

# Earnings Results for Q1 of the fiscal year ending March 2025

RAKUS Co., Ltd.  
(Securities Code : 3923)

August 13, 2024



# Key points

---

## ■ Consolidated Results for Q1 of FY2025.3

- Sales growth remained strong year-over-year.
- Significant profit increase driven by substantial sales growth and flexible adjustments to advertising costs based on cost-effectiveness.

## ■ Cloud Business

- Customer growth, boosted by the Invoice System and Electronic Bookkeeping Law introduced last year, maintained high growth year-over-year.
- Our main services, Raku Raku Seisan and Raku Raku Meisai, saw a slowdown in new orders due to easing tailwinds but are expected to recover after hitting a bottom in Q1.

## ■ IT Outsourcing Business

- Efforts to control hiring and strengthen sales activities last year led to improved engineer utilization rates, resulting in increased sales and profit.

## ■ Future forecast

- Aim to improve profitability toward the final year of the Medium-Term Management Targets while maintaining a high level of sales growth.

# Consolidated Results for Q1 of the fiscal year ending March 2025

## Summary of Consolidated Results for Q1 of FY2025.3

Sales growth remained strong year-over-year. Significant profit increase driven by substantial sales growth and flexible adjustments to advertising costs based on cost-effectiveness.

		Year on Year
<b>Net Sales</b>	<b>11,219</b> million yen	<b>+35.4%</b>
<b>Operating Profit</b>	<b>2,327</b> million yen	<b>+125.5%</b>
<b>Ordinary Profit</b>	<b>2,338</b> million yen	<b>+123.3%</b>
<b>EBITDA</b>	<b>2,590</b> million yen	<b>+117.0%</b>
<b>Profit attributable to owners of parent</b>	<b>2,071</b> million yen	<b>+193.7%</b>



\* EBITDA = pretax net income + extraordinary profits/losses + depreciation + goodwill amortization + interest payment

# Outline of the Consolidated Results for Q1 of FY2025.3

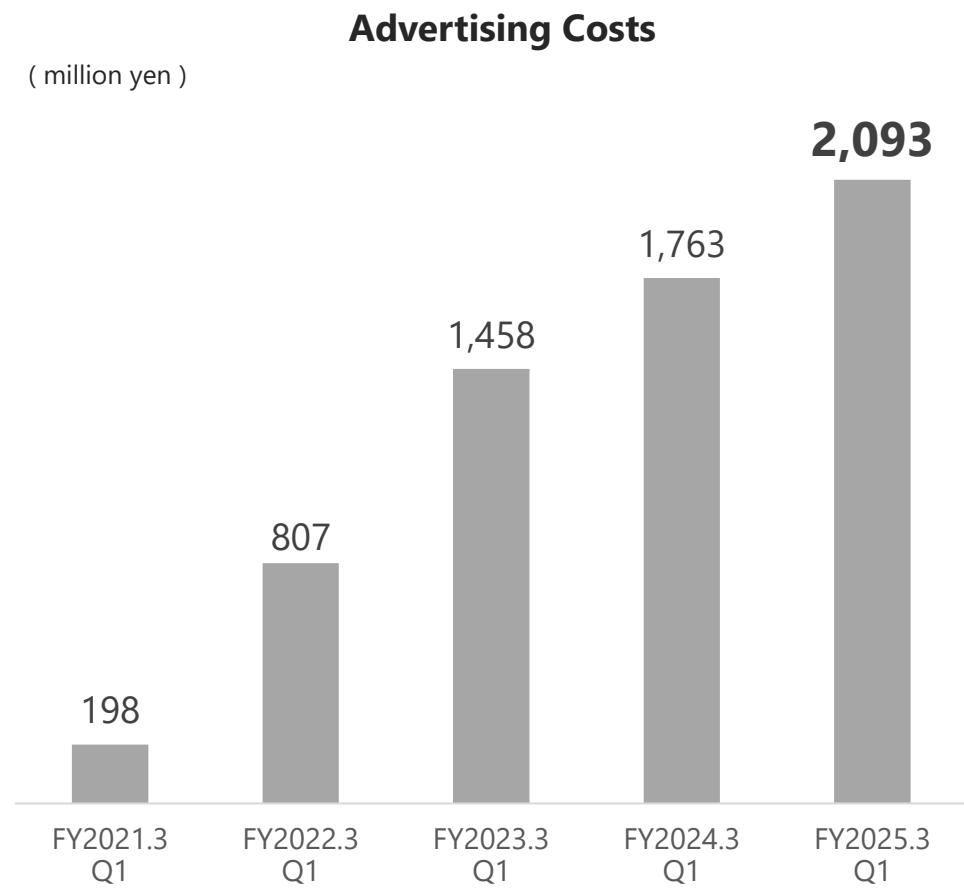
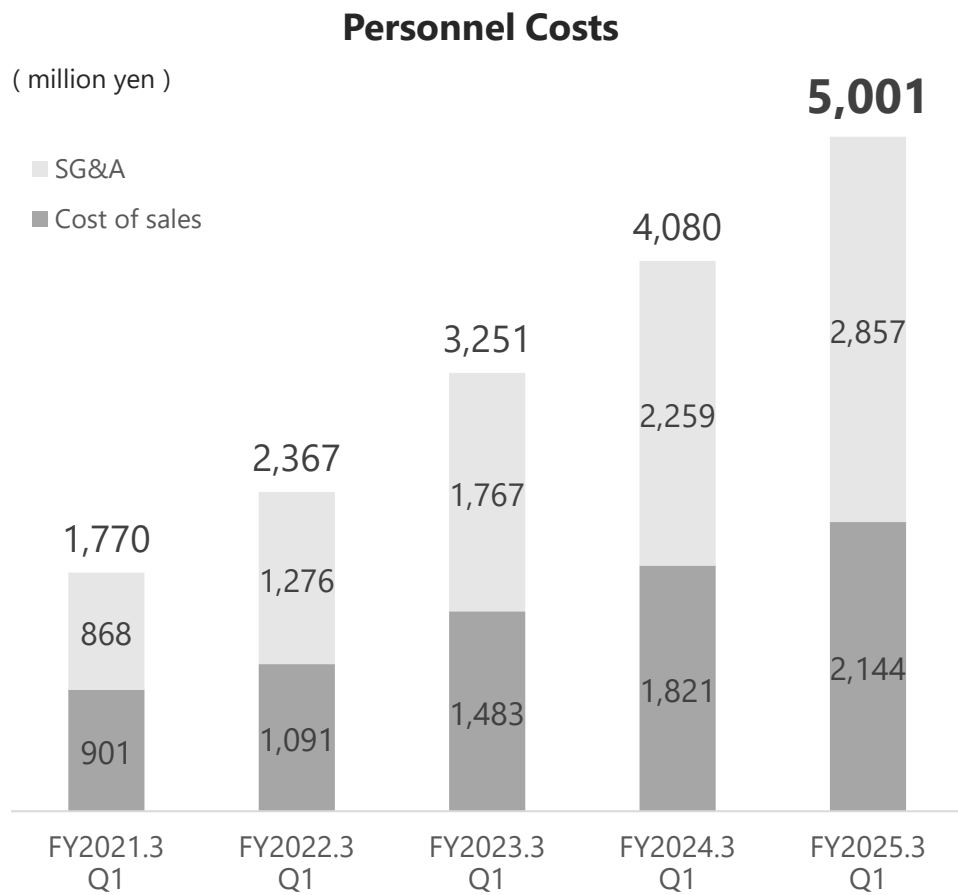
( million yen )

	FY2024.3 Q1	FY2025.3 Q1	YoY	
<b>Net Sales</b>	<b>8,288</b>	<b>11,219</b>	<b>+2,930</b>	<b>+35.4%</b>
Cost of sales	2,449	2,932	+482	+19.7%
Gross profit	5,838	8,286	+2,447	+41.9%
GP margin	70.4%	73.9%		
SG&A	4,807	5,959	+1,152	+24.0%
<b>Operating profit</b>	<b>1,031</b>	<b>2,327</b>	<b>+1,295</b>	<b>+125.5%</b>
OP margin	12.4%	20.7%		
<b>Ordinary profit</b>	<b>1,047</b>	<b>2,338</b>	<b>+1,290</b>	<b>+123.3%</b>
Ordinary profit margin	12.6%	20.8%		
<b>EBITDA</b>	<b>1,193</b>	<b>2,590</b>	<b>+1,396</b>	<b>+117.0%</b>
EBITDA margin	14.4%	23.1%		
Income tax	349	267		
Tax rate	33.1%	11.4%		
<b>Profit attributable to owners of parent</b>	<b>705</b>	<b>2,071</b>	<b>+1,365</b>	<b>+193.7%</b>

# Personnel Costs and Advertising Costs

Personnel costs increased due to ongoing aggressive hiring.

Advertising costs also rose, mainly due to TV commercials for Raku Raku Hambai.

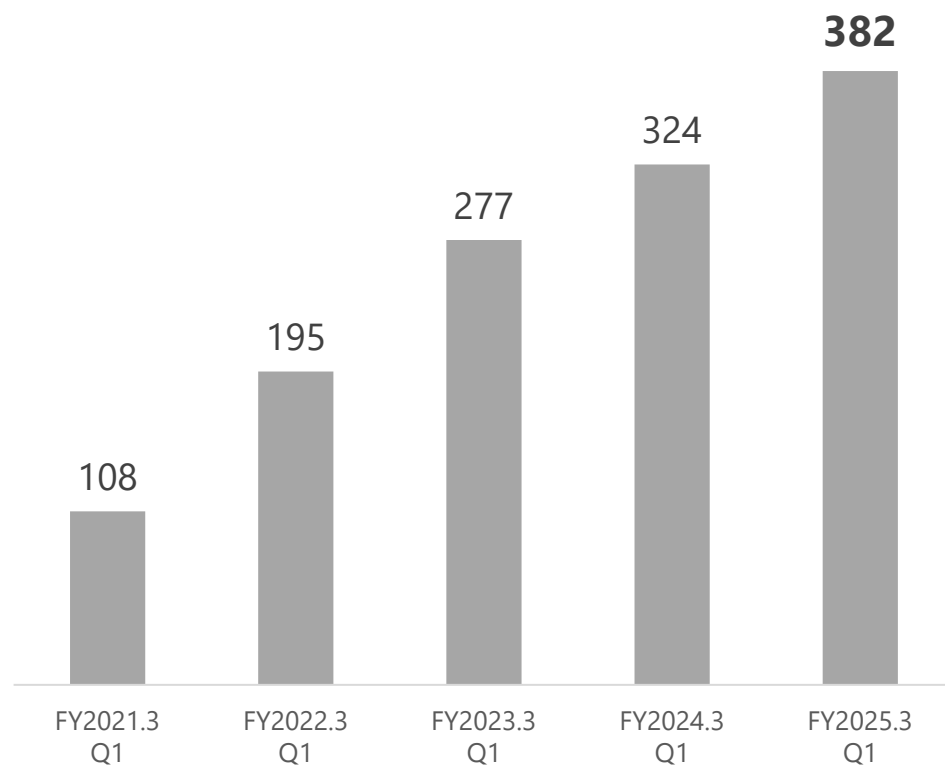


# Office Rent and Outsourcing Costs

Office rent increased due to office expansion to accommodate the personnel increase.

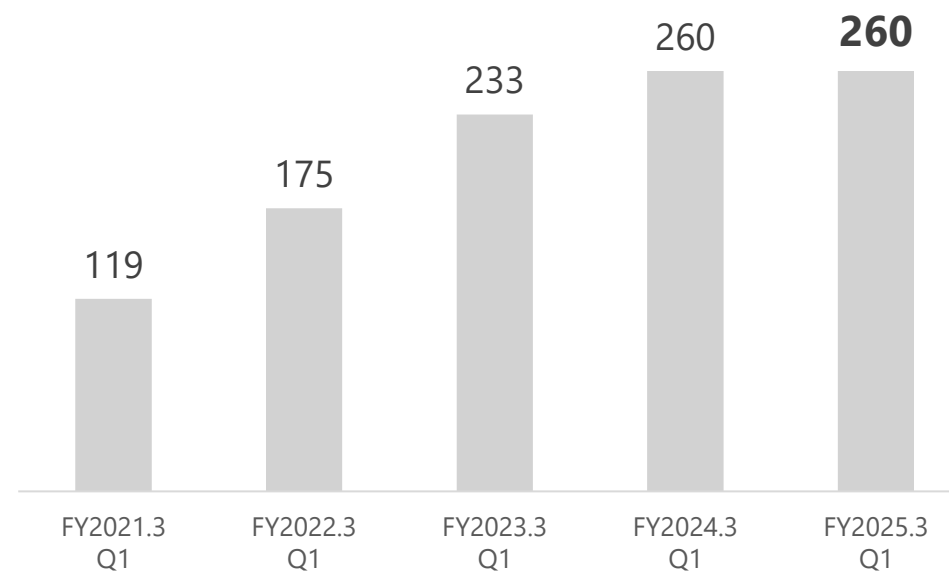
## Office Rent

( million yen )



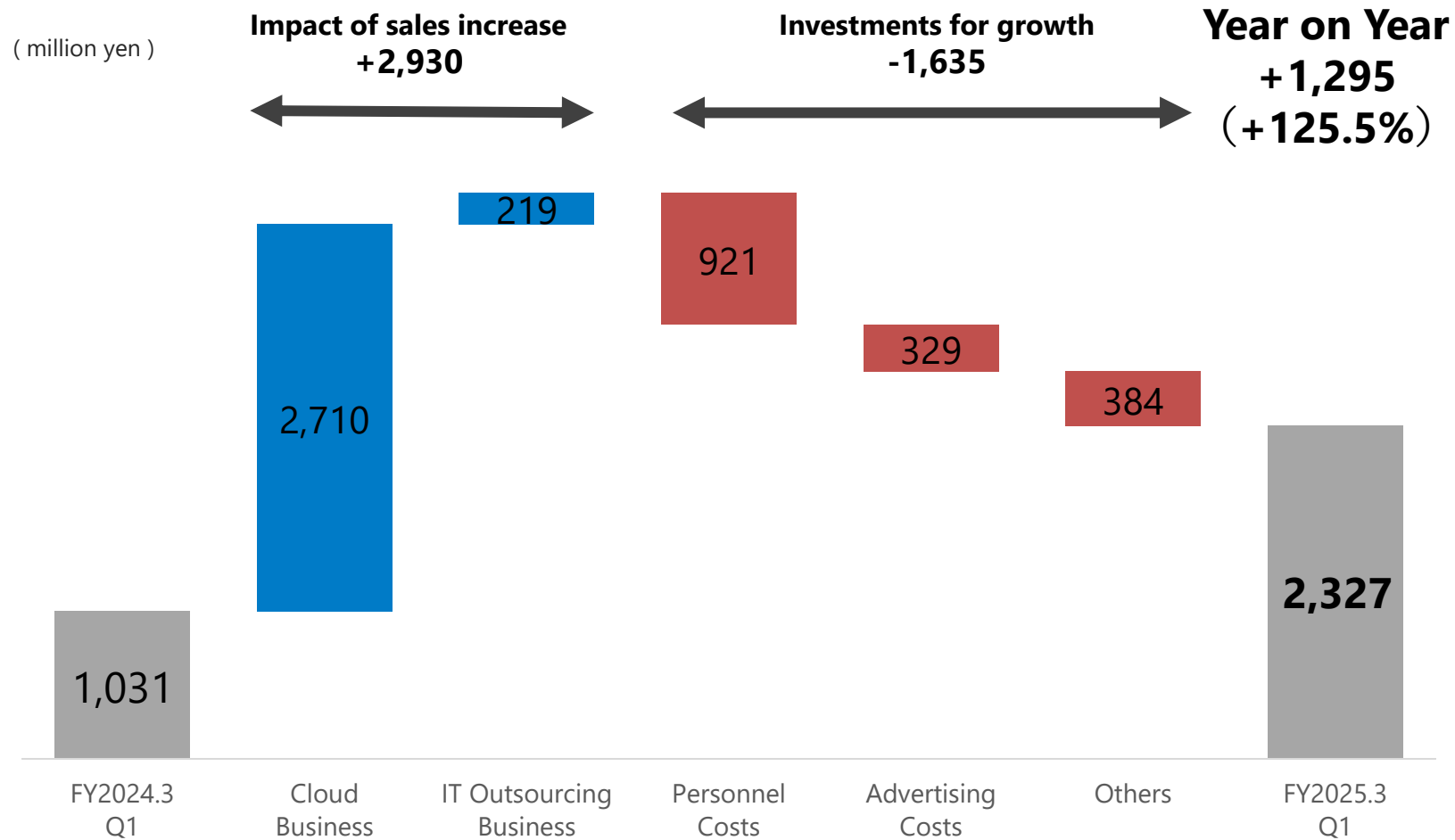
## Outsourcing Costs

( million yen )



# Factors for Changes in Consolidated Operating Profit (Year on Year)

Significant profit growth driven by sales increases that exceeded growth investments.





# Consolidated Balance Sheet

( million yen )

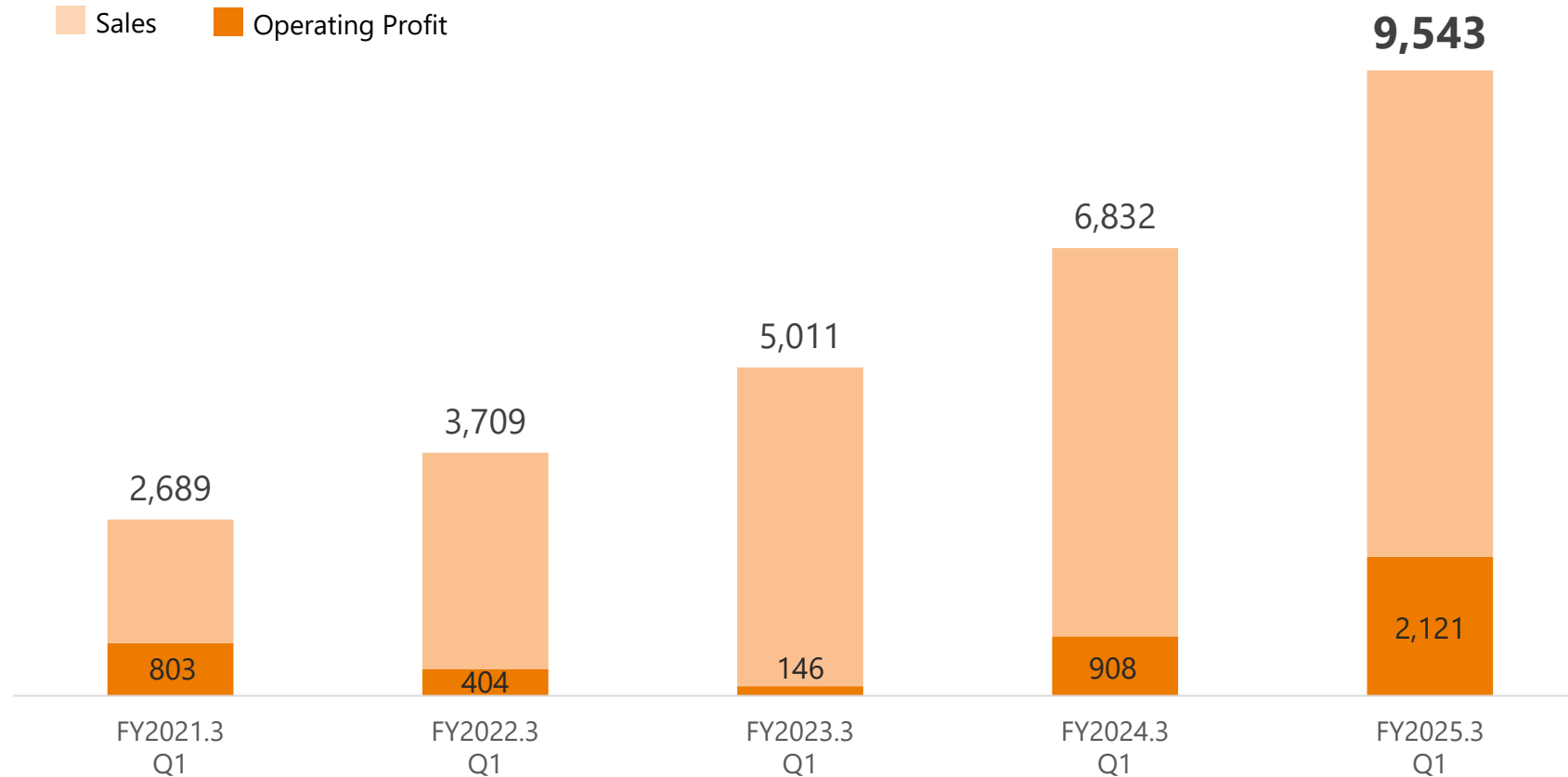
	End of March 2024	End of June 2024	Difference
Current assets	13,145	13,202	+57
Non-current assets	8,088	8,351	+262
<b>Total assets</b>	<b>21,234</b>	<b>21,553</b>	<b>+319</b>
Current liabilities	7,372	6,369	-1,003
Non-current liabilities	513	215	-298
<b>Total liabilities</b>	<b>7,886</b>	<b>6,585</b>	<b>-1,301</b>
Shareholders' equity	13,365	15,010	+1,645
Accumulated other comprehensive income	-18	-42	-24
<b>Total equity</b>	<b>13,347</b>	<b>14,968</b>	<b>+1,620</b>
<b>Total liabilities and equities</b>	<b>21,234</b>	<b>21,553</b>	<b>+319</b>
<b>Equity ratio</b>	<b>62.9%</b>	<b>69.4%</b>	

# Cloud Business

# Performance of the Cloud Business

Customer growth, boosted by the Invoice System and Electronic Bookkeeping Law introduced last year, maintained high growth year-over-year. Substantial profit growth driven by the expansion of sales scale, accompanied by an enhanced operating profit margin.

( million yen )

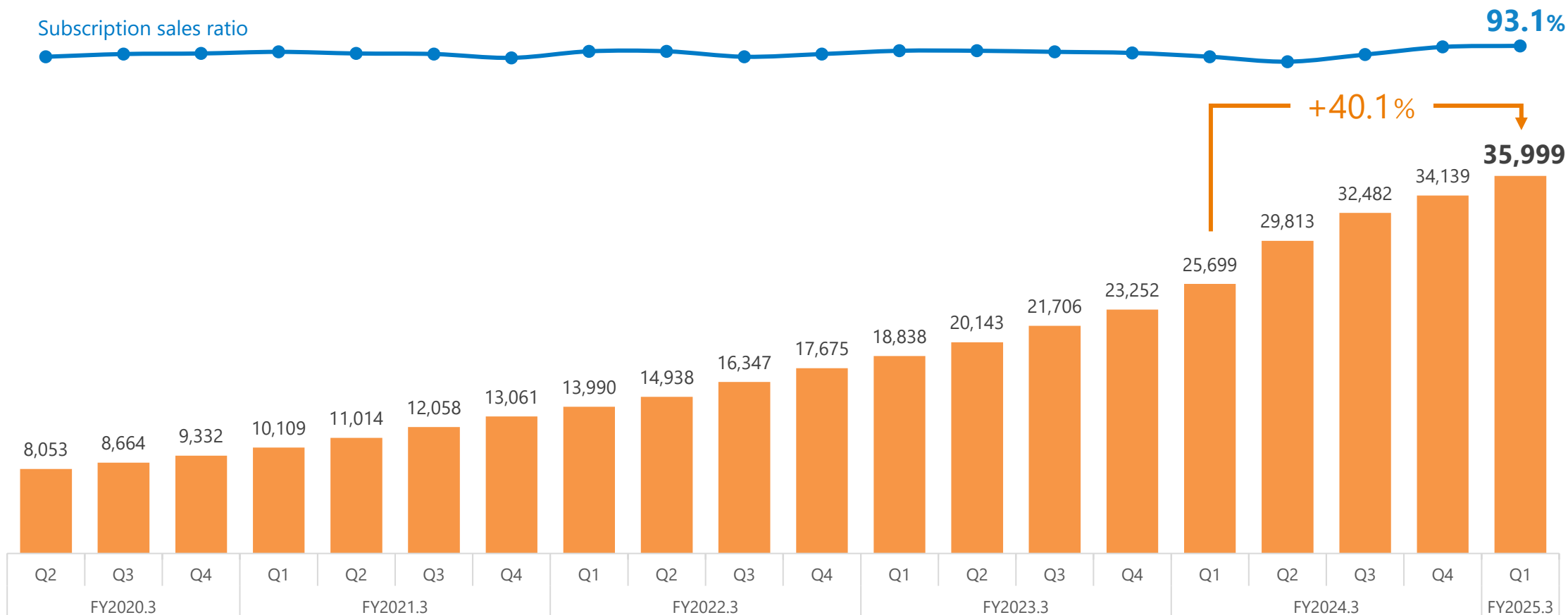


\* Indirect expense allocation method revised for FY2024.3 and earlier. Figures restated retroactively.

# ARR and Subscription Sales Ratio of the Cloud Business

A significant increase in contracted customers last year helped maintain a high ARR growth rate.

( million yen )



\* ARR (Annual Recurring Revenue) = Monthly Recurring Revenue × 12

# Sales of the Cloud Business by Service

Despite the expanding revenue scale, Raku Raku series, our main product line, continues to drive overall high growth.

( million yen )

	FY2024.3 Q1	FY2025.3 Q1	YoY
Raku Raku Seisan	3,167	4,055	+28.1%
Raku Raku Meisai	1,294	2,178	+68.3%
Raku Raku Hambai (Raku Raku Hambai) (Raku Tel)	845 753 92	1,185 1,087 98	+40.3% +44.4% +6.6%
E-mail distribution services	714	860	+20.4%
Mail Dealer	696	744	+6.9%
Others	114	518	+352.8%
Total of the Cloud Business	6,832	9,543	+39.7%



\* Starting from the fiscal year ending March 2025, Raku Raku Hambai's figures are reported together with Raku Tel, a related product. Past figures have been adjusted retroactively to reflect this change.

\* The figure for Email distribution services is the sum of Hai Hai Mail, Curumeru and blastmail.

# Cumulative Number of Companies Using Raku Raku Seisan

The boost from last year's the Invoice System and Electronic Bookkeeping Law has leveled off, leading to a decrease in new customer companies year-over-year.

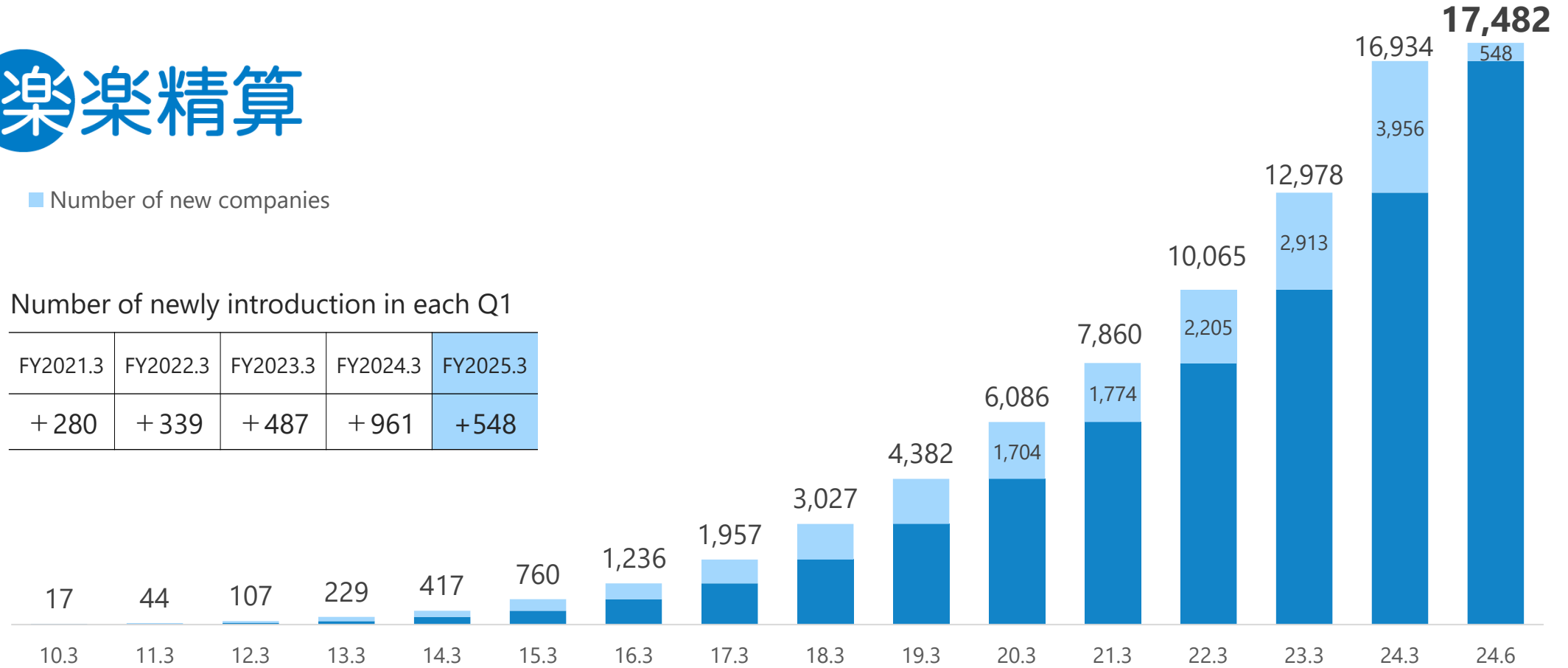
However, we expect a gradual recovery starting in Q2 after bottoming out in Q1.



■ Number of new companies

Number of newly introduction in each Q1

FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3
+ 280	+ 339	+ 487	+ 961	+ 548



# Cumulative Number of Companies Using Raku Raku Meisai

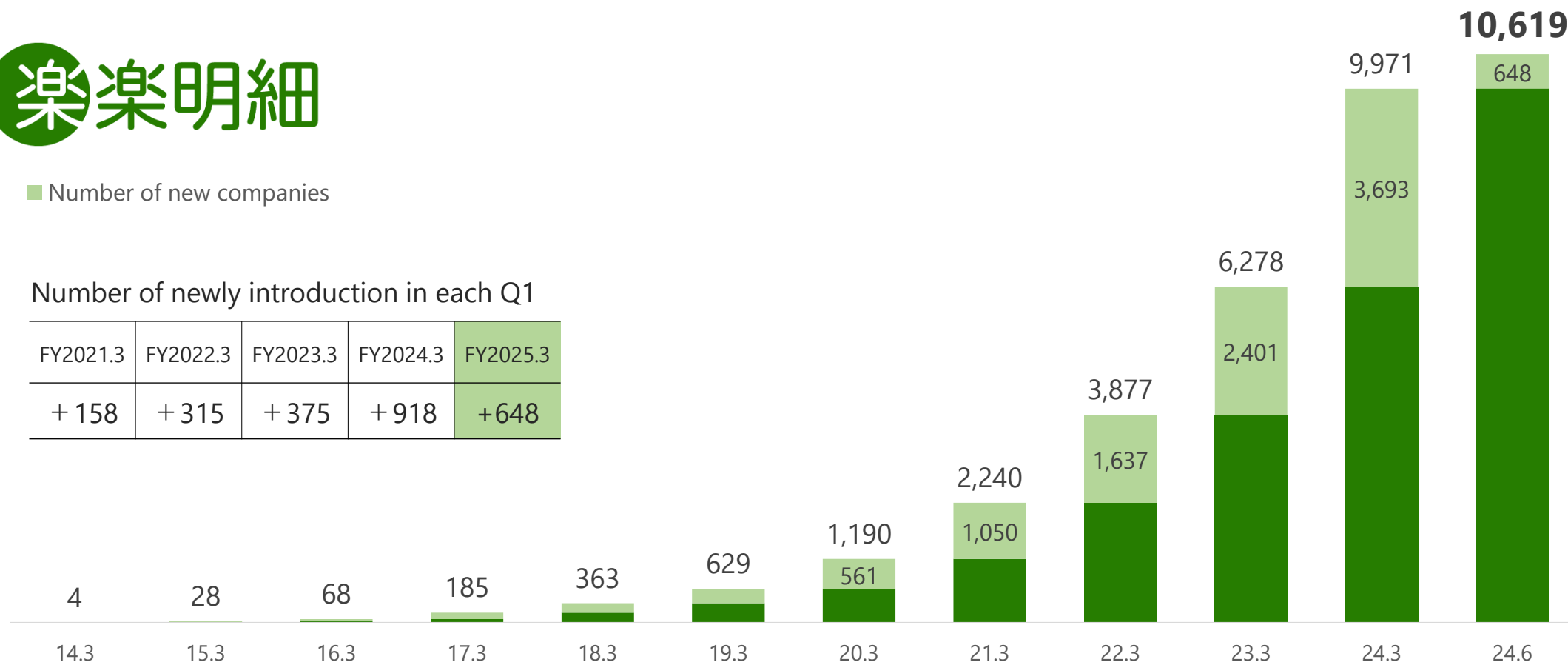
Similar to Raku Raku Seisan, the easing of regulations has resulted in a year-over-year decline, but a recovery is expected from Q2 onward.



■ Number of new companies

Number of newly introduction in each Q1

FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3
+ 158	+ 315	+ 375	+ 918	+648

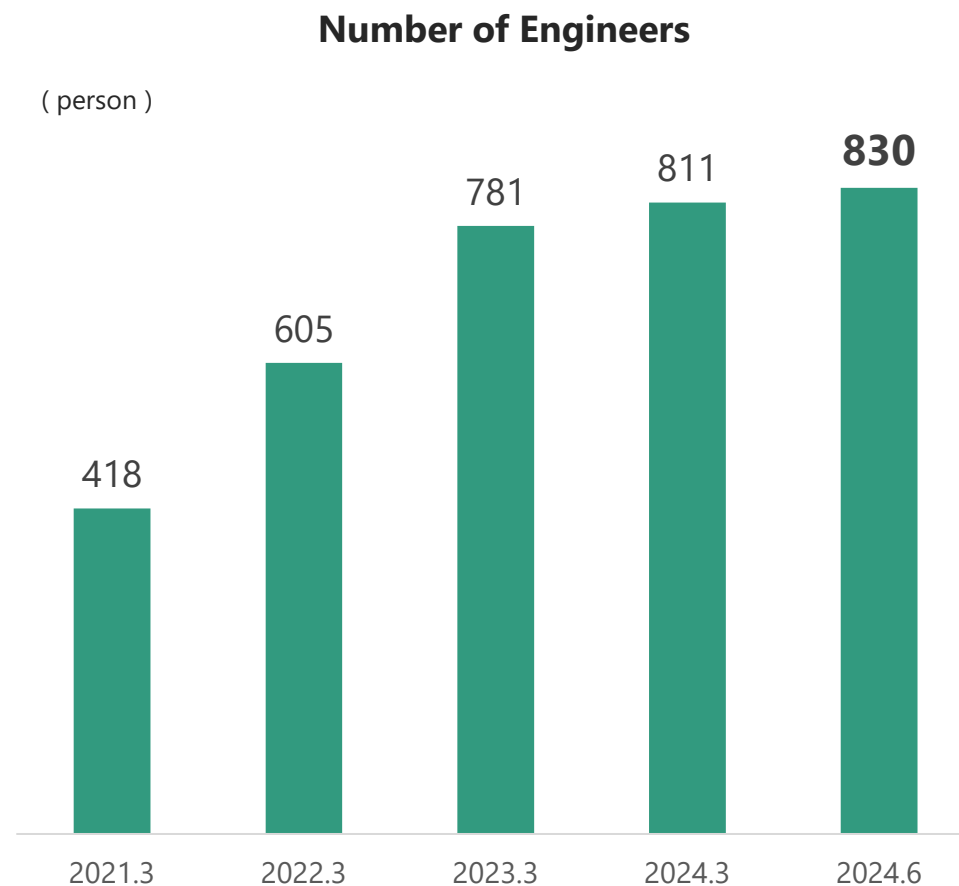
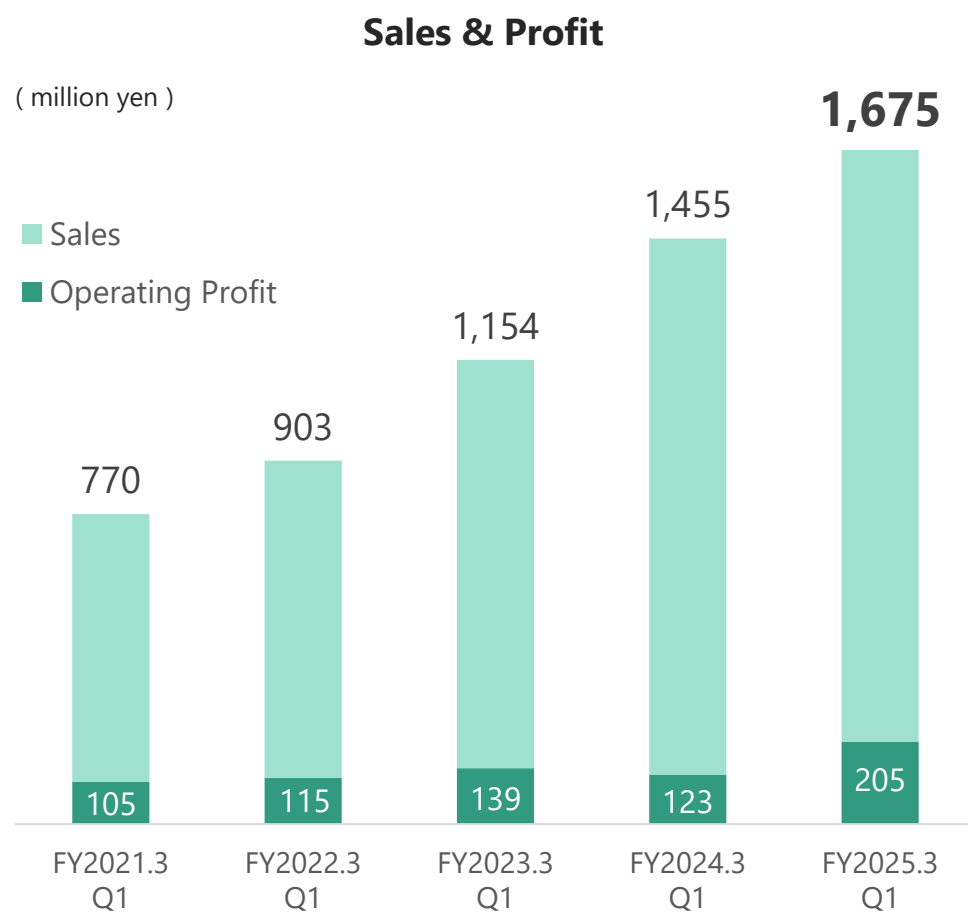


# IT Outsourcing Business



# Performance and Number of Engineers of the IT Outsourcing Business

Efforts to control hiring and strengthen sales activities last year led to improved engineer utilization rates, resulting in increased revenue and profit.



\* Indirect expense allocation method revised for FY2024.3 and earlier. Figures restated retroactively.

\* These figures include apprentice engineers.

# Guidance for full year of the fiscal year ending March 2025

1

**Five-Year sales CAGR 31%~32%**

2

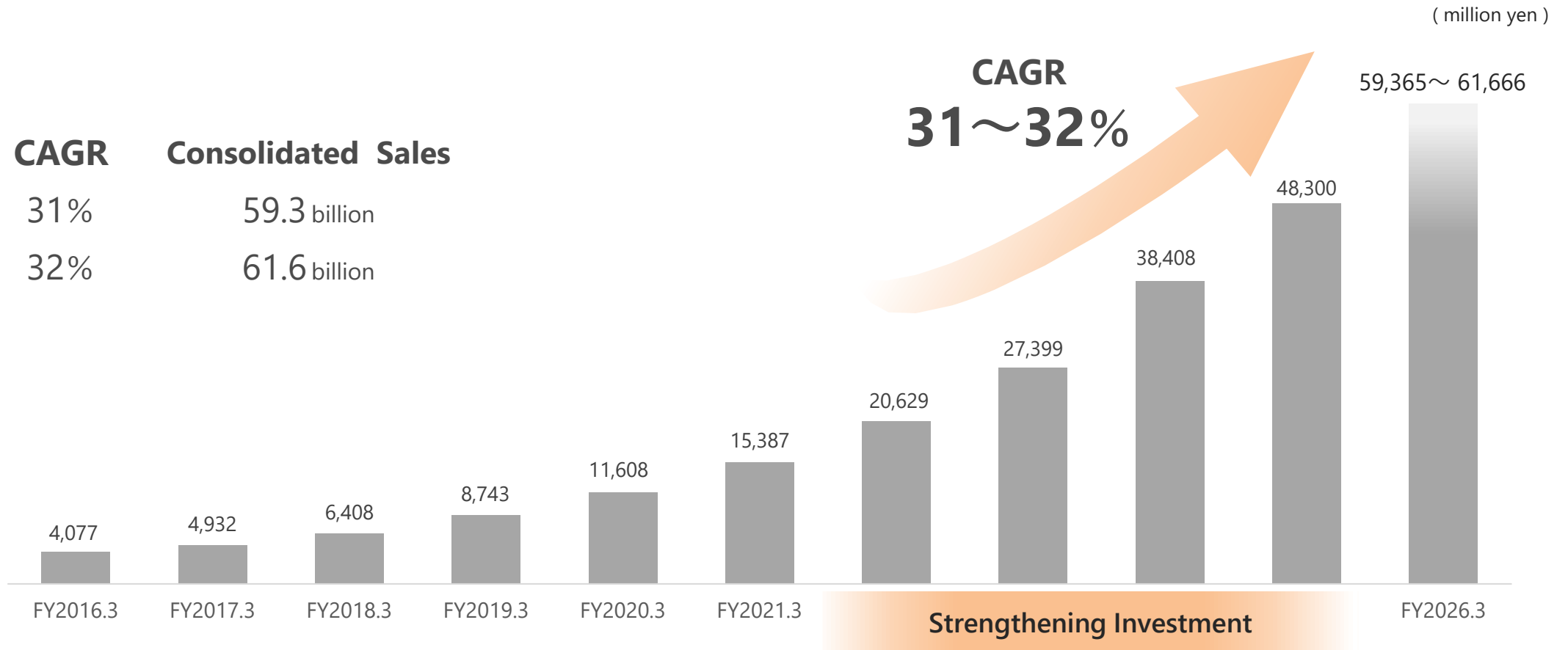
**Profit for FY2026.3: 10 billion yen or more**

3

**Net assets as of 2026.3: 20 billion yen or more**

# Five-Year Sales and Profit Targets

Aiming for 31-32% sales CAGR, we will continue to make aggressive investments. We will strive to enhance investment efficiency towards the final year of the Medium-Term Management Targets and achieve net profit of 10 billion yen in FY2026.3 by adjusting expenses.



## Guidance for full year of FY2025.3 [No changed]

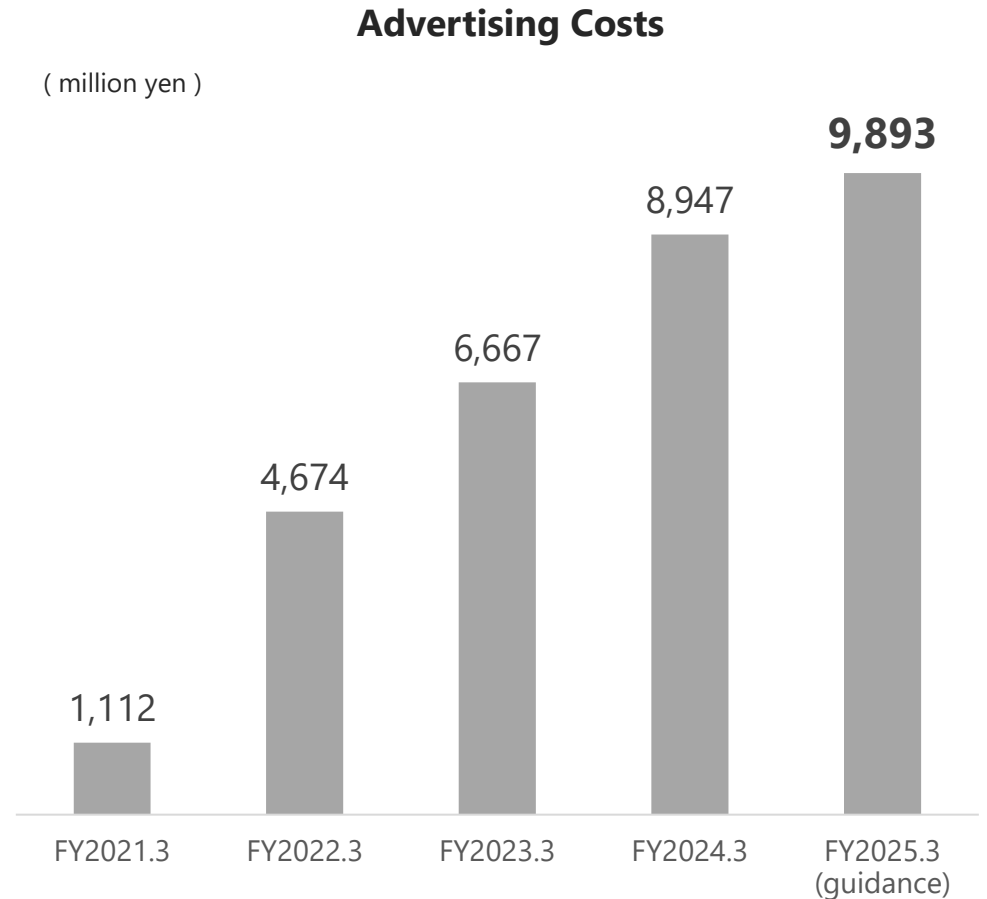
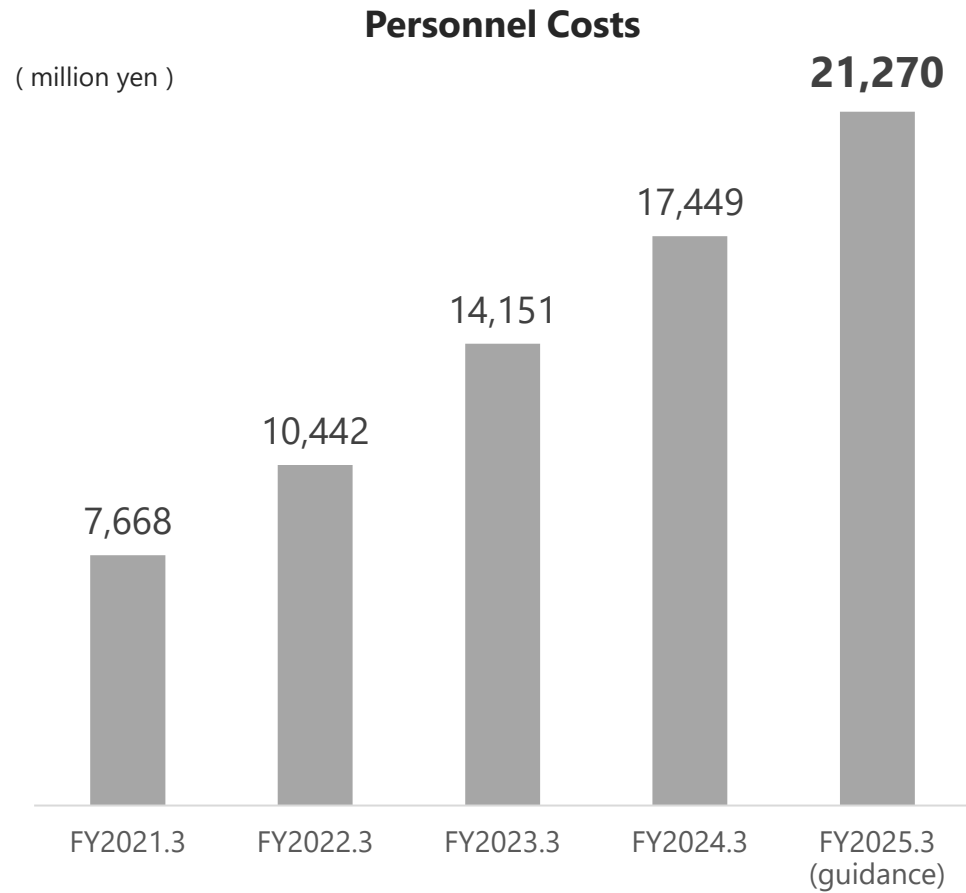
While maintaining high sales growth, we aim to improve profitability towards the final year of Medium-Term Management Targets.

( million yen )

	FY2024.3	FY2025.3 (Guidance)	YoY	
<b>Net Sales</b>	<b>38,408</b>	<b>48,300</b>	<b>+9,891</b>	<b>+25.8%</b>
Cost of sales	10,789	12,918	+2,128	+19.7%
Gross profit	27,619	35,381	+7,761	+28.1%
GP margin	71.9%	73.3%		
SG&A	22,059	26,381	+4,321	+19.6%
<b>Operating profit</b>	<b>5,559</b>	<b>9,000</b>	<b>+3,440</b>	<b>+61.9%</b>
OP margin	14.5%	18.6%		
<b>Ordinary profit</b>	<b>5,610</b>	<b>9,001</b>	<b>+3,390</b>	<b>+60.4%</b>
Ordinary profit margin	14.6%	18.6%		
<b>EBITDA</b>	<b>6,480</b>	<b>10,161</b>	<b>+3,680</b>	<b>+56.8%</b>
EBITDA margin	16.9%	21.0%		
Income tax	1,422	2,069		
Tax rate	25.4%	23.1%		
<b>Profit attributable to owners of parent</b>	<b>4,185</b>	<b>6,900</b>	<b>+2,714</b>	<b>+64.8%</b>

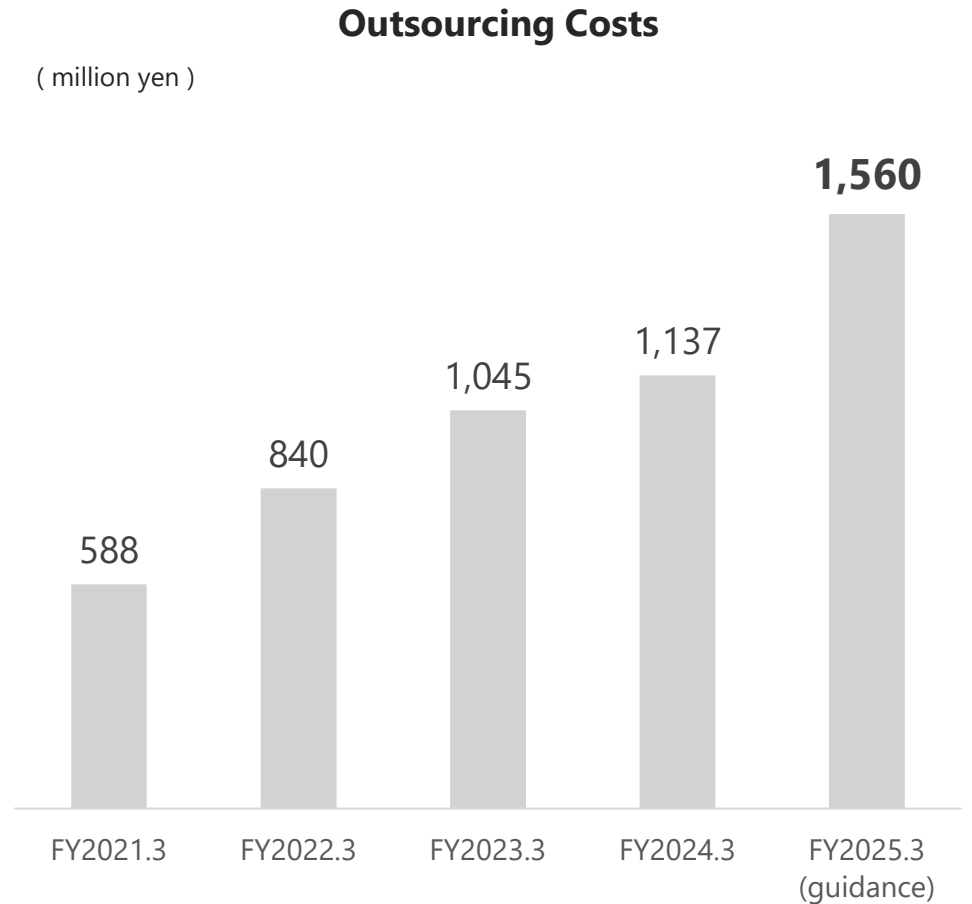
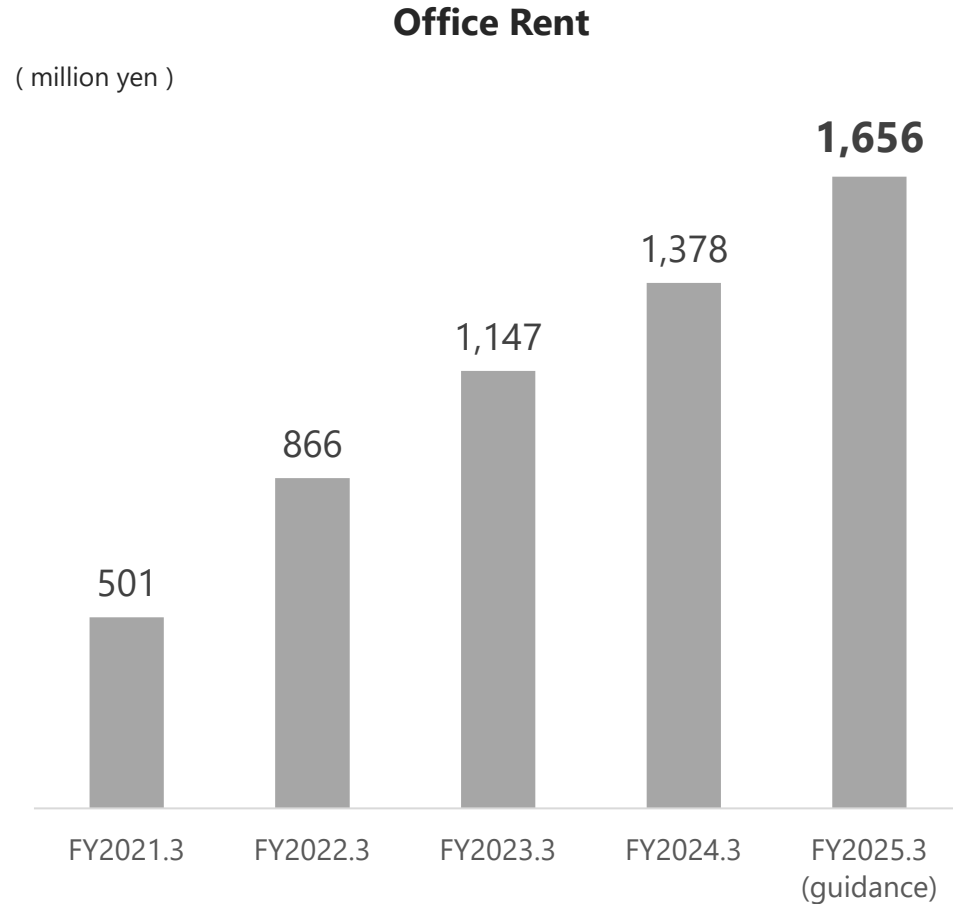
# Personnel Costs and Advertising Costs Guidance [No changed]

We will continue to invest in recruitment and marketing activities, focusing on our main services, while assessing their efficiency.



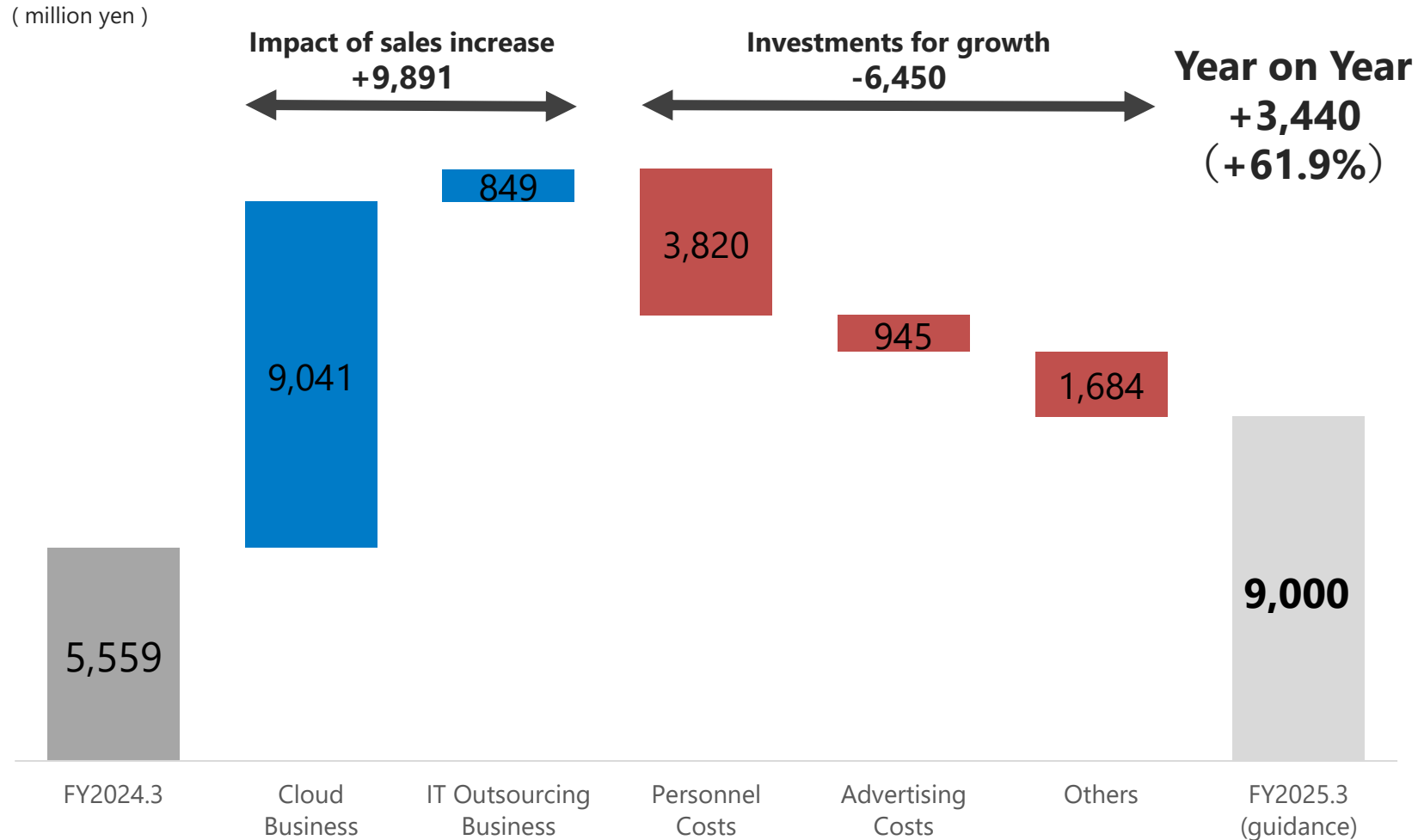
# Office Rent and Outsourcing Costs Guidance [No changed]

Both costs will increase due to the business expansion.



# Factors for Changes in Consolidated Operating Profit [No changed]

While investment for growth continues, the effect of increased sales exceeds it, and a significant increase in profit is planned.



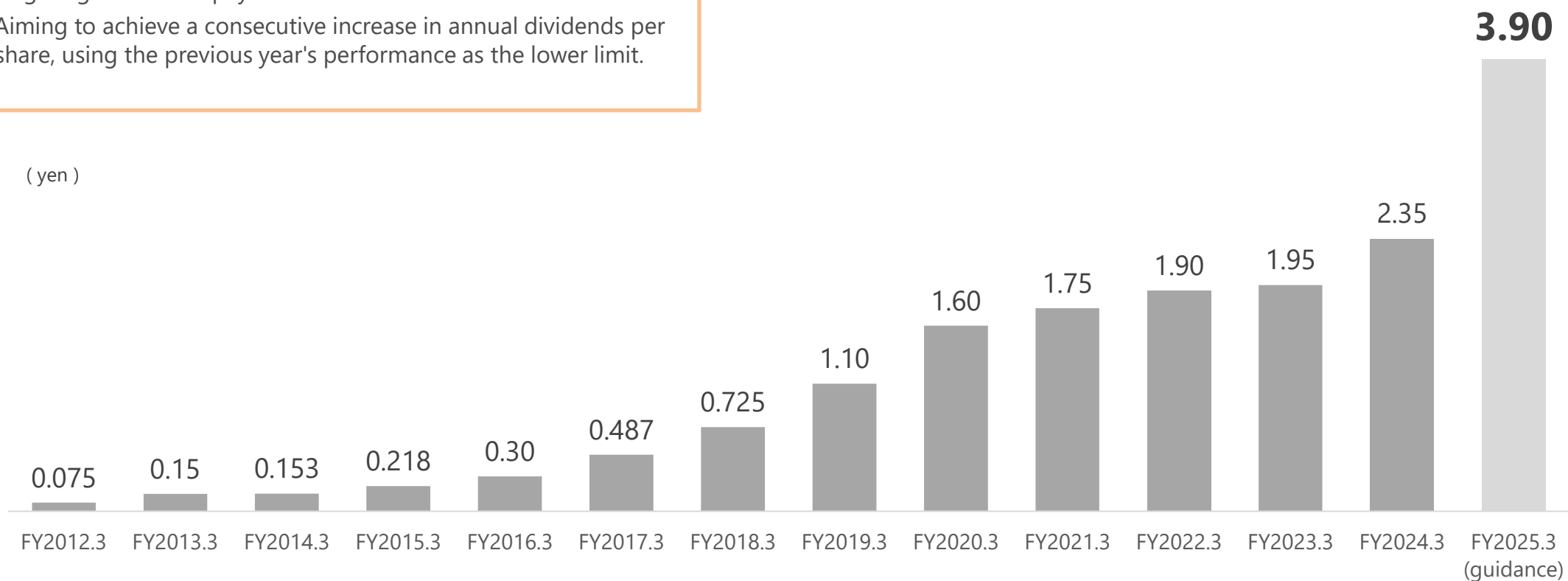


# 【KPI】 Dividend

We plan to increase dividends for the 13th year in a row, in line with the Company's policy of increasing dividends every fiscal year.

## Dividend Policy

- Targeting a dividend payout ratio of over 10%
- Aiming to achieve a consecutive increase in annual dividends per share, using the previous year's performance as the lower limit.



\* Figures are after share split adjustment.

# Appendix

# Release of Cloud-based Invoice Receipt Service “Raku Raku Seikyū”

Spinning off the “Invoice Processing Support Option” from the paid option of “Raku Raku Seisan” to create a standalone service



Sales Start Date

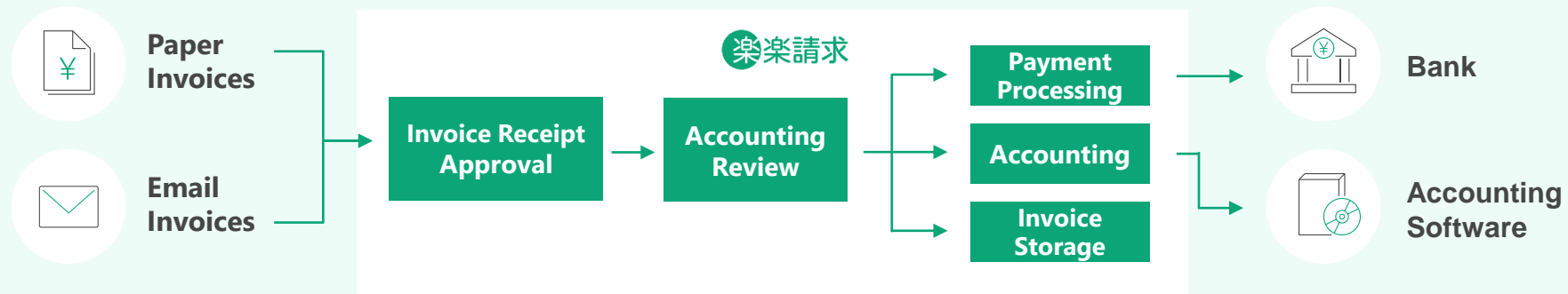
July 1, 2024

Service Launch Date

October 1, 2024

## Service Overview

Reduces the workload from invoice receipt to processing, contributing to greater efficiency in accounting operations



# Sales of the Cloud Business by Service

( million yen )

		FY2020.3	FY2021.3	FY2022.3	FY2023.3	FY2024.3
Raku Raku Seisan	Sales	3,935	5,559	7,658	10,343	14,446
	YoY	+52.6%	+41.3%	+37.7%	+35.1%	+39.7%
Raku Raku Meisai	Sales	552	1,177	2,260	3,735	6,840
	YoY	+68.8%	+113.3%	+92.0%	+65.3%	+83.1%
Raku Raku Hambai	Sales	869	1,281	1,867	2,626	3,907
	(Raku Raku Hambai)	770	1,124	1,624	2,298	3,513
	(Raku Tel)	98	157	242	327	393
	YoY	+45.3%	+47.5%	+45.7%	+40.7%	+48.7%
E-mail distribution services	Sales	1,573	1,963	2,367	2,672	3,035
	YoY	+11.6%	+24.8%	+20.6%	+12.9%	+13.6%
Mail Dealer	Sales	1,732	1,979	2,178	2,430	2,841
	YoY	+12.7%	+14.2%	+10.1%	+11.5%	+16.9%
Others	Sales	291	336	384	468	1,394
	YoY	+6.8%	+15.2%	+14.3%	+22.1%	+197.4%



\* Starting from the fiscal year ending March 2025, Raku Raku Hambai's figures are reported together with Raku Tel, a related product. Past figures have been adjusted retroactively to reflect this change.

\* The figure for Email distribution services is the sum of Hai Hai Mail, Curumeru and blastmail.

# LTV of the Cloud Business by Service

(yen)

	FY2020.3	FY2021.3	FY2022.3	FY2023.3	FY2024.3
Raku Raku Seisan	14,278,231	15,449,125	17,354,319	20,931,651	17,268,962
Raku Raku Meisai	9,016,996	20,303,924	15,402,526	23,408,991	25,543,657
Raku Raku Hambai	8,120,258	8,759,510	8,833,376	10,463,032	12,032,671
E-mail distribution services	1,229,511	1,521,779	1,887,750	2,318,227	2,370,458
Mail Dealer	3,992,650	4,281,398	4,506,168	4,986,751	6,009,109



\* LTV (Life Time Value) = revenue that a customer will generate during their lifetime (ARPU × estimated average usage years × gross profit margin)

\* Starting from the fiscal year ending March 2025, Raku Raku Hambai's figures are reported together with Raku Tel, a related product. Past figures have been adjusted retroactively to reflect this change.

\* The figure for E-mail distribution services is the sum of Hai Hai Mail and Curumeru.

# Monthly Churn Rate of the Cloud Business by Service

		FY2020.3	FY2021.3	FY2022.3	FY2023.3	FY2024.3
Raku Raku Seisan	Customer churn	0.41%	0.43%	0.42%	0.36%	0.46%
	Revenue churn	0.30%	0.30%	0.26%	0.22%	0.25%
Raku Raku Meisai	Customer churn	0.33%	0.18%	0.27%	0.20%	0.22%
	Revenue churn	0.15%	0.07%	0.11%	0.10%	0.11%
Raku Raku Hambai	Customer churn	0.85%	0.83%	0.84%	0.78%	0.76%
	Revenue churn	0.66%	0.62%	0.70%	0.62%	0.60%
E-mail distribution services	Customer churn	1.62%	1.49%	1.29%	1.18%	1.25%
	Revenue churn	1.47%	1.38%	1.25%	1.18%	1.23%
Mail Dealer	Customer churn	0.97%	0.91%	0.90%	0.85%	0.87%
	Revenue churn	0.73%	0.71%	0.68%	0.73%	1.02%



\* Customer churn : Average percentage of contracts lost due to churn over the past 12 months.

Revenue churn : Average percentage of Monthly Recurring Revenue (MRR) lost due to churn over the past 12 months.

\* Starting from the fiscal year ending March 2025, Raku Raku Hambai's figures are reported together with Raku Tel, a related product. Past figures have been adjusted retroactively to reflect this change.

\* The figure for E-mail distribution services is Hai Hai Mail alone.

# Monthly Average Unit Price of the Cloud Business by Service

(yen)

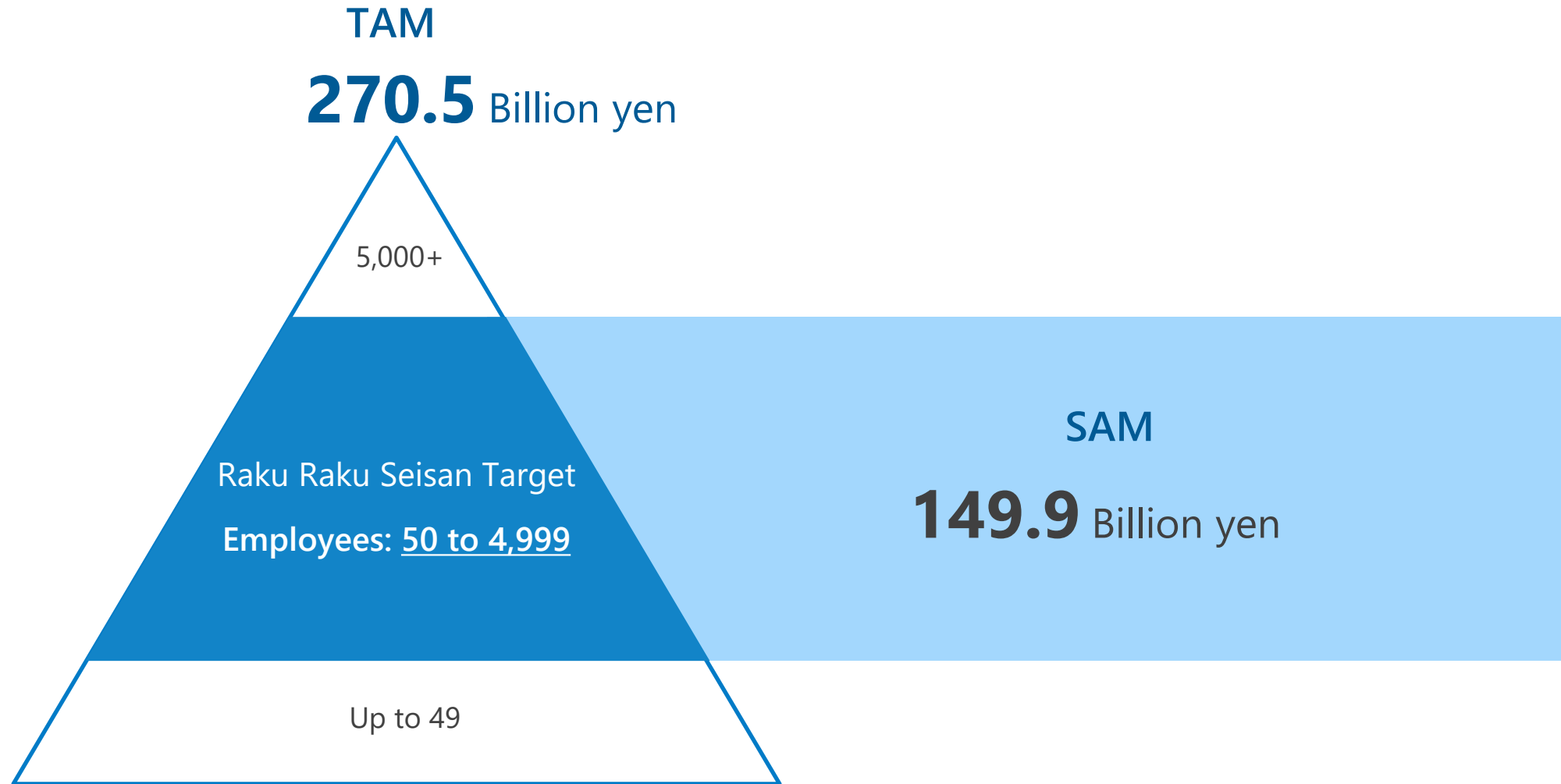
	2020.3	2021.3	2022.3	2023.3	2024.3	2024.6
Raku Raku Seisan	71,222	78,655	85,530	88,818	92,731	92,967
Raku Raku Meisai	54,142	64,923	65,092	67,644	72,733	73,868
Raku Raku Hambai	86,164	95,865	103,343	110,141	117,191	123,444
E-mail distribution services	22,053	25,295	28,175	33,511	35,324	36,999
Mail Dealer	46,085	46,819	47,893	50,497	61,304	62,981



\* Starting from the fiscal year ending March 2025, Raku Raku Hambai's figures are reported together with Raku Tel, a related product. Past figures have been adjusted retroactively to reflect this change.

\* The figure for E-mail distribution services is the sum of Hai Hai Mail and Curumeru.

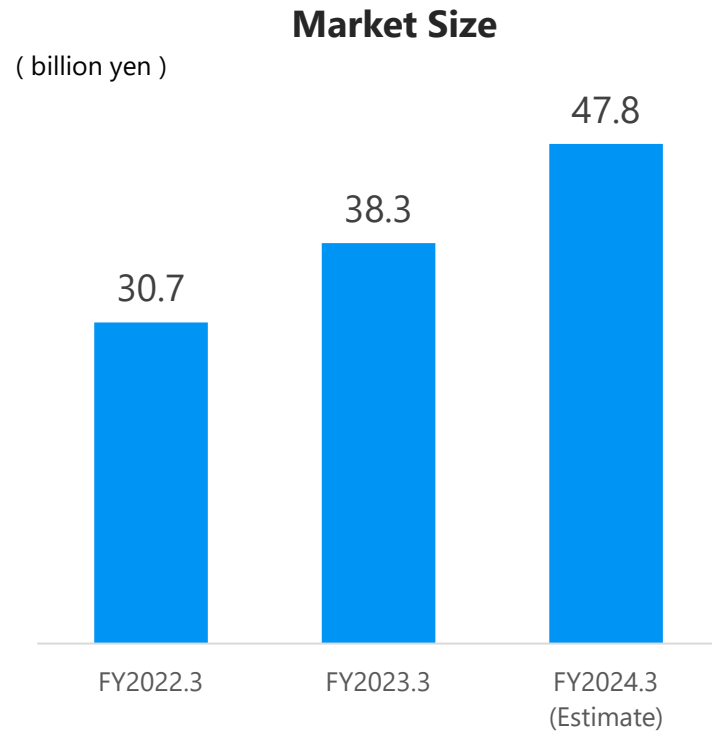
# [Raku Raku Seisan] Market Size for Expense Settlement System



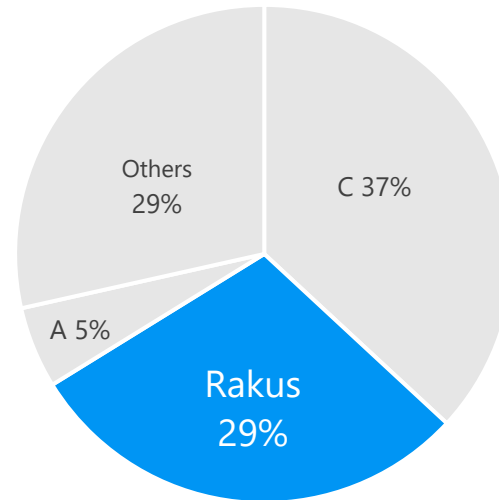
The addressable market and our target assumptions are estimates based on the following external statistics and published materials as well as the unit prices of our services. Therefore, there is a possibility that these can be different from the actual market size. Source: 2021 Economic Census for Business Activity



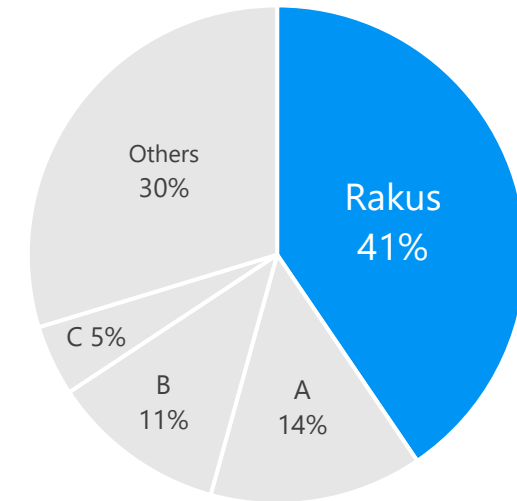
# The Market for Cloud-based Expense Settlement Systems



**Market shares based on Sales**



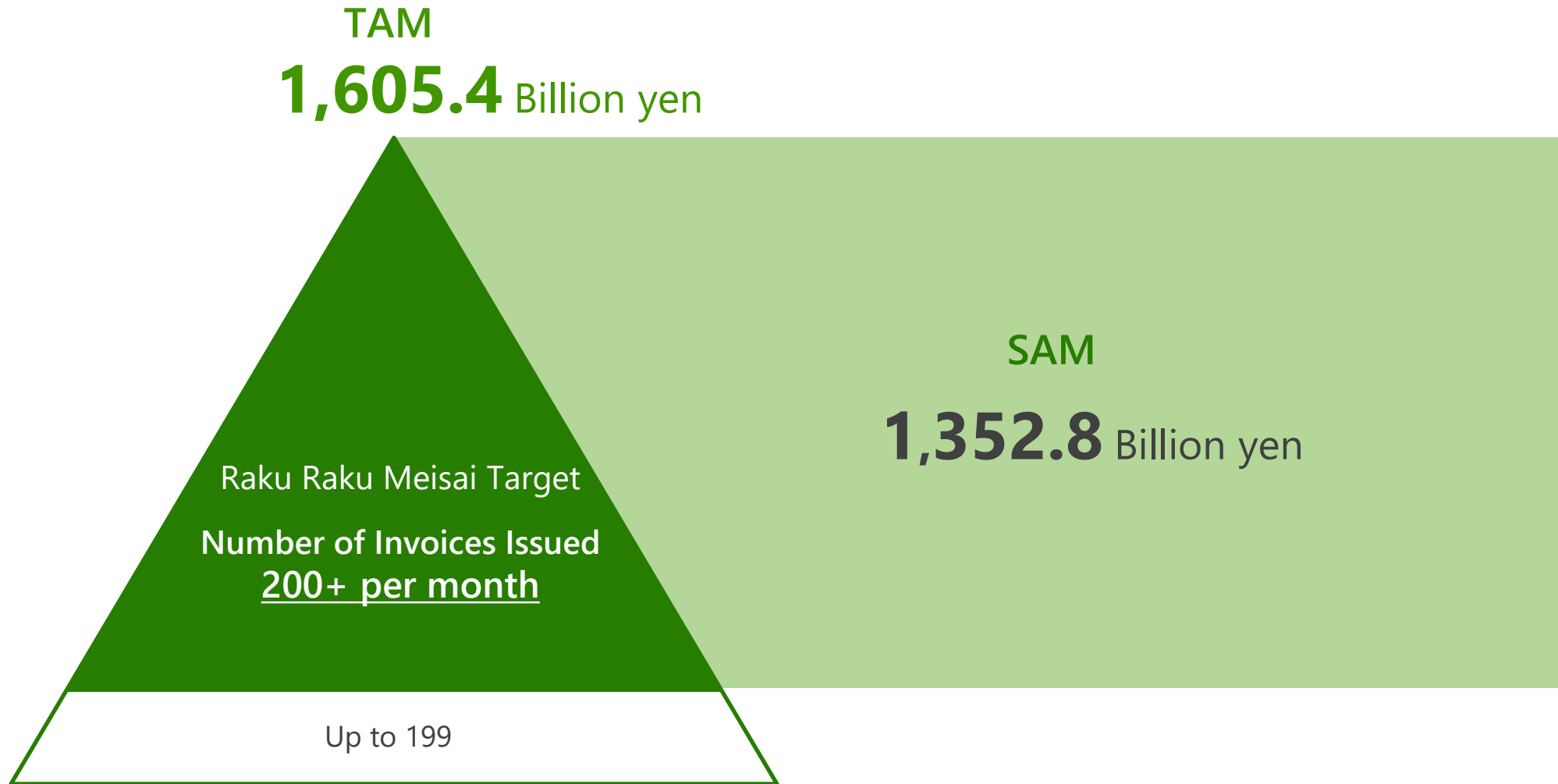
**Market shares based on Introduced Numbers**



Source : Deloitte Tohmatsumi MIC Research Institute Co., Ltd. which is written only in Japanese 「クラウド型経費精算システム市場の実態と展望」 (ミックITリポート2023年9月号 : <https://mic-r.co.jp/micit/>)

\* Introduced numbers and Sales are for the estimated FY2024.3

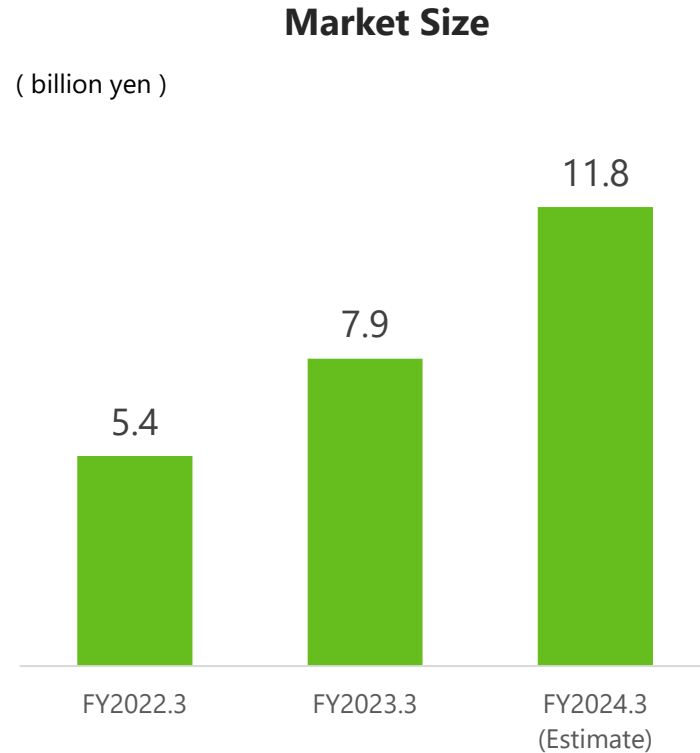
# [Raku Raku Meisai] Market Size for Invoice Issuance System



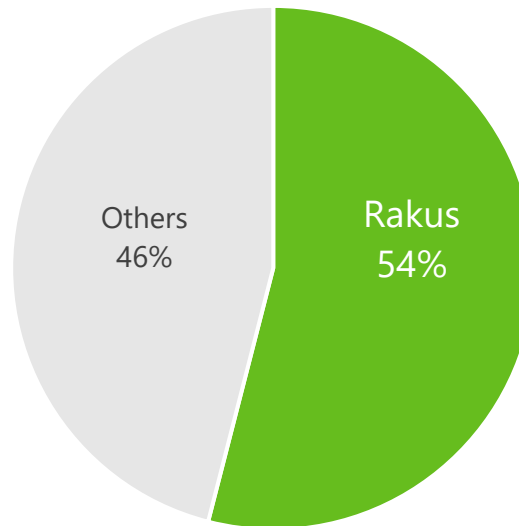
The addressable market and our target assumptions are estimates based on the following external statistics and published materials as well as the unit prices of our services. Therefore, there is a possibility that these can be different from the actual market size.

Source: 2021 Economic Census for Business Activity and the report of Small and Medium Enterprise Agency which is written only in Japanese (中小企業庁金融EDIにおける商流情報等のあり方検討会議 (第3回) 配布資料 (資料4「「決済事務の事務量等に関する実態調査」最終集計報告書」)

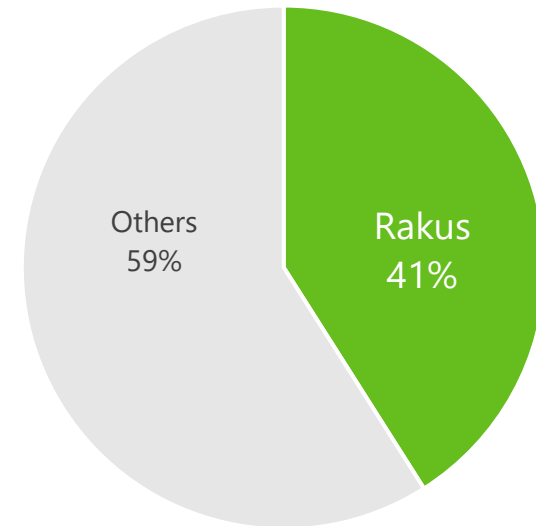
# The Market for Cloud-based Invoice Issuance System



### Market shares based on Sales



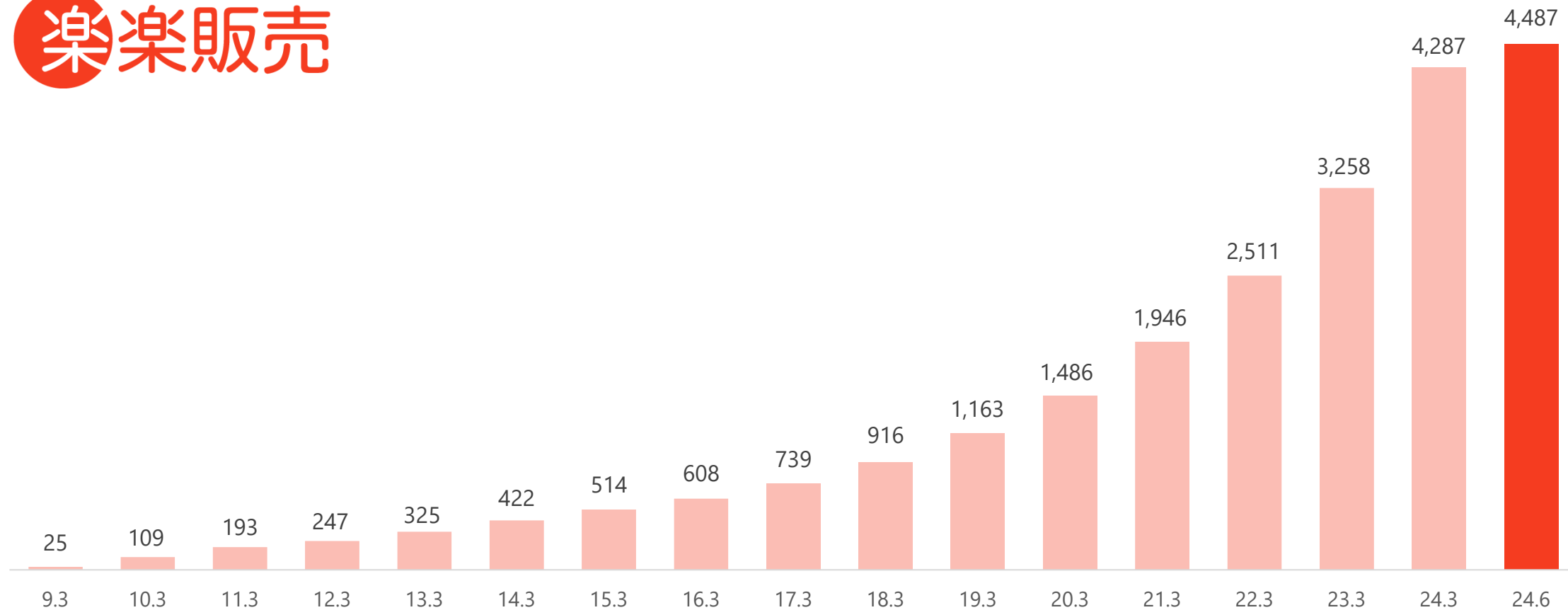
### Market shares based on Introduced Numbers



Source : Deloitte Tohmatsu MIC Research Institute Co., Ltd. which is written only in Japanese 「クラウド帳票発行サービスの市場の実態と展望」 (ミックITリポート2023年9月号 : <https://mic-r.co.jp/micit/>)

\* Introduced numbers and Sales are for the estimated FY2024.3

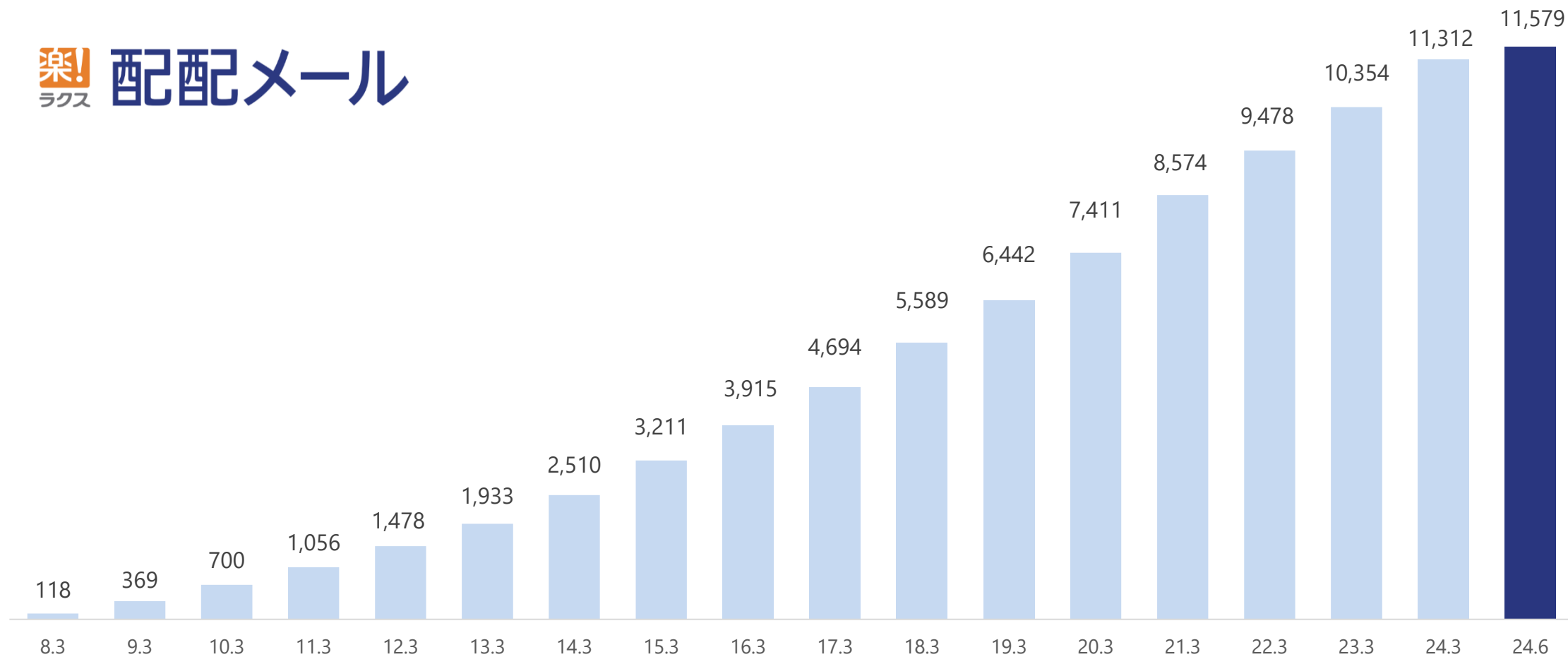
# Cumulative Number of Companies Using Raku Raku Hambai



\* Starting from the fiscal year ending March 2025, Raku Raku Hambai's figures are reported together with Raku Tel, a related product. Past figures have been adjusted retroactively to reflect this change.

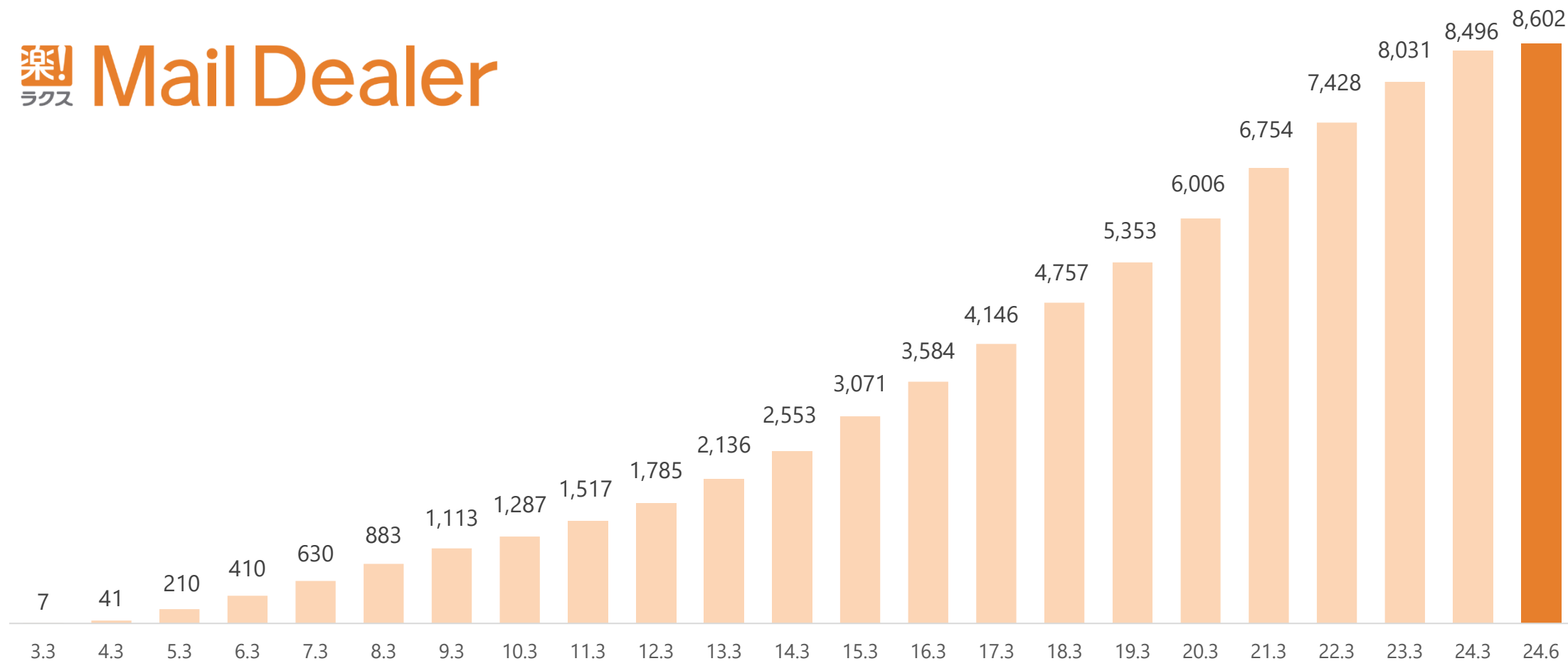
# Cumulative Number of Companies Using Hai Hai Mail

 楽! 配配メール

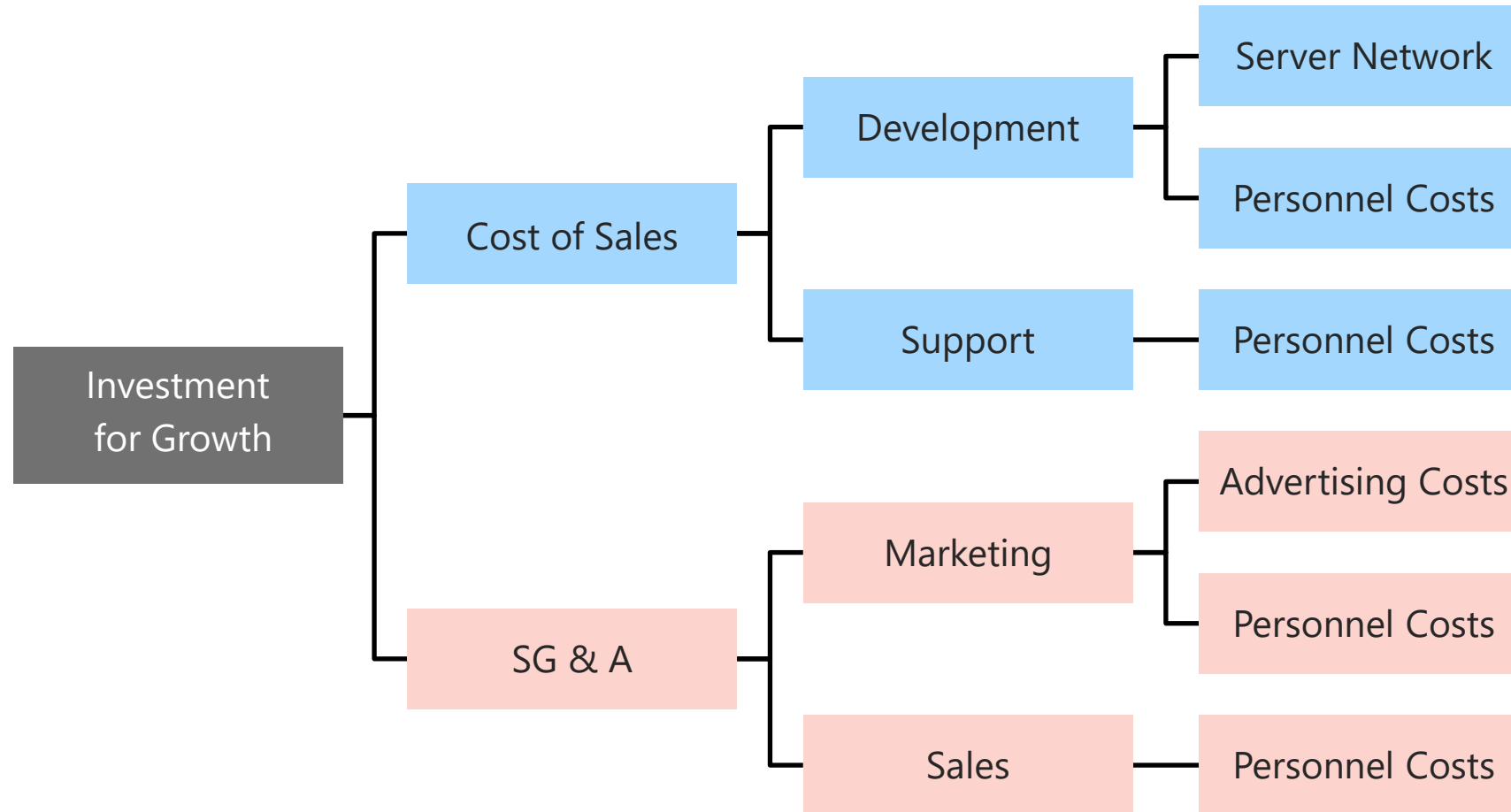


# Cumulative Number of Companies Using Mail Dealer

 Mail Dealer



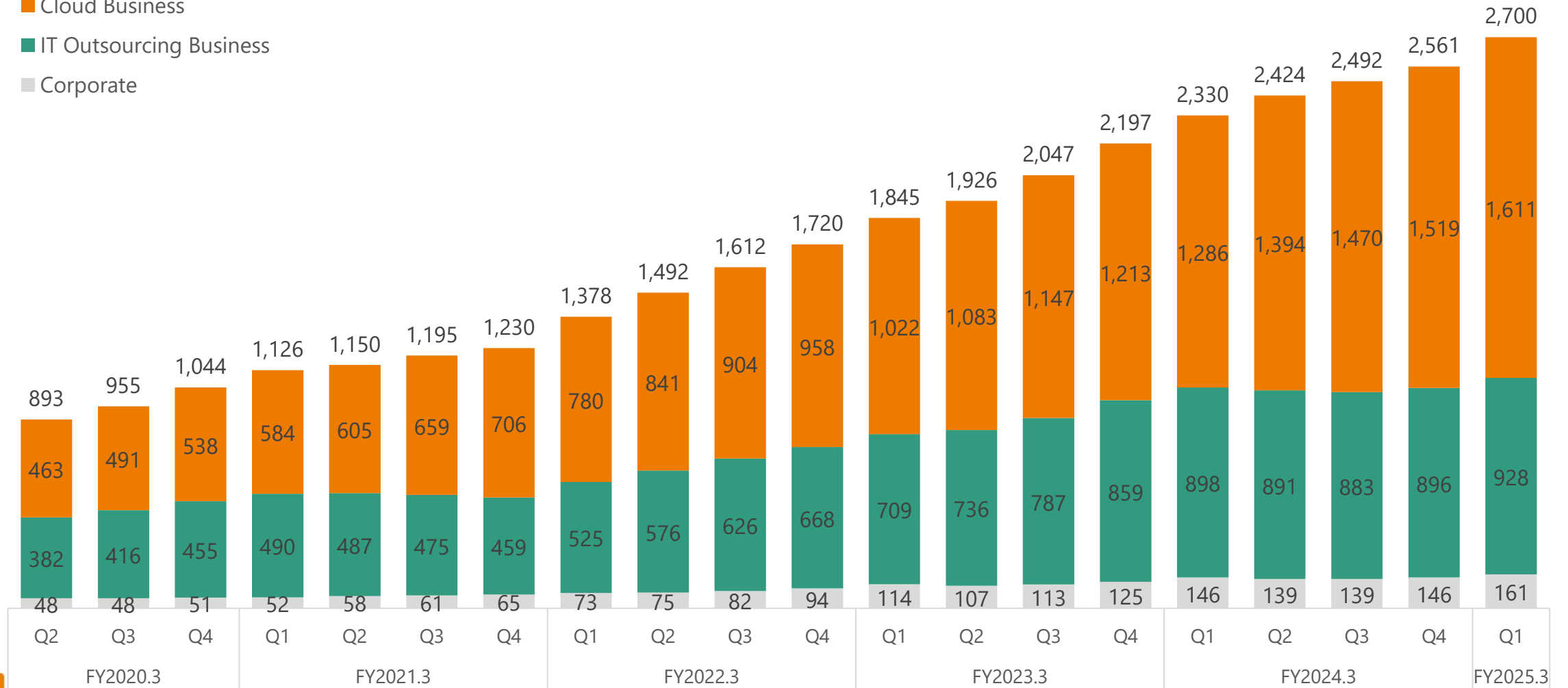
# Breakdown of Investment for Growth (Cloud Business)



# Number of Employees

( person )

- Cloud Business
- IT Outsourcing Business
- Corporate



\* The Figures are as of the end of each quarter.



This material is only for the purpose of providing information to investors. It is not to induce investors to buy or sell shares in the company.

Forward looking statements in the material are based on our goals and forecasts. They are not guarantees of future performance.

It needs to be clear that our future performances could be different from the currently estimated business performances.

Market information included in this material is based on reliable data, but the company cannot guarantee its accuracy or integrity.

This material is provided under the condition that investors use it at their own discretion and use it on their own judgement.

The company shall not be liable under any circumstances.