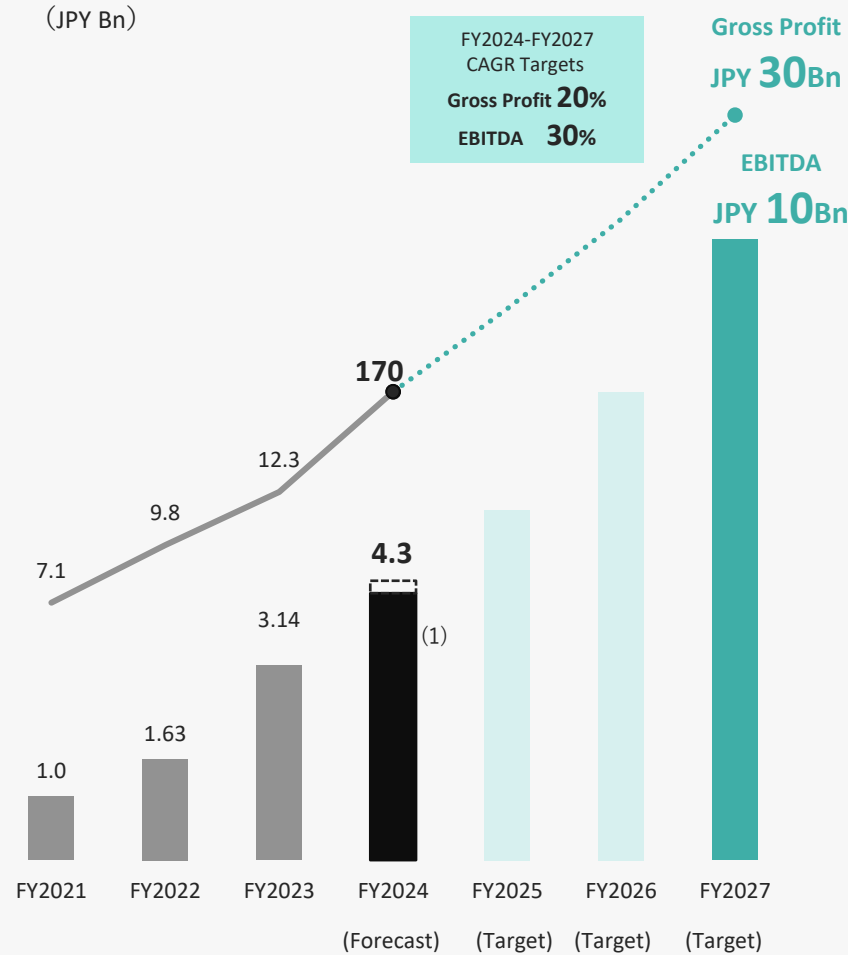
	Wild Side Inc.	Antoo Inc.
Business Overview	One-stop service from branding to buying TV commercials in Japan with a small group of elite professionals	Operation of video creation & production platform
Objectives	<p>Supply Enhancement (TV media buying)</p> <p>Having our own media buying function enables us to specify programs for TV commercial slots and cater to short-duration/ quick-turnaround requests. This accelerates the PDCA cycle based on real-time effectiveness measurement, which is one of our strengths, enabling us to provide more effective marketing services</p>	<p>Supply Enhancement (PR video creation)</p> <p>By having a PR video creation function that primarily targets SMEs, we can expand our service menu for small businesses, RAKSUL Group's main customer base</p>
Financial Impact	Minor impact on consolidated financial results	

Medium Term Financial Policy

- We will continue with Quality Growth (growth with profit/CF), aiming for gross profit of JPY 30Bn and EBITDA of JPY 10Bn in FY2027
- Over the next 5 years, we will allocate capital with priorities on investing in attractive growth opportunities that exist in adjacent domains. This will allow RAKSUL to solidify our further growth and competitive edge.
- With stable and growing cash flow established, we will return minimum 10% of the cash generated through our business (minimum JPY 2.5Bn) to shareholders over the next five years, mainly through share buybacks.
- We have announced a change in the dividend forecast. While share buybacks will remain the primary means of shareholder return, we will continuously pay dividends in the future.

Gross profit and EBITDA targets

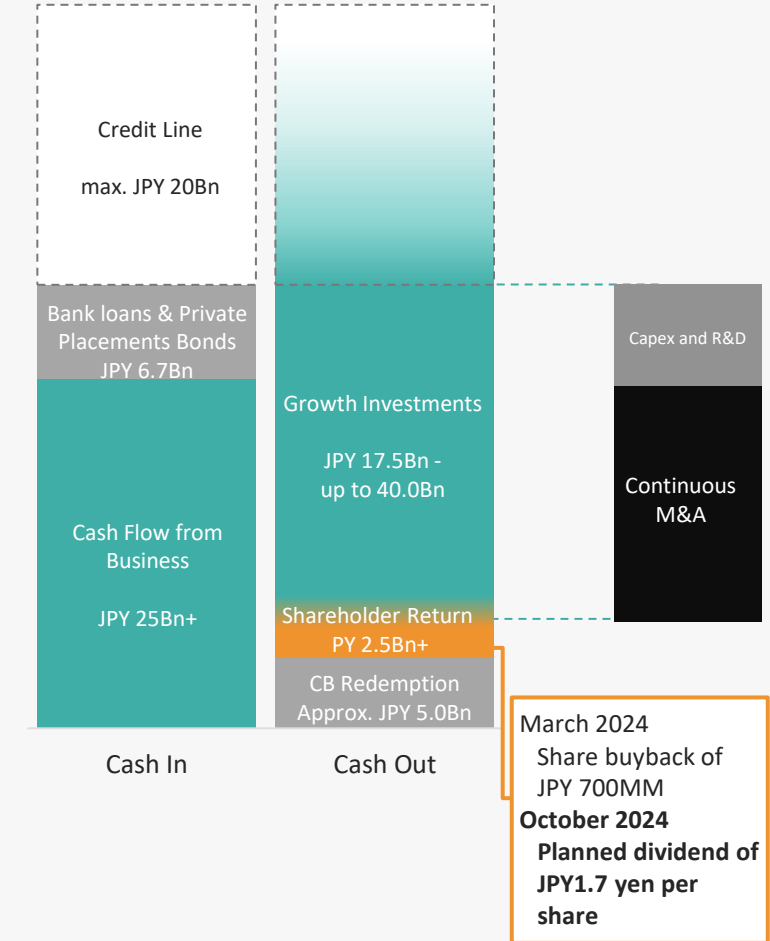
For FY2027



Notes
(1) Capturing Peraichi 's deficit of JPY -0.2Bn

Capital Allocation

Cumulative Total for FY2024 - FY2028



Maximum repayment if the loans are not renewed is approximately JPY 14Bn over the next five years




Quarterly Financial Highlights: BS

- With the financing package, the current cash position will be maintained even if the CBs will be redeemed
- We expect to accumulate both the operating cash flow and accounting profits in the future

(in JPY MM)

Cash & Deposits (43.6% of Total Assets) 18,584	Current Liabilities 16,173
	Short-term borrowings 2,350 Current portion of long-term borrowings and bonds 1,992 CB(Due On Nov 2024) 5,005
Other Current Assets 6,856	Non-Current Liabilities 10,878
	Bank Loan 9,591
Non-Current Assets 17,198	Net Assets (36.6% of Total Assets) 15,587
Goodwill 6,810	Share Capital 2,780 Capital Surplus 5,590 Retained Earnings 3,645 Treasury shares -1,001 Stock Acquisition Rights 1,356 Others 3,217
Assets	Liabilities & Net Assets

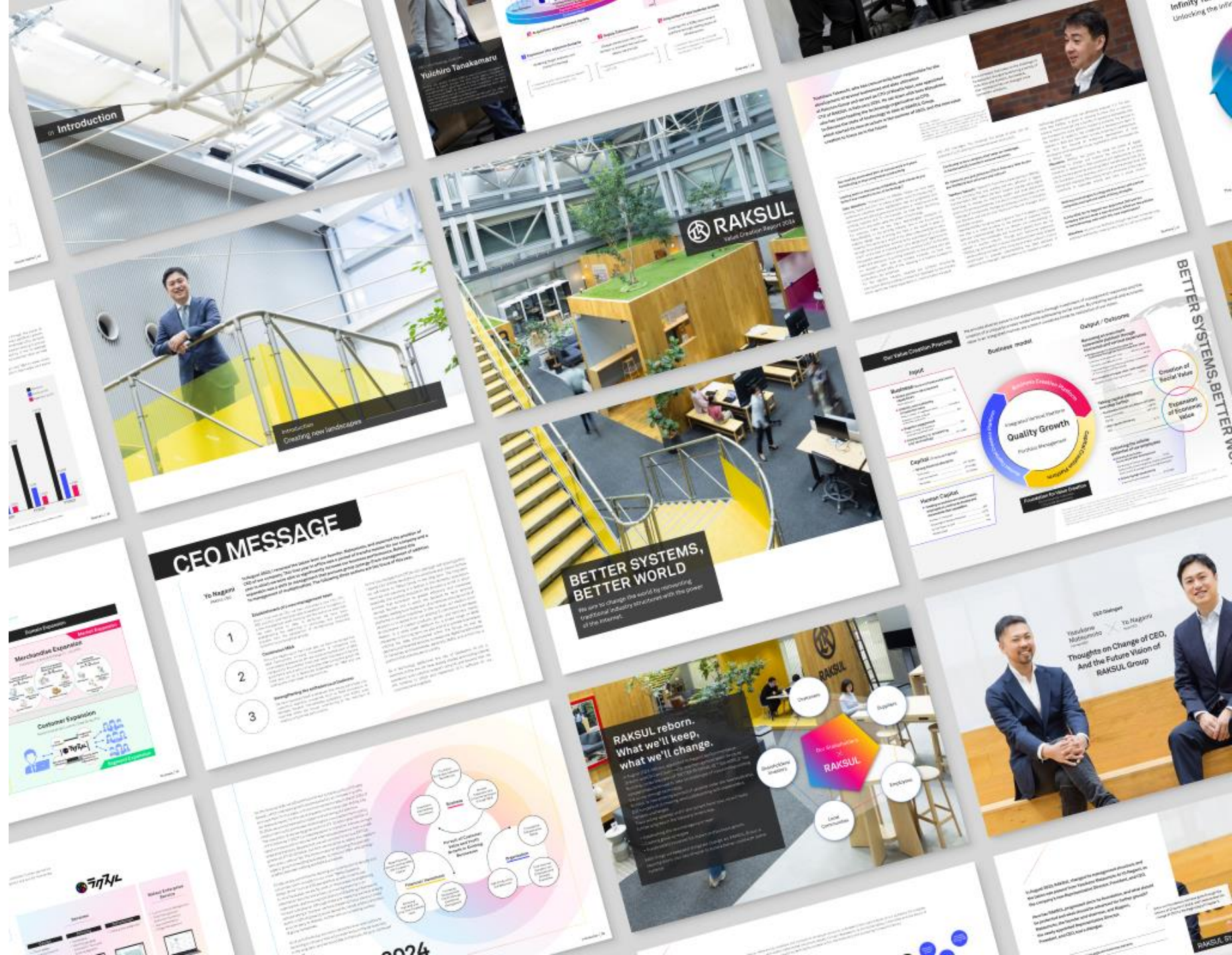
Group Companies

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Organic Businesses</p>	 <p>Equity method affiliate</p>	<ul style="list-style-type: none"> • Accelerating growth towards an open platform in the logistics industry with a new shareholder, JAPAN POST CAPITAL Co., Ltd., joining in January 2024 • Quarterly revenue is approximately JPY 1.53Bn
	 <p>Consolidation possible in the future</p>	<ul style="list-style-type: none"> • 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
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Investments</p>	 <p>Consolidated</p>	<ul style="list-style-type: none"> • Consolidated from this fiscal year • No change in our shareholding, managed as Other Businesses • Quarterly revenue is approximately JPY 0.26Bn



Raksul Value Creation Report 2024 & Status of Sustainability Activities

- "Raksul Value Creation Report 2024" has been published on our IR website in May 2024
- In addition to initiatives under the new management team and stakeholder feedback, the report also focuses on review of materiality, information security initiatives, and fostering compliance awareness
- With regard to ESG ratings, although we received industry average to above scores from MSCI for environment and governance, the latest rating has been lowered to BBB from A in the previous year due to heavy reliance on recruitment and retention of talented human resources and inadequacy in talent development. We will proceed with creating structures and improving the status.



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1. CEO Message
2. Financial Highlights
- 3. Q&A**
4. Reference Materials



Q&A

Questions		Answers
Companywide	Regarding the strategic investment expenses for 4Q	<ul style="list-style-type: none"> • SG&A expenses in 4Q include some strategic investment costs • These include M&A-related expenses in 4Q, initial marketing investments in product categories that will drive growth in the next fiscal year and beyond, and investments in recruitment, totaling approx. JPY 300MM • Even after taking these into account, there is no impact on the achievement of the full-year plan
Companywide	What is the correlation between operating profit and net income at the time of achieving EBITDA of JPY 100Bn under the medium-term financial policy?	<ul style="list-style-type: none"> • Non-GAAP operating profit (excluding goodwill amortization and stock compensation expense) will be about 85% of EBITDA when the EBITDA target for FY27 in the new mid-term financial policy is achieved • Non-GAAP net income will be about 55% of EBITDA, subject to non-operating and extraordinary items
Raksul	What is the progress of Raksul Enterprise?	<ul style="list-style-type: none"> • Raksul Enterprise, a service for large companies in the Raksul Business, continues to perform well • Number of users on Raksul Enterprise grew to 2,092 companies and 20,496 users as of FY2024 3Q
Raksul	What is the impact of rising logistics costs?	<ul style="list-style-type: none"> • Logistics costs in Raksul business are contracted at highly competitive rates by Raksul and its partners individually, and the timing of price fluctuations varies • Even with anticipated cost increases, we expect the impact on the demand to be negligible since our prices are highly competitive and our services are used in essential activities of our customers' businesses • Postal rate hike in the fall of 2024 is expected to have a certain impact on our direct mail business, which accounts for less than 5% of total Raksul business revenue. Since direct mails are crucial promotion tools for customers and our prices are highly competitive, we do not expect a significant decrease. • The market for New Year's cards is expected to shrink, but it makes up less than 1% of Raksul segment revenue and the impact is minor

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Financial Highlights by Business Segment (New Revenue Recognition Standards)

		FY2022				FY2023				FY2024		
(in JPY MM)		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Revenue	Raksul	5,461	6,092	7,894	7,877	8,540	9,316	9,919	9,979	10,451	11,666	12,416
	Novasell	720	1,007	538	562	643	703	542	766	360	713	801
	Hacobell	741	835	869	1,031	-	-	-	-	-	-	-
	Others	84	97	80	84	154	151	147	151	416	382	348
Gross Profit	Raksul	1,478	1,697	2,395	2,347	2,440	2,646	2,847	2,763	3,111	3,591	3,997
	Novasell	313	433	253	292	368	348	352	375	262	414	495
	Hacobell	97	104	131	130	-	-	-	-	-	-	-
	Others	33	38	27	29	38	37	37	38	285	246	219
Segment Profit (non-GAAP)	Raksul	583	697	1,055	1,153	1,073	1,172	1,161	1,180	1,458	1,649	1,831
	Novasell	-18	69	-122	-32	24	34	12	-39	-124	79	85
	Hacobell	-68	-46	-11	-2	-	-	-	-	-	-	-
	Others and corporate expenses	-396	-429	-360	-437	-345	-324	-315	-491	-394	-490	-538
Segment Profit (financial accounting)	Raksul	534	641	862	962	875	942	926	956	1,172	1,304	1,488
	Novasell	-25	63	-129	-39	17	21	-0	-53	-139	66	69
	Hacobell	-79	-59	-25	-16	-	-	-	-	-	-	-
	Others and corporate expenses	-534	-580	-516	-592	-501	-404	-419	-595	-492	-620	-659
EBITDA	Company wide	99	292	560	681	753	882	859	649	938	1,238	1,378



Difference between non-GAAP Profit and Accounting Profit

- Previously, the only GAAP adjustment item was stock-based compensation expense, however from 2Q, amortization of goodwill was added
- The amount in “Difference (stock-based compensation expense)” varies between operating profit and ordinary profit as RS held by retired/resigned employees are recorded as non-operating expenses

(in JPY MM)	FY2024 3Q (2023/11-2024/1)		
	Actual (non-GAAP)	Difference (stock-based compensation expense + amortization goodwill)	Actual (J-GAAP)
Revenue	13,566	-	13,566
Gross Profit	4,712	-	4,712
Operating Profit	1,216	318	898
Ordinary Profit	1,120	319	801
Net Profit	644	319	325

Balance Sheet

(in JPY MM)	FY2023 4Q	FY2024 3Q
Current Assets	20,589	25,440
Cash & Deposits	14,644	18,584
Non-Current Assets	12,076	17,198
Total Assets	32,665	42,639
Current Liabilities (interest-bearing liabilities)	8,292 (2,447)	16,173 (9,348)
Non-Current Liabilities (interest-bearing liabilities)	10,463 (9,465)	10,878 (9,591)
Net Assets	13,909	15,587
Share Capital	2,742	2,780
Capital Surplus	5,549	5,590
Retained Earnings	1,540	3,645
Treasury Shares	-300	-1,001
Stock Acquisition Rights	1,341	1,356
Others	3,036	3,217
Total Liabilities & Net Assets	32,665	42,639

Cash Flow Statement

(in JPY MM)	FY2023	FY2024 3Q
Cash Flow from Business Activities	2,902	1,962
Cash Flow from Investment Activities	297	-5,176
Cash Flow from Financial Activities	-2,238	6,228
Net Change in Cash and Cash Equivalents (Including increase/decrease due to new consolidation)	962	3,939
Cash and Cash Equivalents at the end of period	14,644	18,584



BETTER SYSTEMS, BETTER WORLD

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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.

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