



Financial Results for the 2nd Quarter of Fiscal Year Ending July 31, 2025

RAKSUL INC. (TSE PRIME: 4384)

March 13, 2025





Quarterly Financial Summary

Company Wide	Revenue +17.9% YoY, Gross Profit +23.4% YoY, EBITDA (non-GAAP)⁽¹⁾ JPY 1,387MM Operating Profit (non-GAAP⁽²⁾) JPY 1,261MM, Net Income (non-GAAP⁽²⁾) JPY 1,687MM ■ Gross profit has increased through steady organic growth and continuous M&A ■ For medium- to long-term growth, we invested approximately JPY200MM this quarter in office relocation, new businesses, and M&A transaction costs combined. Excluding the impact of these upfront investments, we landed at a quarterly record high of JPY1.58Bn
Procurement Platform Business	Revenue +20.6% YoY, Gross Profit +26.5% YoY ■ Product integration with Adobe Express is coming soon. Evolving into an AI-Powered Platform through this integration and providing Gen AI in creative process ■ Continued steady organic growth, with Raksul Enterprise making a significant contribution
Marketing Platform Business	Revenue -8.7% YoY, Gross Profit +10.6% YoY ■ Marketing for SMEs and software business for large companies are steadily expanding, driving up gross profit ■ EBITDA levels have risen due to an increase in the gross margin and continuous improvements in the cost structure
Corporate Actions etc.	Investment for non-linear business growth ■ We are continuing to consider a number of M&A deals and have already submitted LOIs for several deals ■ For new organic businesses, business & product development continues in finance and SME software business Capital allocation ■ A extraordinary profit of JPY 1,044MM was recorded following the partial sale of Hacobell shares. Our ownership ratio decreased to 24.4% ■ Regarding the acquisition of treasury stock up to JPY 700MM, which was resolved on December 12, 2024, approx. JPY 500MM was acquired as of the end of January 2025, and all acquisition was completed as of February 13 Revision of the full-year plan and dividends ■ Based on the extraordinary gains, we have revised our J-GAAP net income forecast upward to JPY2.48-2.78 Bn and dividend forecast from 2.3 yen to 3 yen. Additionally, as the equity method losses are expected to decrease, the ratio of net income to EBITDA is expected to increase in the medium term

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

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- 1. Our Strategy and Evolution into an AI-Powered Platform, starting with Adobe partnership**
2. Financial Highlights
3. Q&A
4. Reference Materials



Summary: Investment Highlights

Vision

BETTER SYSTEMS, BETTER WORLD

Future Direction

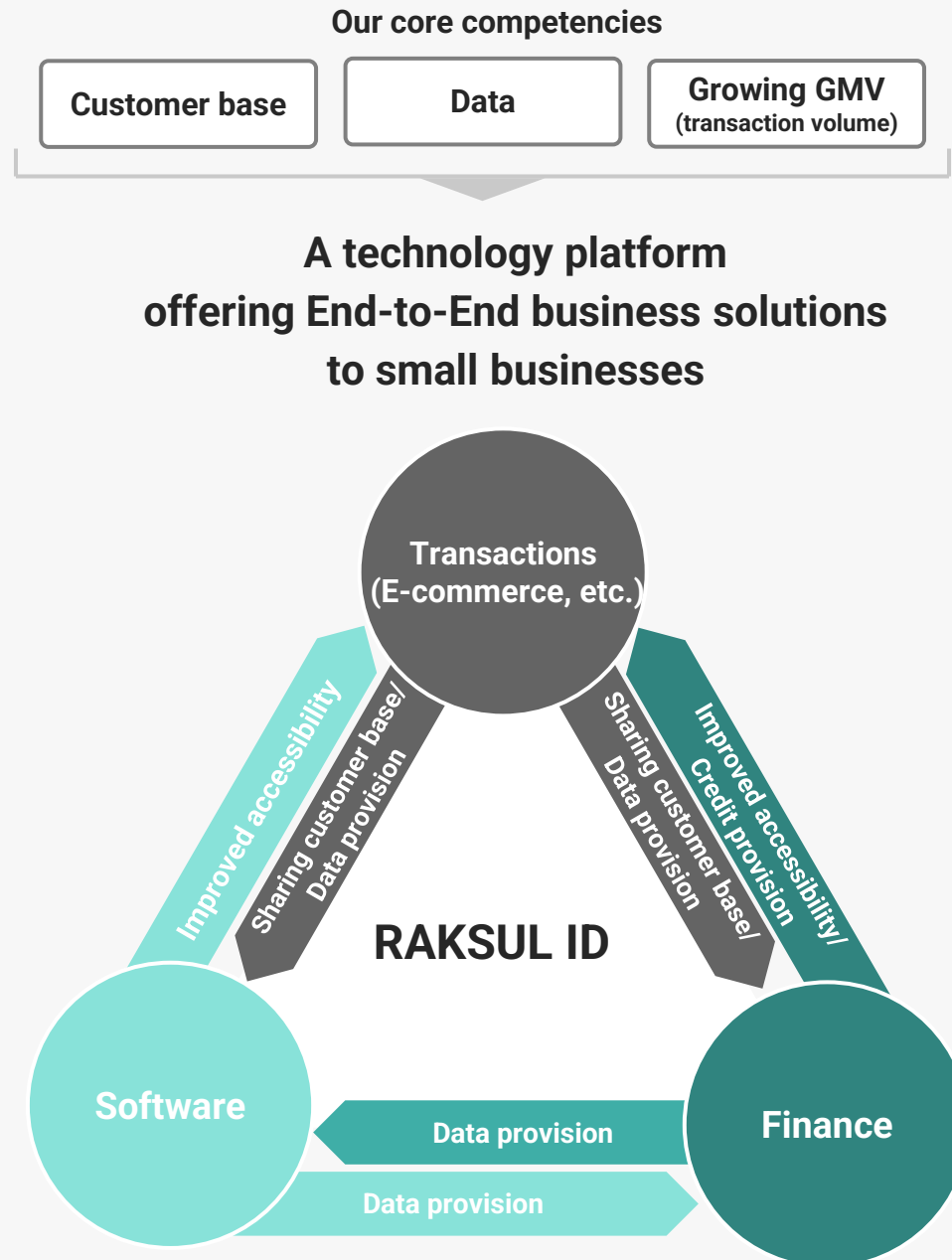
End-to-End Technology Platform for Small Businesses

Domains	What Assures Continuous Growth	Financial Policy
Synergy creation with common ID (RAKSUL ID)		
Main Business Transaction (Vertical platform)	Expanding TAM	Quality Growth
	Highly recognized among SMEs	
Software	Technology & data infrastructure	Healthy balance sheet
	Continuous M&A execution capabilities	Pursuit of capital efficiency
Finance		



Long-Term Direction of RAKSUL Group

- Our future direction is to provide a technology platform that solves SMEs' business challenges End-to-End, and to provide transaction, software, and finance services centered on a common ID (RAKSUL ID)
- In each area, we are steadily strengthening and polishing our services and development



Transaction

Functional Integration between Adobe Express with Generative AI and Raksul coming soon

Improving competitiveness

In the case of print e-commerce and customized e-commerce, the creation of creative data is of the utmost importance, and DX can be used to increase the efficiency

Strengthening the technology infrastructure and accumulating data

Through the update of the design process using AI and the accumulation of design data, we have evolved into a platform that has the most creative data related to sales promotion and advertising in Japan

Finance

Raksul Bank service is scheduled to begin in 2025

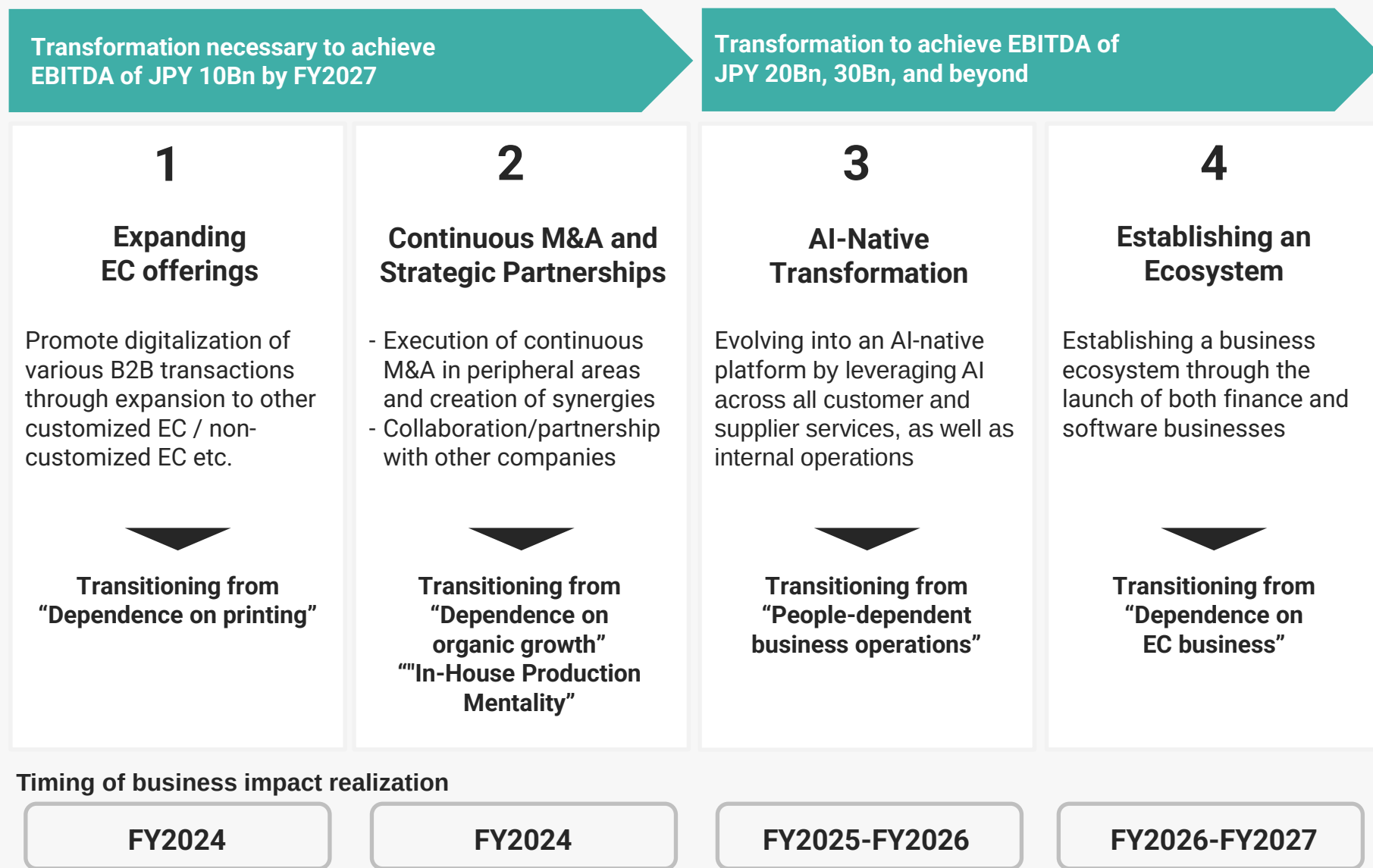
Software

Raksul website was released in January



Transformation Process to Realize Medium- to-long-term Direction

- The transformation process toward a “technology platform offering End-to-End business solutions to small businesses” is divided into four stages
- All processes are being carried out concurrently, but the impact on performance is sequential, starting from the leftmost process



Overview

- We are preparing for the integration of functions between Raksul platform and Adobe Express, powered by Adobe's generative AI. After the release, our customers can enjoy design creation to printing process that is much easier and more efficient.

Functional integration in the design process with Adobe Express powered by generative AI (Coming Soon)

1. Seamless submission of design data

You can design on Adobe Express directly launched from Raksul, and seamlessly submit the data to Raksul

2. Wide range of creative functions

The following tasks can be performed by utilizing "Adobe Express," a content creation application powered by Adobe's generative AI "Adobe Firefly"

- Instantly create business cards for all employees with the company's unified design
- Customize flyer and poster designs into social media images and web banners
- AI-powered advance editing including background removal
- Original image generation by generative AI

RAKSUL

- Improving service competitiveness with the addition of Adobe's AI technology
- Data accumulation and enhancement of technology infrastructure



Adobe Express

- Reaching a wider range of customers including SMEs in Japan
- Helping to promote creativity in printing services

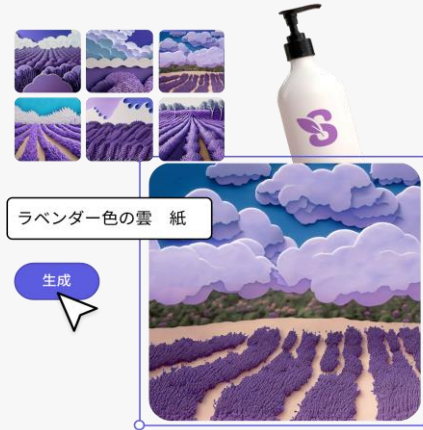


Adobe Express

■ Adobe Express is a free-to-use content creation application that allows users to create social networking content, flyers, videos, and more. Anyone can easily create professional content

Industry-leading Generative AI technology

Anyone can easily design contents that are also safe for commercial use



Millions of unique design assets

Curated collections of Adobe Stock assets such as photos, videos, music, fonts, as well as professionally-designed templates



Advanced brand content creation

Brand-kit functions to ensure efficient and consistent content creation, such as template-locking and social media content scheduler



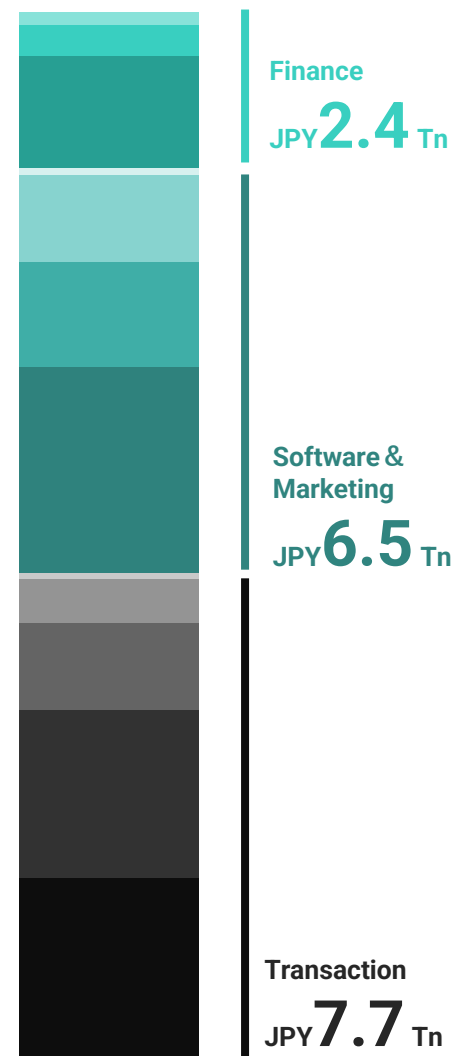


Our Strength

(1) TAM Expansion

- Potential market opportunities are significant and EC penetration of each market is progressing
- Based on our positioning as the country's No.1 in print and other customized EC areas, and our ability to create CF, we will continue to expand into new areas and target new markets in the future

Stable and Large TAM



Digital Market Expansion

CAGR (over the past five years)

Corporate Credit Cards
30%

SaaS for domestic enterprises
24%

Digital Advertising
12%

Printing E-commerce
7%

B2B E-commerce
5%

Increase in Market Share

Top M/S in Japan,
Further M/S Expansion with
EC Penetration

Printing EC

Packaging materials EC

Business stamps EC

Future development,
Increasing M/S

Indirect material
procurement EC

Online/offline marketing

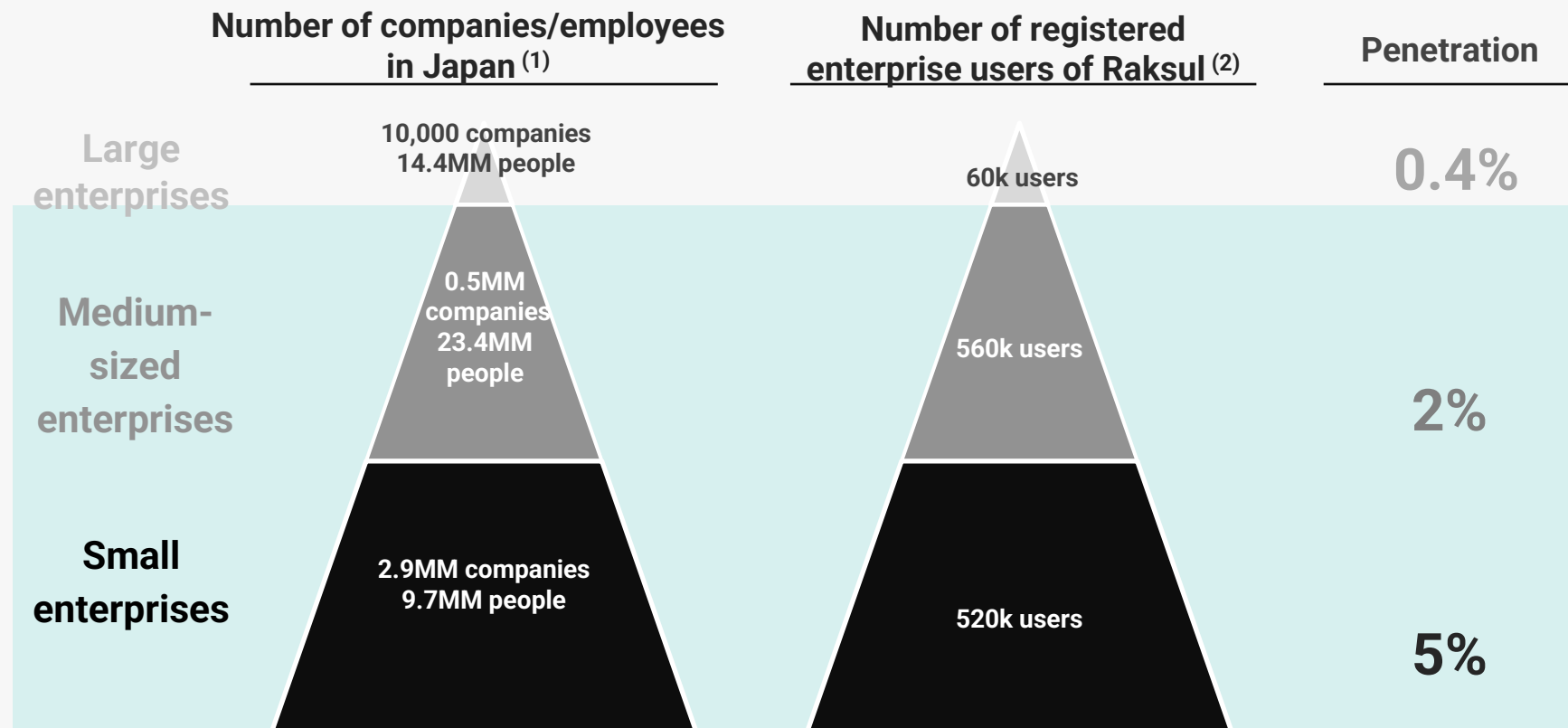
Digital finance for
SMEs

SaaS for domestic
enterprises

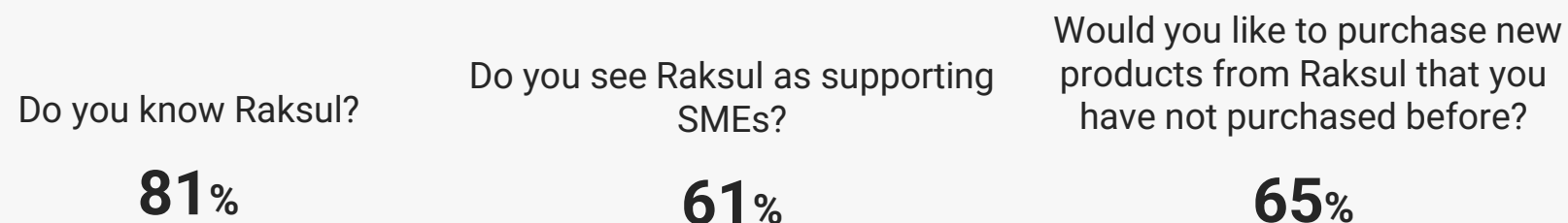


Our Strength (2) SME Customer Base and Recognition

- SMEs account for more than 90% of the total number of companies in Japan, and our strength lies in our customer base of SMEs. Orders from SMEs account for 70% of our revenue
- Our customer base is around 2% of the national total, leaving great room for expansion
- We plan to proceed with the integration of multiple brands and formation of cross-business sales organizations by leveraging our high brand recognition and image as a supporter of SMEs



This Year's Brand Recognition Survey Results⁽³⁾ (% of Customers that Answered "Yes")





Our Strength

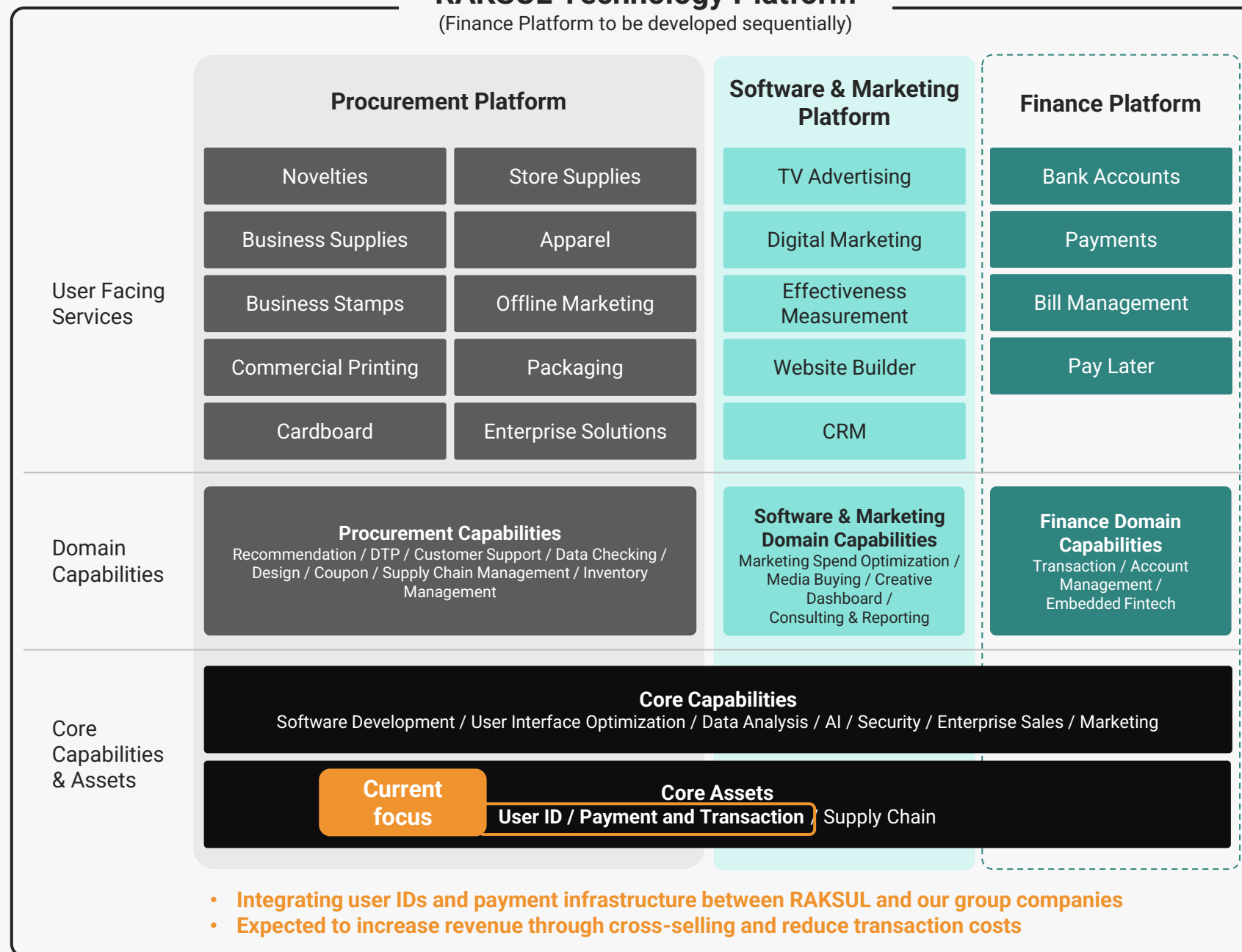
(3) Technology

Infrastructure & Data Utilization that Integrates Multiple Businesses

- We will continue to develop and strengthen the technology infrastructure, thereby integrally expanding the range of services that solve the business challenges of SMEs
- At the same time, we will create synergies more efficiently with group companies joined through M&As
- Our current technology focus is ID and payments integration and are tracking well.

RAKSUL Technology Platform

(Finance Platform to be developed sequentially)





Our Strength

(4) Continuous M&A Execution Capabilities

- Changed policy from FY2024 and executed continuous M&A to supplement organic growth. Strengthened structure by forming a dedicated M&A team
- 6 new companies were consolidated in FY2024. The investment amount was approx. JPY 5.1Bn⁽¹⁾. These EV/EBITDA multiples were all less than 5x of the earnings in the first year of consolidation
- We have acquired 2 companies in FY2025. The pipeline for future acquisitions is also steadily building up

Procurement Platform Business

Before FY2023



Invested in Sep 2021



Consolidated in Feb 2022

FY2024



Merged in Aug 2023



Consolidated in Aug 2023



Consolidated in Oct 2023



Consolidated in Jul 2024

FY2025

Company in Printing & Solutions domain
Consolidated in Nov 2024

Marketing Platform Business



Invested in Oct 2020



Consolidated in Aug 2023



Consolidated in Mar 2024



Consolidated in Jun 2024



To be **Consolidated** in Jan 2025

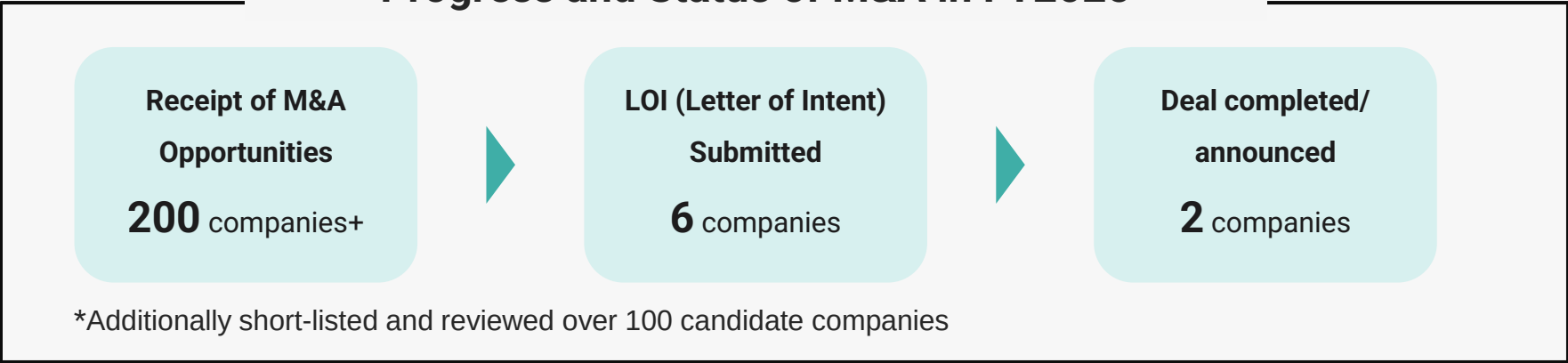
Notes

(1) Stock acquisition costs include future earnout consideration, etc./ exclude net cash

Continuous M&A Execution: M&A Sourcing Update

- In M&A, we continue to prioritize compatibility with the platform and discipline in valuation while considering more deals than the previous year. At present, we have submitted LOI (Letter of Intent) to multiple companies and are progressing with the process
- In our M&A strategy, we focus on 4 key areas: roll-ups that leverage the characteristics of our platform, acquisitions that lead to product expansion, vertical integration, and expanding our customer base

Progress and Status of M&A in FY2025



Our Focus Areas in M&A

Market Penetration : Roll-up M&A in B2B customized EC, online printing, agency businesses

Product Development: Expansion into B2B e-commerce and services not yet offered by Raksul, enabling cross-sell opportunities to our customers

Vertical Integration :Enhancing added value through value chain expansion, including production and processing of our products

Market Expansion : Expanding to new customer segments

Diversification (to be considered in medium to long term) : Building and expanding of business platform

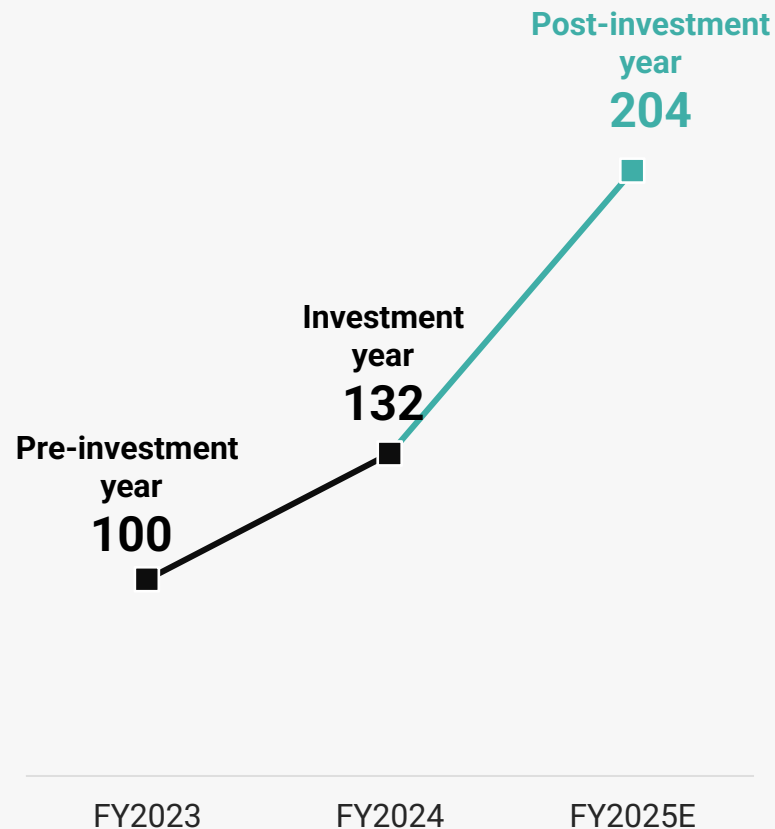
		Products & Services	
		existing	new
Markets/Customers	existing	Market Penetration Roll-up	Product Development Product Expansion
	new	Market Expansion Customer base Expansion	Diversification (mid to long term)
		Vertical Integration	Supply Enhancement

PMI Progress Update

- Our post merger integration is on good track. Companies acquired before FY24 are growing in profits, and we are making good progress on user ID, payments, and brand integration

EBITDA Growth Trend of the Acquired Companies in FY24

(Previous year of investment as 100)



FY 25 Progress in Building Synergy

Raksul ID Integration

- At Danball One, the acquisition of new members has been centralized under the Raksul ID, and the subsequent acquisition of new members is progressing smoothly
- Cross-selling is expected to accelerate in the future

Payments Integration

- Development is progressing towards the unification of the payment infrastructure for all services
- Through integration, we expect to be able to earn around 1% of GMV into profits through conversion improvements and payment costs for future acquisition of smaller e-commerce companies
- In addition to reducing settlement costs, we are also working to improve security and prepare for future connections with financial businesses

Brand Integration

- The functions of Peraichi were reconfigured and the Raksul website was launched
- We expect the EBITDA impact for the full year to be around JPY 100MM

- Today we published our Integrated Report for FY2024. In our information disclosure system, we have structured this report to make it easy for our stakeholders to understand our management direction and efforts to realize our vision by integrating financial and non-financial information.
- The page on the right shows specifically what our strategy “End-to-End Technology Platform for Small Business” looks like and how it will solve management issues of SMEs in various stages and scenes



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Track Record of Quality Growth (1)

- Quality Growth (business expansion with profit/CF) continues, and this policy remains unchanged for FY2025

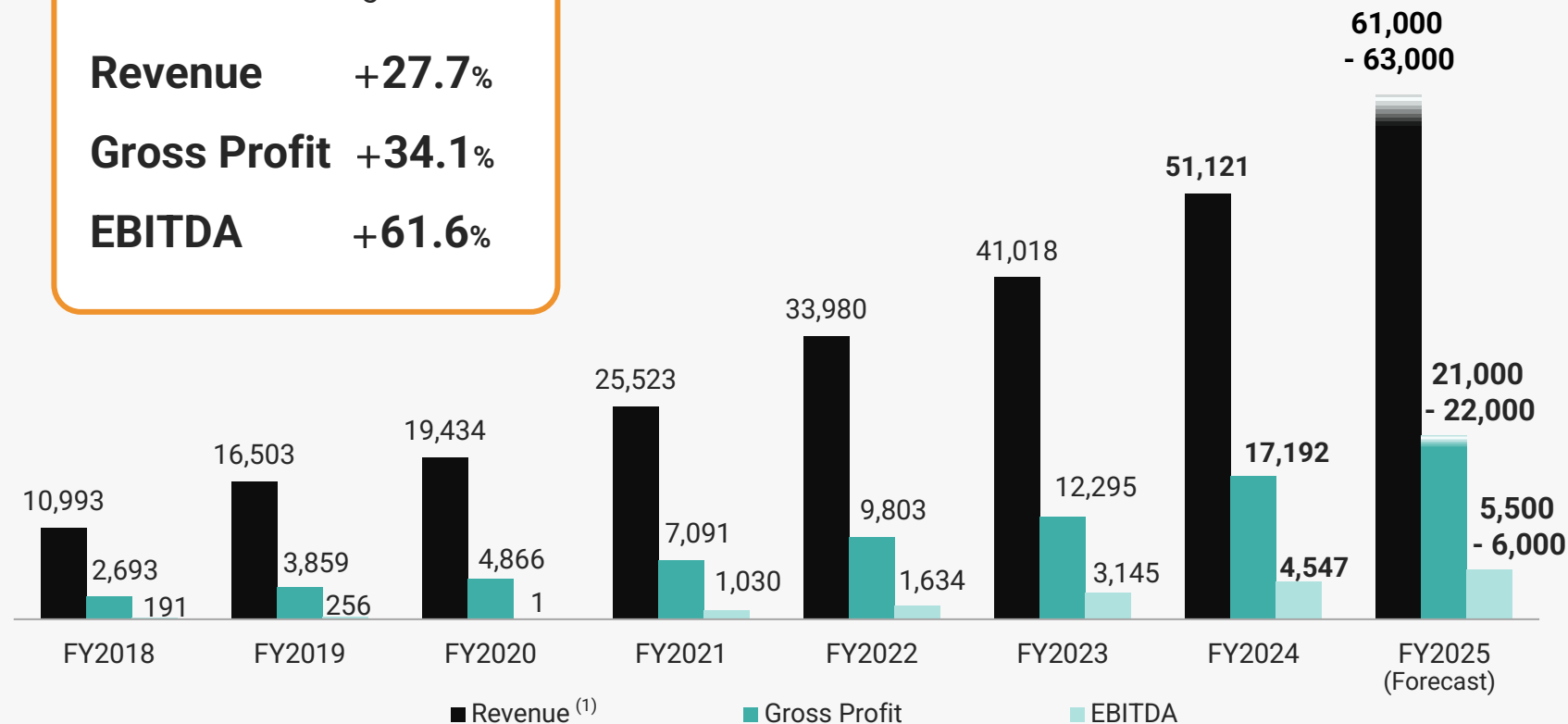
(in JPY MM)

CAGR since listing in 2018

Revenue +27.7%

Gross Profit +34.1%

EBITDA +61.6%



Notes

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



Track Record of Quality Growth (2)

- Our gross profit is similar in nature to net revenue of general software companies
- The combination of high growth and improved margins leads to an increase in cash flow, which in turn creates the financial capacity for further investment in growth and M&A, creating a virtuous cycle of further growth

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 2Q Cumulative
Gross Profit Growth (Excl. Hacobell)	+24.6%	+42.1%	+40.5%	+31.7%	+39.8%	+30.3%
EBITDA Margin vs Gross Profit	0.0%	14.5%	16.7%	25.6%	28.2%	28.3%

2Q Financial Highlights and 3Q Outlook

2Q Results

- Steady growth in revenue, gross profit, EBITDA, and other profits. Net income includes gain on the sale of a portion of the shares of an equity-method affiliate

3Q Outlook

- Revenue is expected to grow by around 20% in the procurement platform business, and QoQ growth is expected in the marketing platform business on a gross profit basis
- EBITDA is expected to remain costly for the quarter due to relocation costs being recorded in 2-3Q. At the same time, it is a high-demand quarter/season, and increased profit is expected in both QoQ and YoY

(in JPY MM)	FY2025 2Q (2024/11 - 2025/1)			FY2025 2Q Cumulative Total (2024/8 - 2025/1)		
	Actual	FY2024 2Q Actual	YoY	Actual	FY2024 2Q Cumulative Total	YoY
Revenue	15,043	12,762	+17.9%	29,753	23,990	+24.0%
Procurement PF	14,065	11,666	+20.6%	27,626	22,118	+24.9%
Marketing PF	880	964	-8.7%	1,920	1,622	+18.3%
Gross Profit	5,247	4,252	+23.4%	10,309	7,911	+30.3%
Procurement PF	4,542	3,591	+26.5%	8,928	6,702	+33.2%
Marketing PF	675	610	+10.6%	1,319	1,114	+18.3%
Gross Margin	34.9%	33.3%	+1.6pt	34.7%	33.0%	+1.7pt
EBITDA	1,387	1,238	+12.0%	2,918	2,177	+34.0%
Operating Profit (non-GAAP)	1,261	1,096	+15.0%	2,621	1,921	+36.4%
Net Income (non-GAAP)	1,687	891	+89.3%	2,506	2,417	+3.7%
EPS (non-GAAP)	JPY 28.9	JPY 15.1	+JPY 13.8	JPY 43.0	JPY 41.1	JPY +1.9

Forecast for FY2025

- The sale of Hacobell shares led to an upward revision of the forecast for net profit for the current fiscal year
- Raising our dividend guidance given extraordinary gains and steady profit growth
- Although other financial items are not revised this time, the performance is overall on track against the full-year plan

Y2025 Financial Forecast (2024/8-2025/7)				
(in JPY MM)	FY2025 Forecast	Initial forecast before the change	FY24 Actual	YoY
Revenue	61,000-63,000	unchanged	51,121	+19.3-23.2%
Gross Profit	21,000-22,000	unchanged	17,192	+22.1-28.0%
EBITDA	5,500-6,000	unchanged	4,547	+20.9-31.9%
Operating Profit (non-GAAP) ⁽¹⁾	4,700-5,200	unchanged	3,929	+19.6-32.3%
Operating Profit (J-GAAP)	3,200-3,700	unchanged	2,523	+26.8-46.6%
Net Profit (non-GAAP)	3,980-4,280	3,180-3,680	3,533	+12.6-21.1%
Net Profit (J-GAAP)	2,480-2,780	1,780-2,280	2,118	+17.1-31.2%
EPS (non-GAAP)	JPY 68.3-73.5	JPY 54.6-63.2	JPY 60.5	+12.8-21.3%
EPS (J-GAAP)	JPY 42.6-47.7	JPY 30.6-39.2	JPY 36.3	+17.3-31.4%
Dividend per Share	3.0	2.3	1.7	+76.5%

Notes

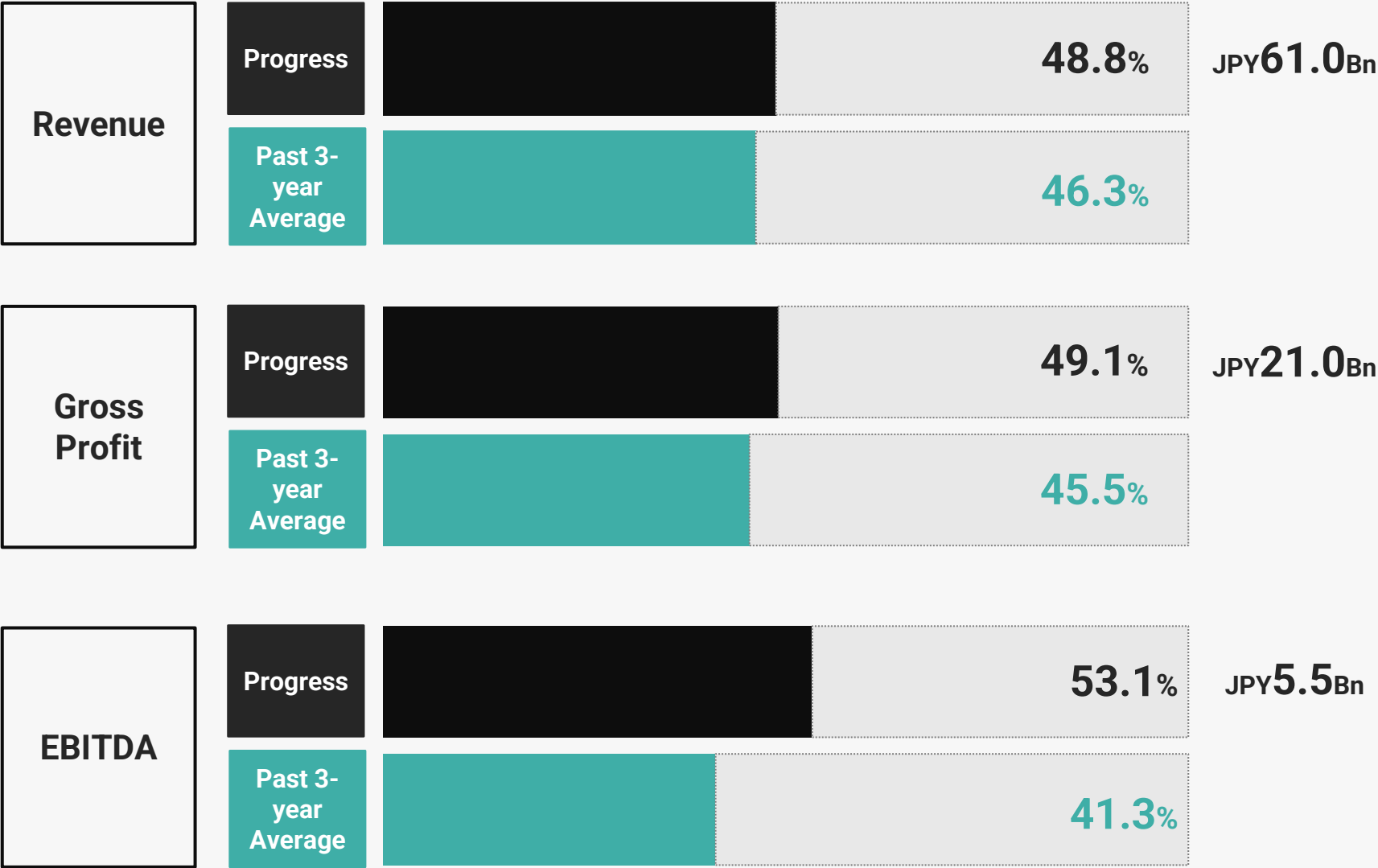
(1) Non-GAAP adjustments from operating profit to net profit of approx. 1.5 billion, including stock-based compensation expenses and amortization goodwill



Progress against Full-Year Forecast

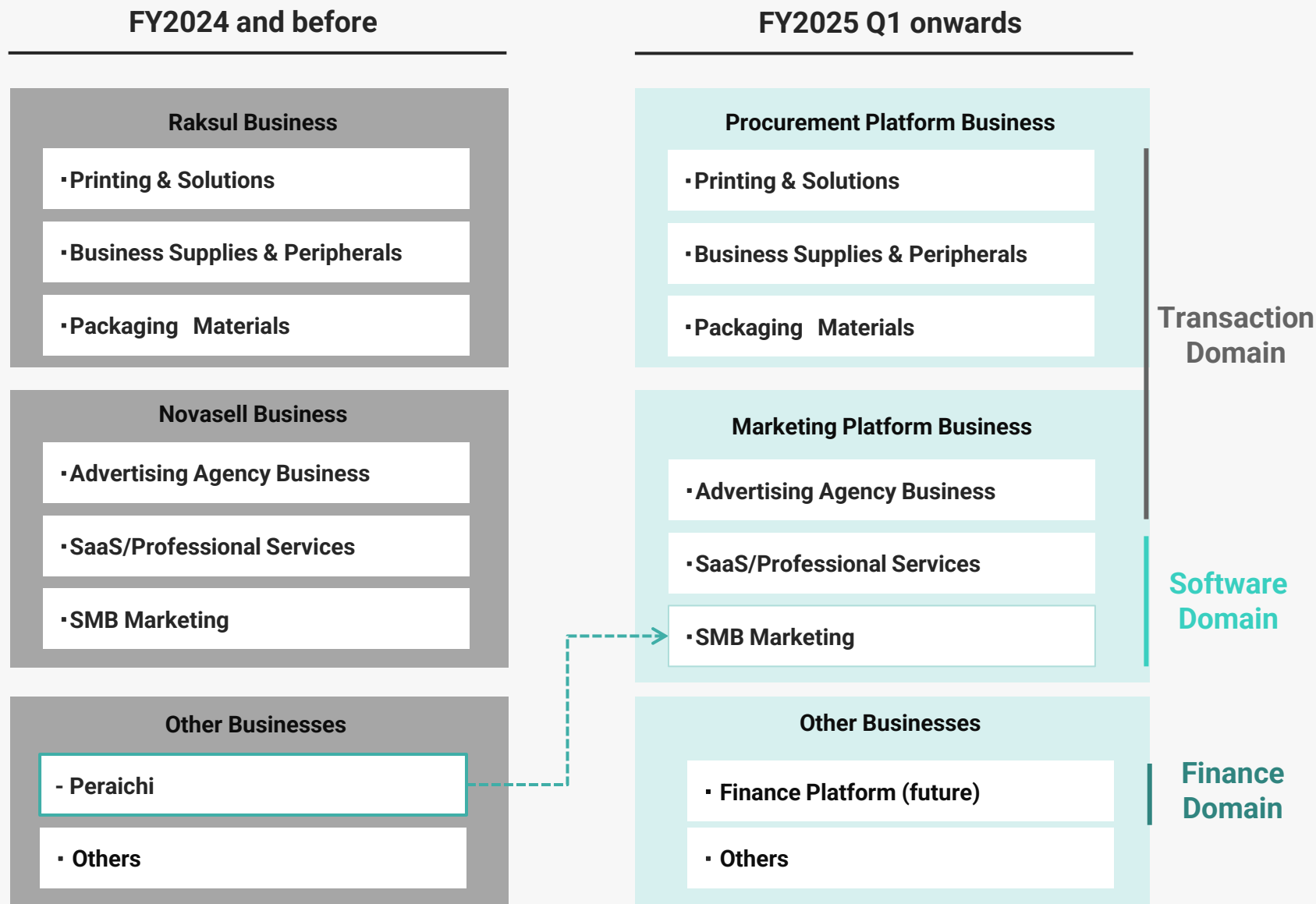
■ EBITDA progress has been steady since 1Q. At the end of 2Q, it reached its highest level ever at 53.1%

Earnings forecast disclosed in September 2024



Changes in Segments

- From FY2025 Q1, we have reorganized our Group segments into 3 businesses: Procurement Platform Business, Marketing Platform Business, and Other Businesses. We will use technology to solve a wide range of management issues for SMEs





Revenue by Business Segment

■ Revenues continue to grow quarter over quarter

Procurement Platform

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

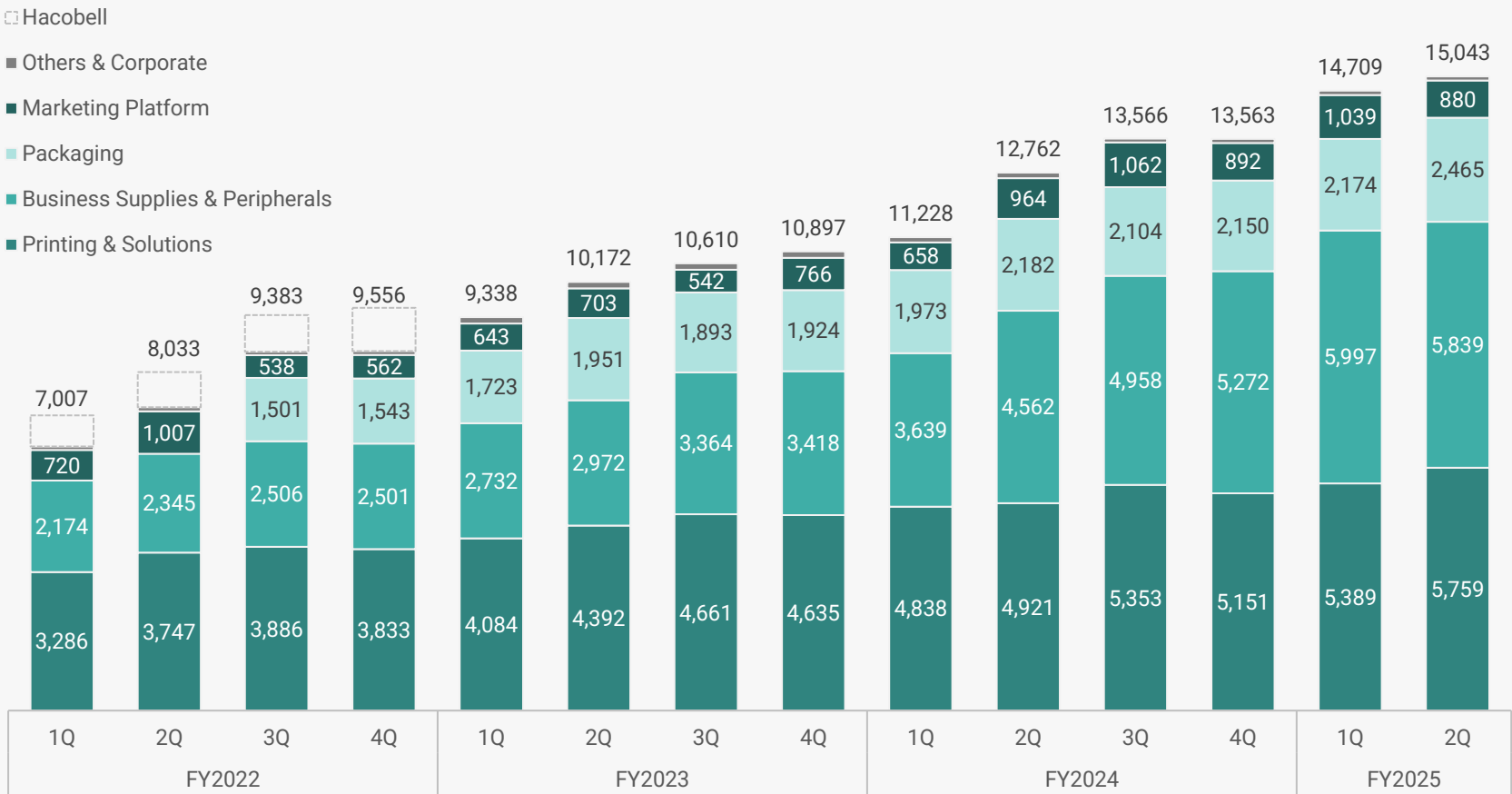
Packaging

Cardboard, paper bags, and other types of packaging

Marketing Platform

Marketing SaaS, website builder, advertising agency business

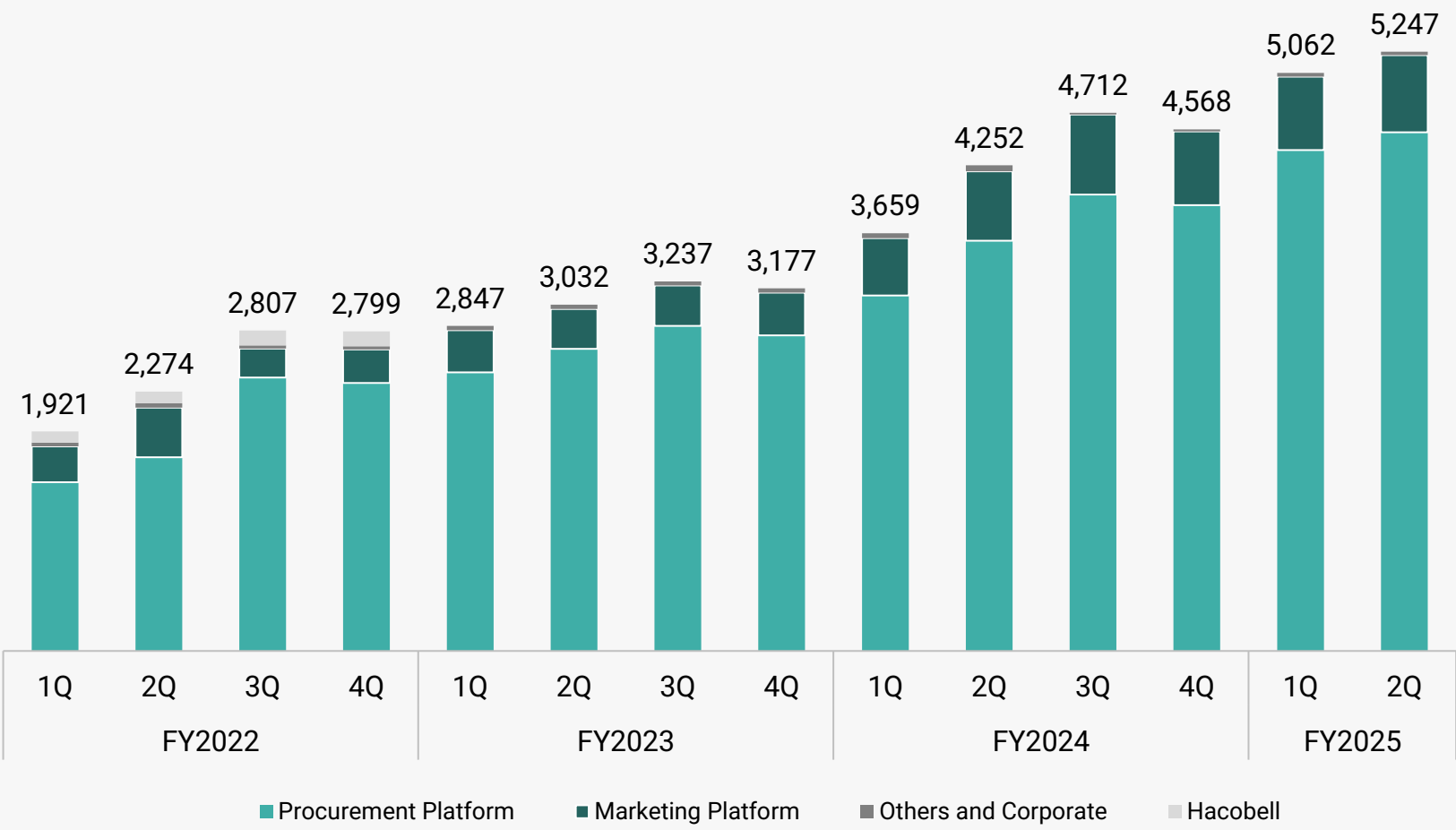
(in JPY MM)



Gross Profit Trends

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

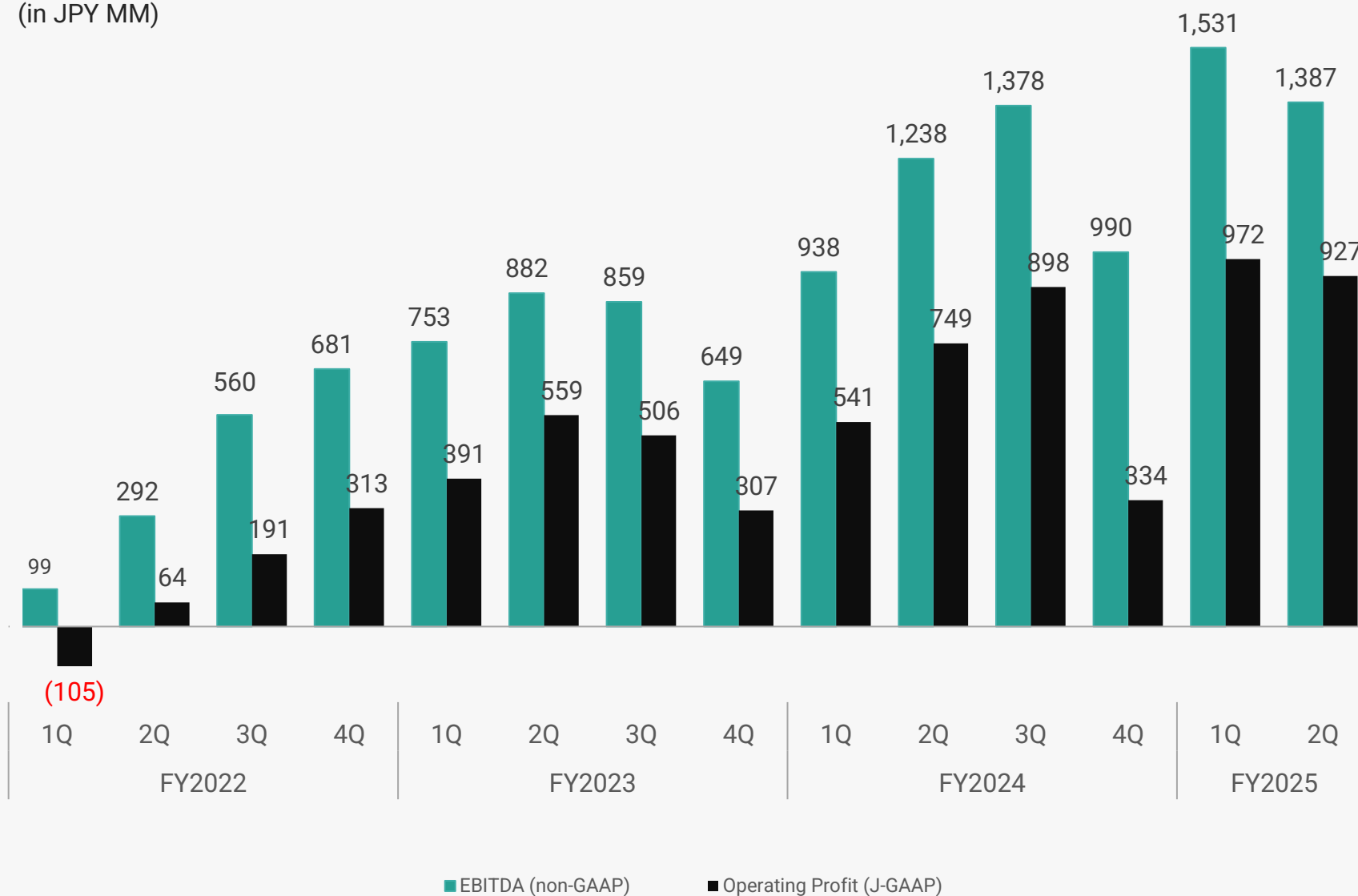
(in JPY MM)



EBITDA Trends

- In 2Q, we invested around JPY 200MM in new businesses, office relocation, and M&A, for medium- to long-term growth. Excluding these investments, EBITDA was around JPY 1.58Bn, the highest level on record
- Non-GAAP and J-GAAP operating profits also showed similar trends

(in JPY MM)

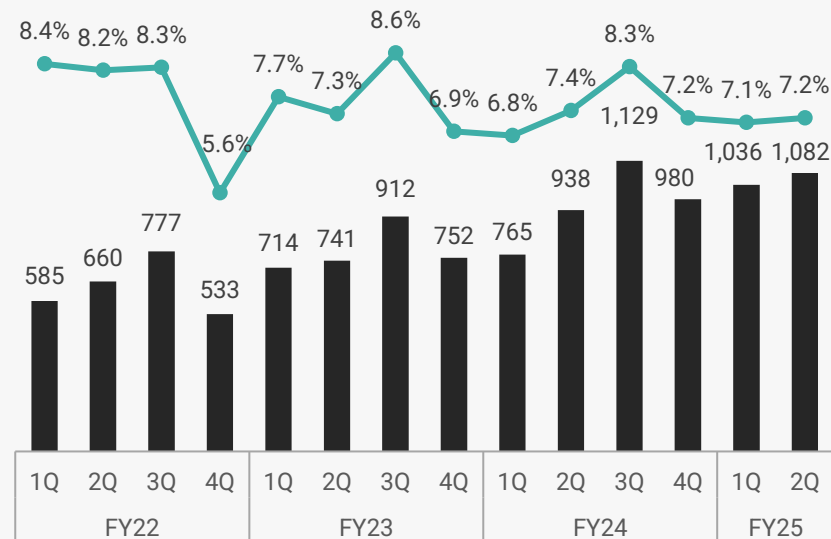


SG&A Spend (1)

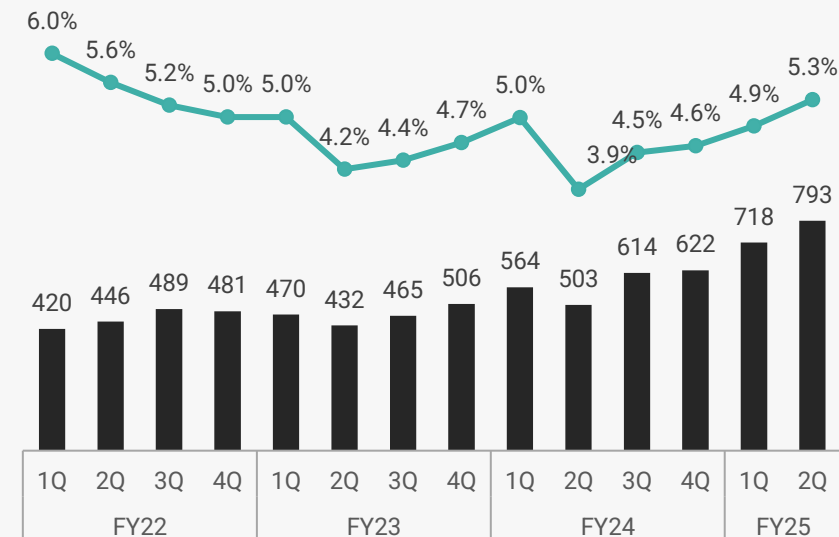
- Continued investments in growth, mainly in advertising and technology development
- Technology costs have increased due to full-scale launch of investments in new businesses
- Other expenses increased by JPY 70MM QoQ due to an increase in rent and one-off expenses resulting from office relocation. The higher cost level is also expected in 3Q, but for 4Q, the rent will be the only impact; the expenses are expected to decrease by JPY 50MM from 3Q to 4Q and level out

(in JPY MM)

Ratio of Advertising Expenses to Revenue



Ratio of Tech & Development Investments to Revenue



	FY2022				FY2023				FY2024				FY2025	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
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	3,777	3,702	3,985
Advertising expenses	585	660	777	533	714	741	912	752	765	938	1,129	980	1,036	1,082
Tech & Development	420	446	489	481	470	432	465	506	564	503	614	622	718	793
Other	867	927	1,041	1,165	966	1,032	1,058	1,328	1,504	1,713	1,751	2,174	1,947	2,110

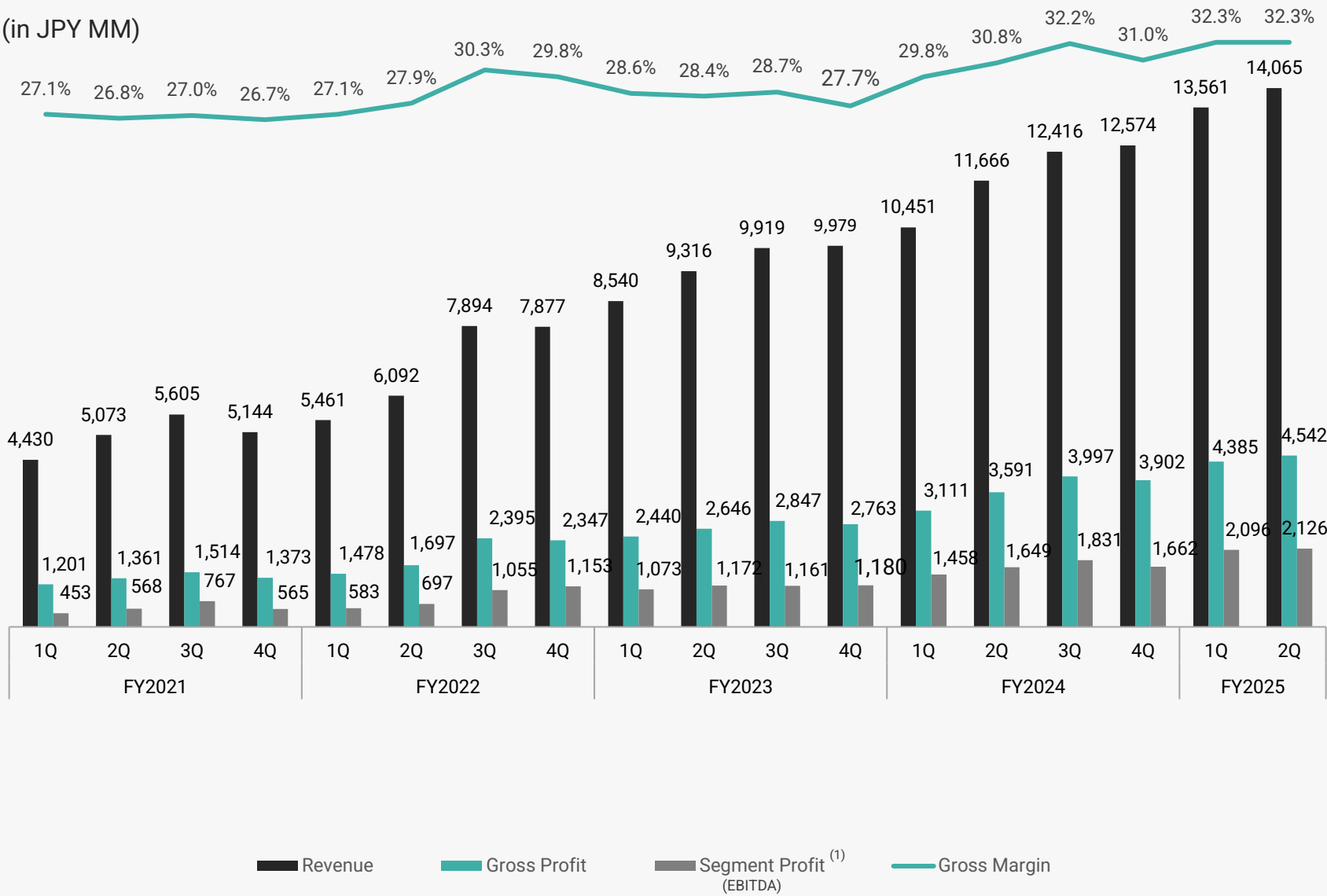
Notes

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



Procurement Platform Business Performance

- Continuous organic growth and expansion through M&A continue, and gross margin has been increasing steadily



Services included in this segment



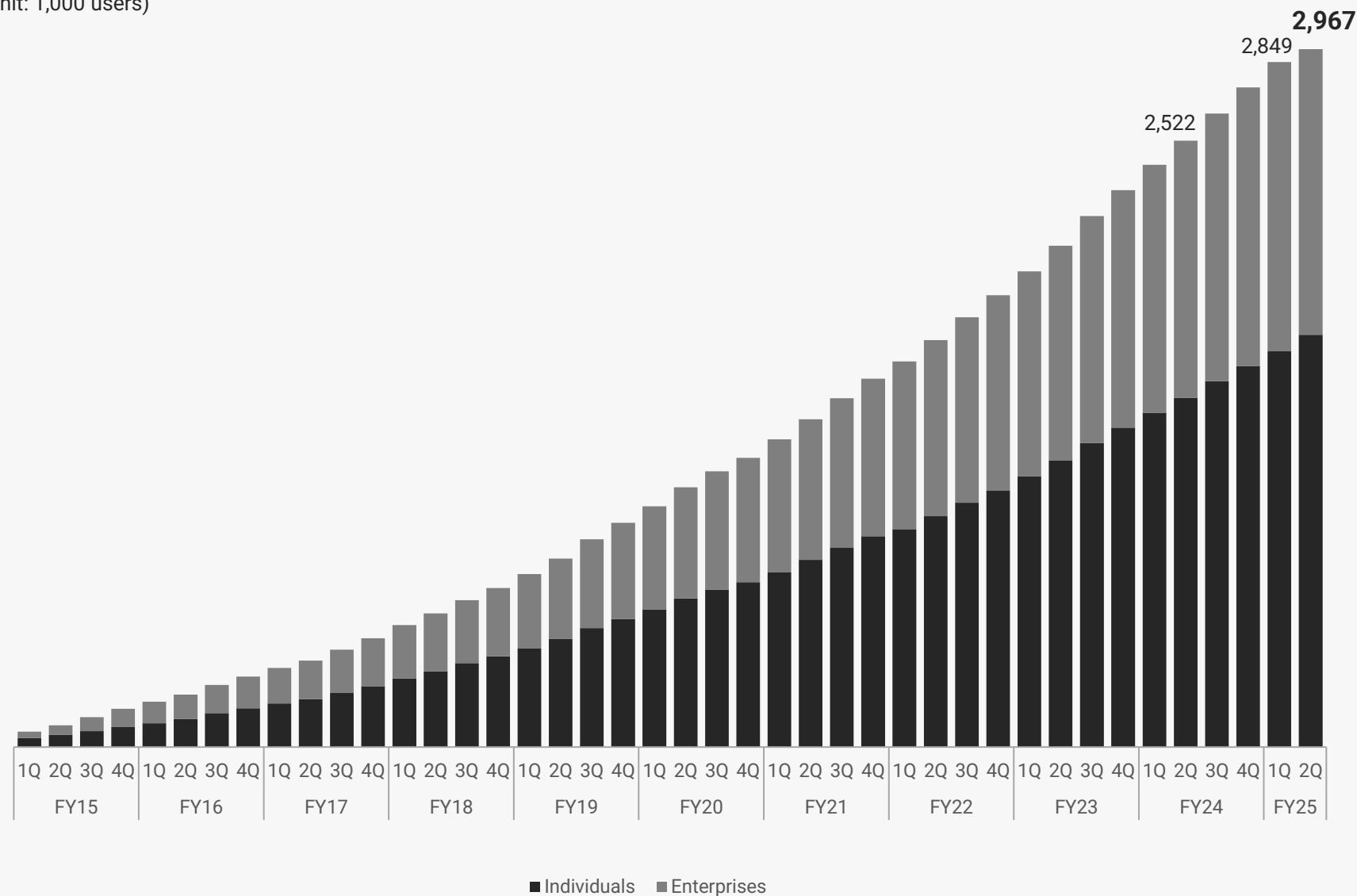
Notes
(1) SG&A expenses include internal transactions



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

- Our customer base continues to grow
- The number of total users for 2Q was 2,967,276

(unit: 1,000 users)



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

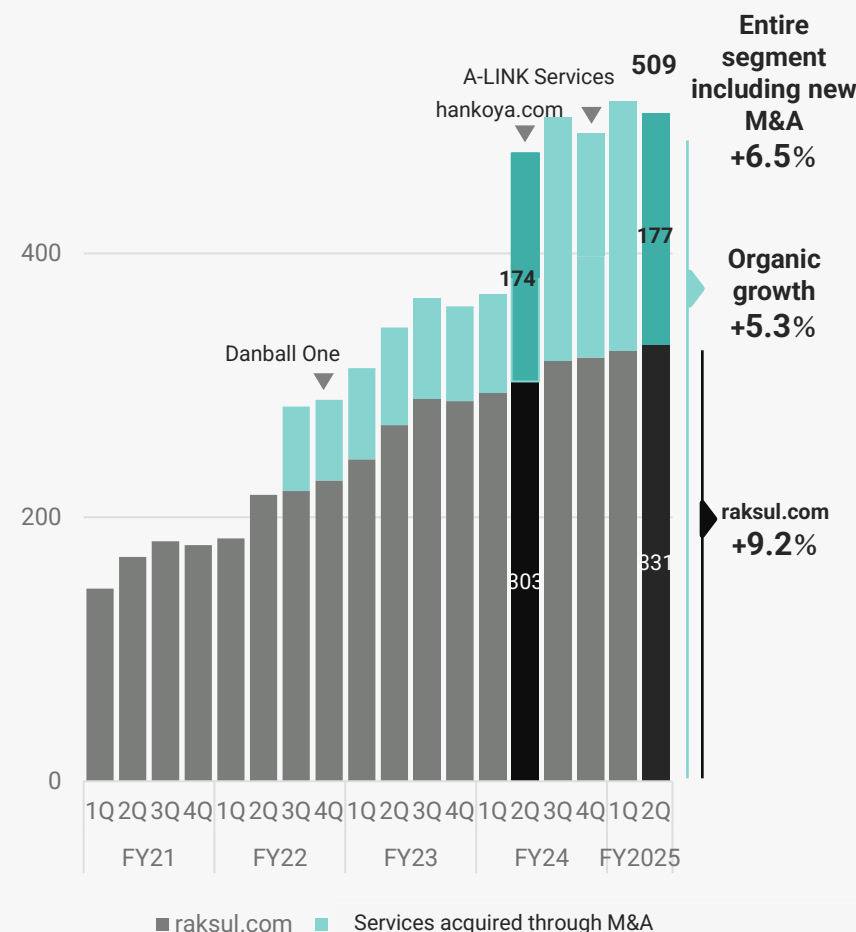


Procurement PF Business KPI Trends⁽¹⁾

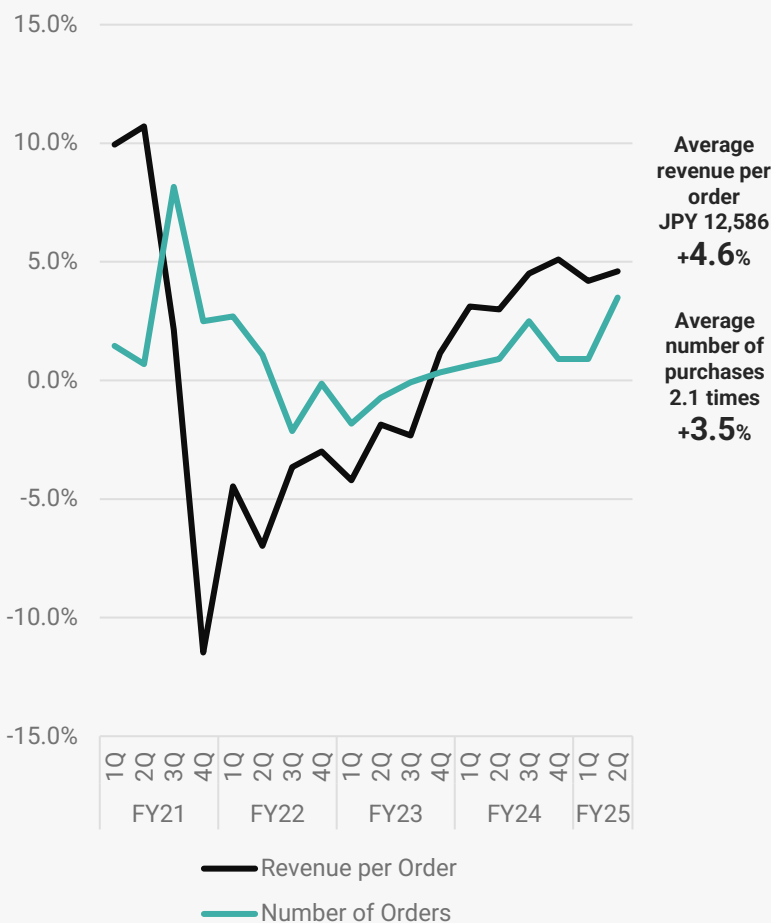
- The organic growth rate of the number of purchasing users was 5.3%. Excluding individual events such as the impact of New Year's cards and Hankoya.com invoice, the growth rate was +11.6%. Individual events are explained on page 30
- Order unit prices are continuously increasing due to the growth of the Enterprise business
- The number of infrequent users decreased due to the impact of New Year's cards, etc., which led to an increase in the number of purchases per user. From 3Q onwards, the number of users and the number of purchases are expected to normalize

Number of Purchasing Users per quarter

(unit: 1,000 users)



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



Notes

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

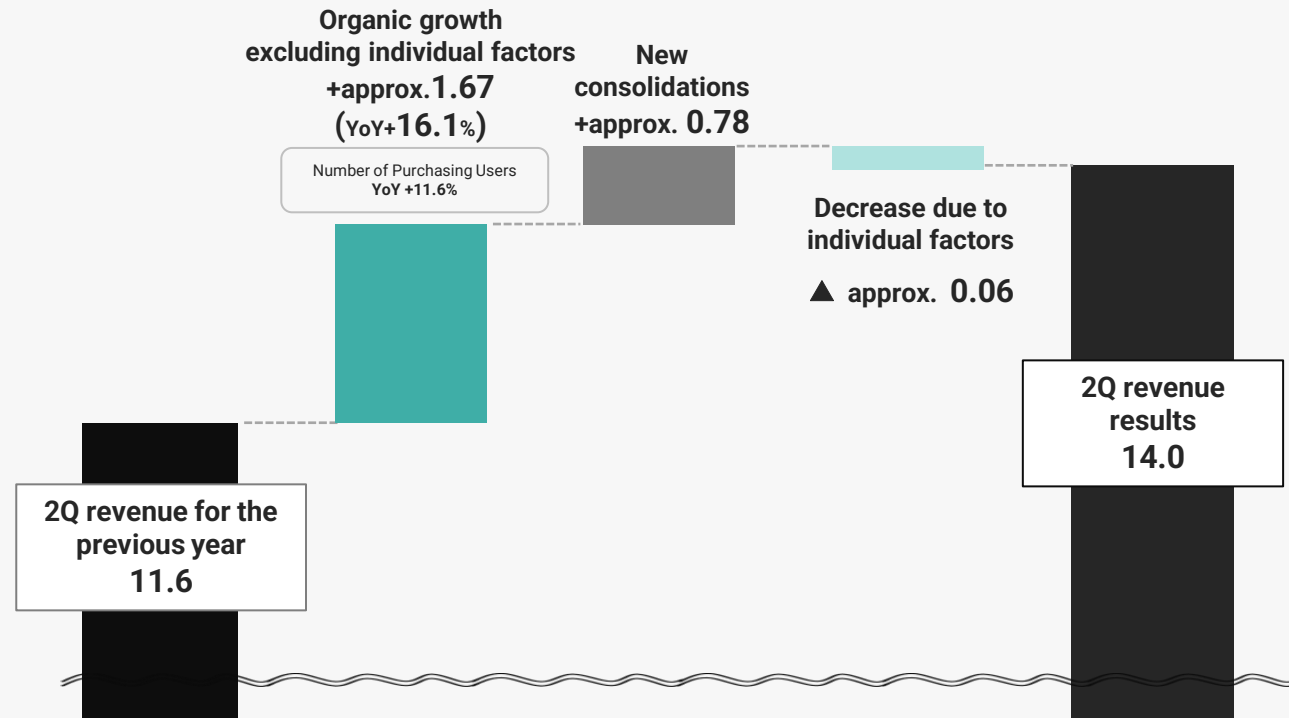
Procurement PF

The Impact of Individual Factors on Revenue

- Organic growth rate of segment revenue was 13.8%. Excluding temporary factors which affected revenue, the growth rate was 16.1%, trend unchanged and steady
- There were 2 individual factors which resulted in a total revenue decrease of JPY60M YOY
- (1) New Year's card sales fell sharply in 2024, partly due to drastic price increase for regular mail. Although our company's New Year's card-related sales have decreased, most of our annual sales are recorded in the 2Q, so the impact going forward will be minimal
- (2) At Hankoya, sales of stamps and other items were temporarily heightened last year due to nationwide introduction of invoice system. This year, revenues have normalized and declined. Since January, the Hankoya revenue has been higher than the previous year

Breakdown of 2Q Revenue

(in JPY Bn)





Procurement PF Growth of Printing E-commerce for Large Companies

- In the procurement platform business, Rakusl Enterprise (Raksul for large companies) has grown rapidly. It has expanded to account for 16% of the Printing & Solutions domain
- The service provides customized functions such as workflow, design, and order management for large companies, and promotes printing E-commerce by making ordering operation cheaper, faster, and easier

Case Studies

Pharmaceutical Industry

- With the closure of sales offices, we have built a printing infrastructure for over 1,000 sales representatives working remotely nationwide
- Delivery time for printed materials arranged by HQ for sales has been reduced from an average of 2 weeks to a minimum of 2 working days

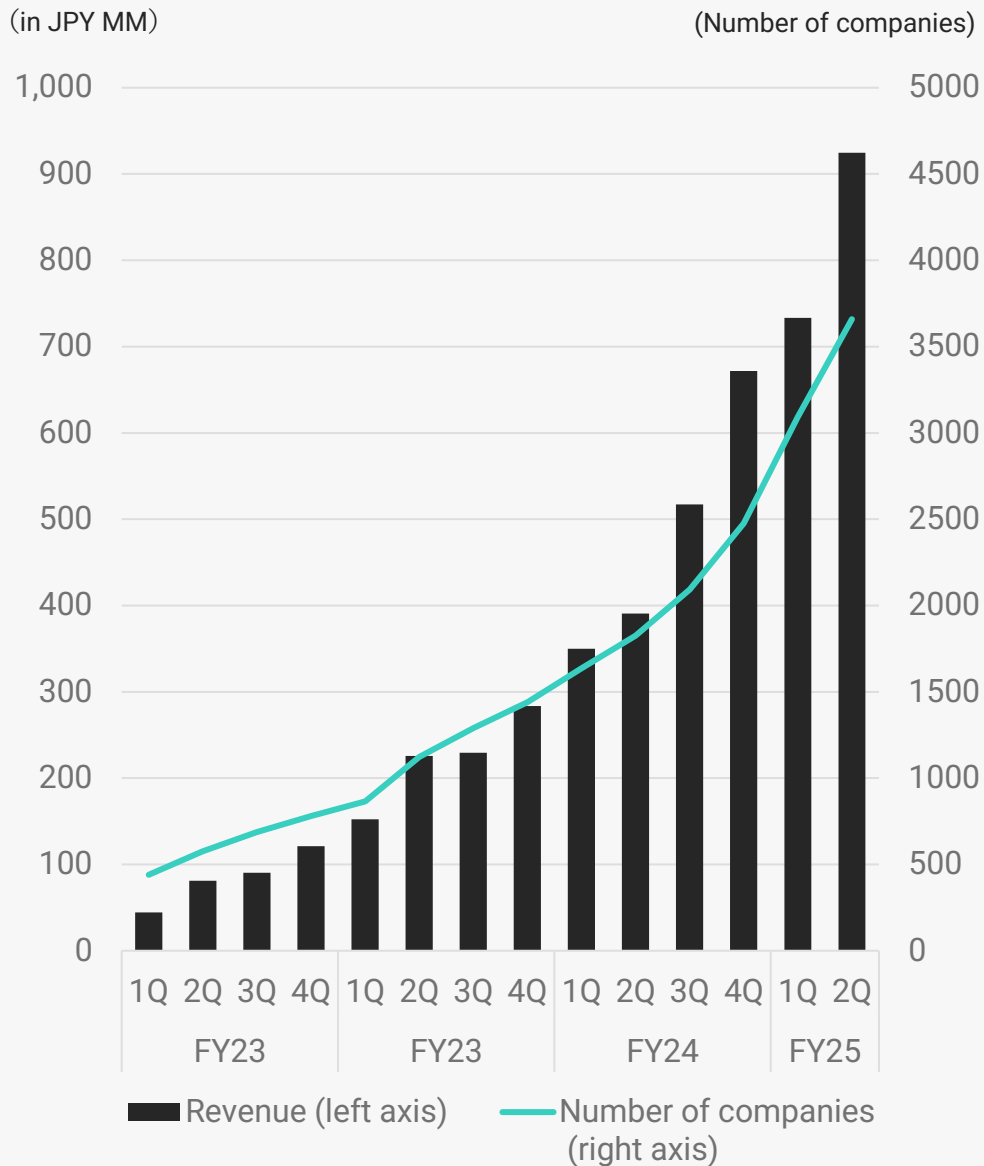
Nursing Homes

- Raksul handles the design, printing and distribution of newspaper inserts, direct mails and calendars
- We verify the number of pages read and work on design improvements

Tutoring Schools

- We have built an ordering system that can be used by classroom operators, reducing the cost and labor involved in offline measures for recruiting new students
- By controlling the designs of flyers and establishing an approval flow, it is now possible to order flyers that are original to each classroom and in line with the brand image

Raksul Enterprise sales and number of registered companies



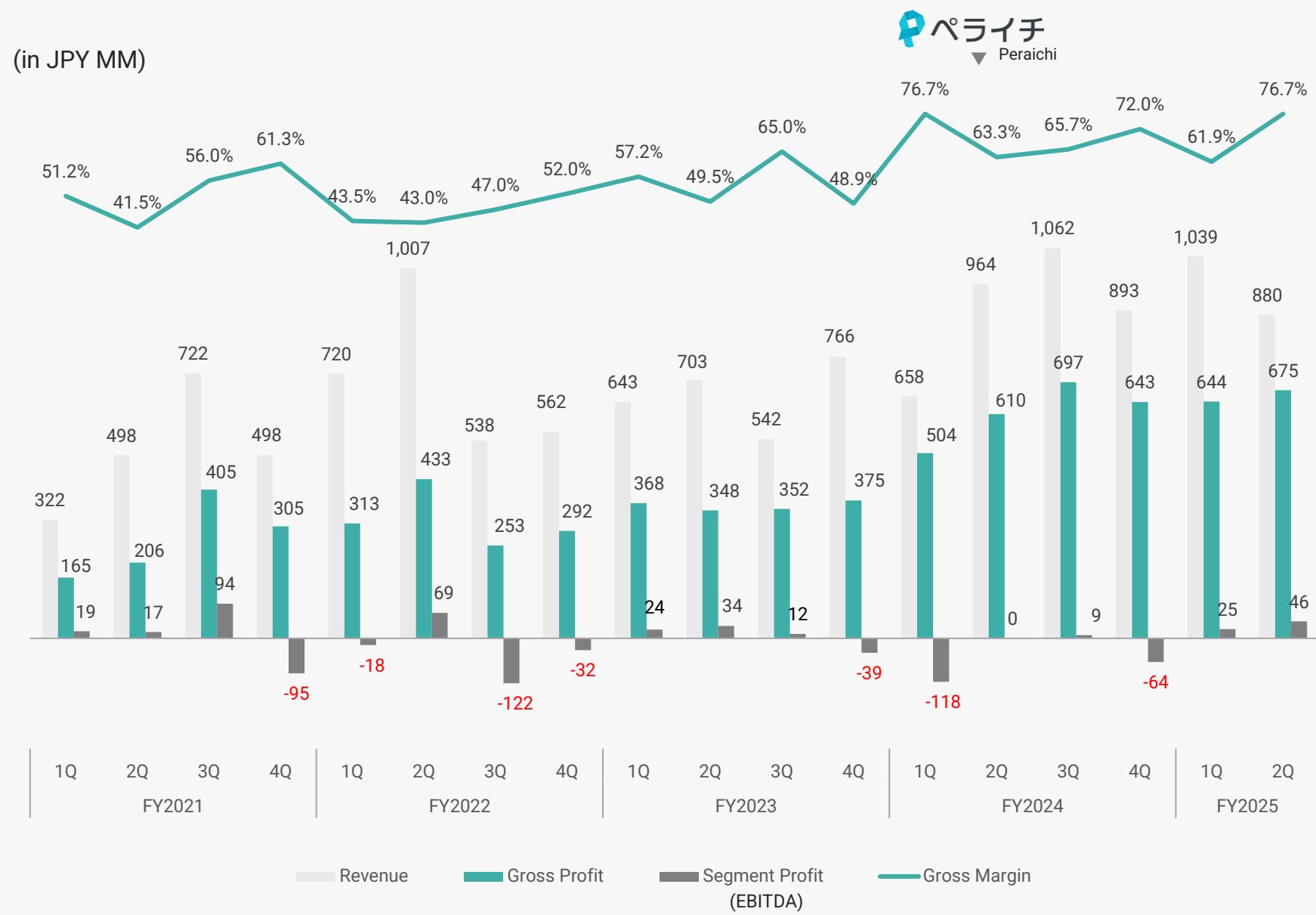


Marketing Platform Business

Performance⁽¹⁾

- Segment revenue declined due to the mix in the ad agency business, but gross profit grew 11% due to strong performance in the SaaS/SME business with high gross margins
- SaaS business and SME Marketing business continued revenue growth trend in QoQ

Services included in this segment



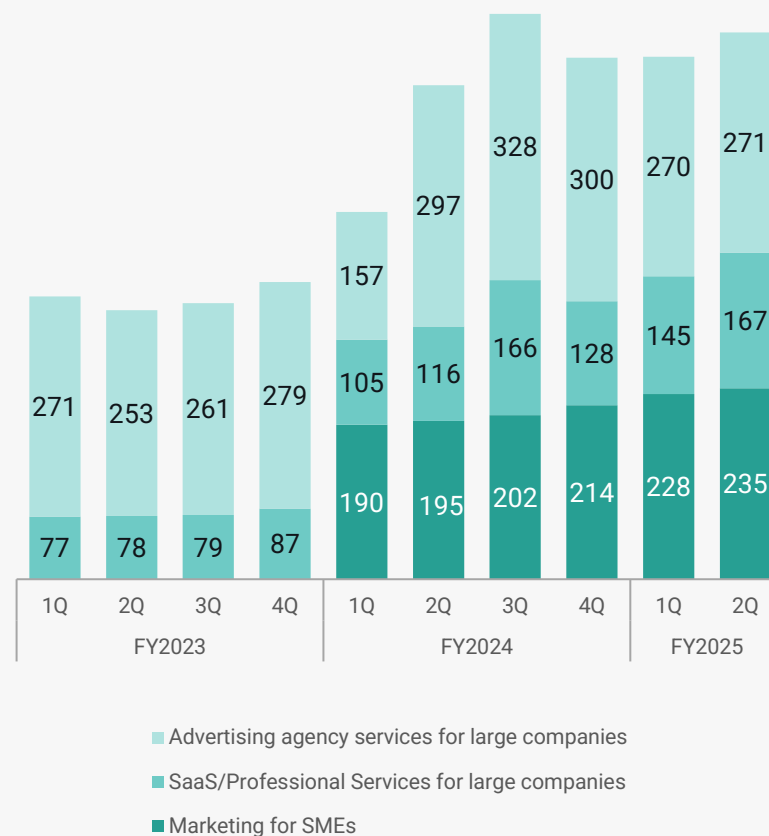
Notes
(1) Internal transactions included in revenue, gross profit, and SG&A

Marketing PF Business KPI Trends

- Marketing business for SMEs as well as SaaS business for large companies are growing continuously
- The advertising agency business for large companies has a certain degree of volatility, but is gradually expanding in scale

Gross Profit Trends

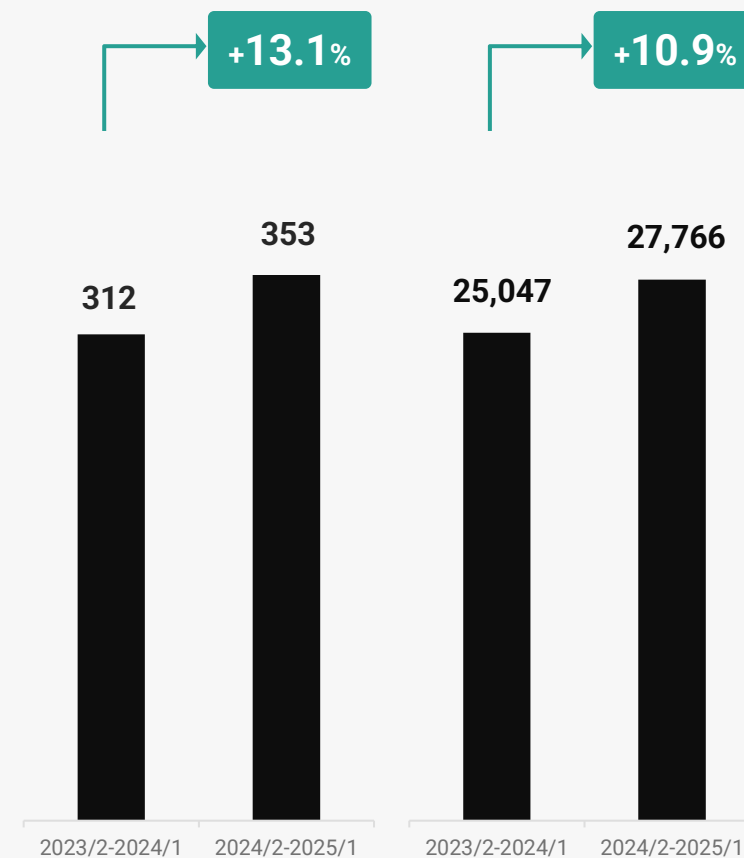
(in JPY MM)



Number of companies using the service

Medium & Large Enterprises

Sole Proprietors & SMEs⁽¹⁾



Notes

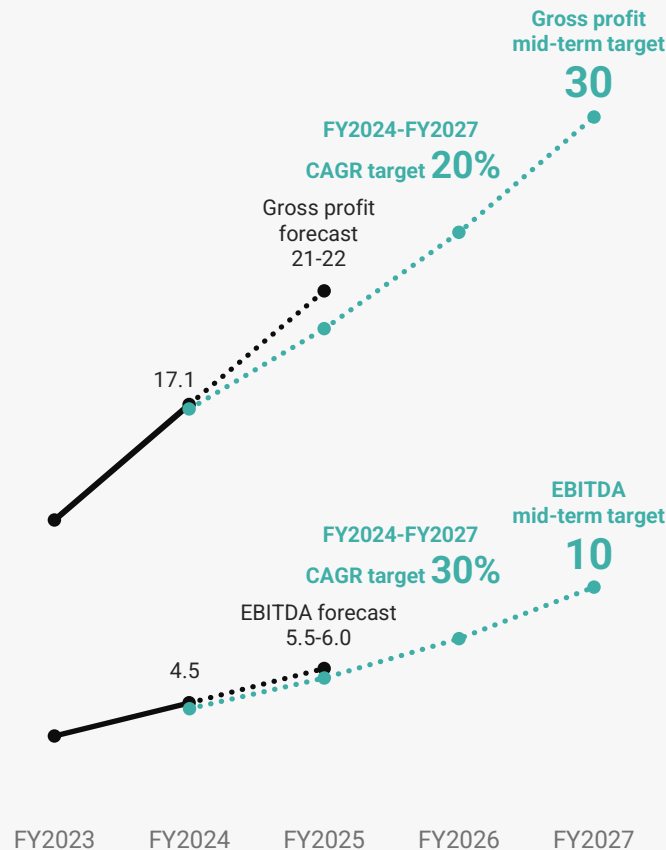
(1) The number of users of Peraichi included in sole proprietors and small and medium-sized enterprises is calculated based on the number of registered users as at the time of financial closing

Medium Term Financial Policy

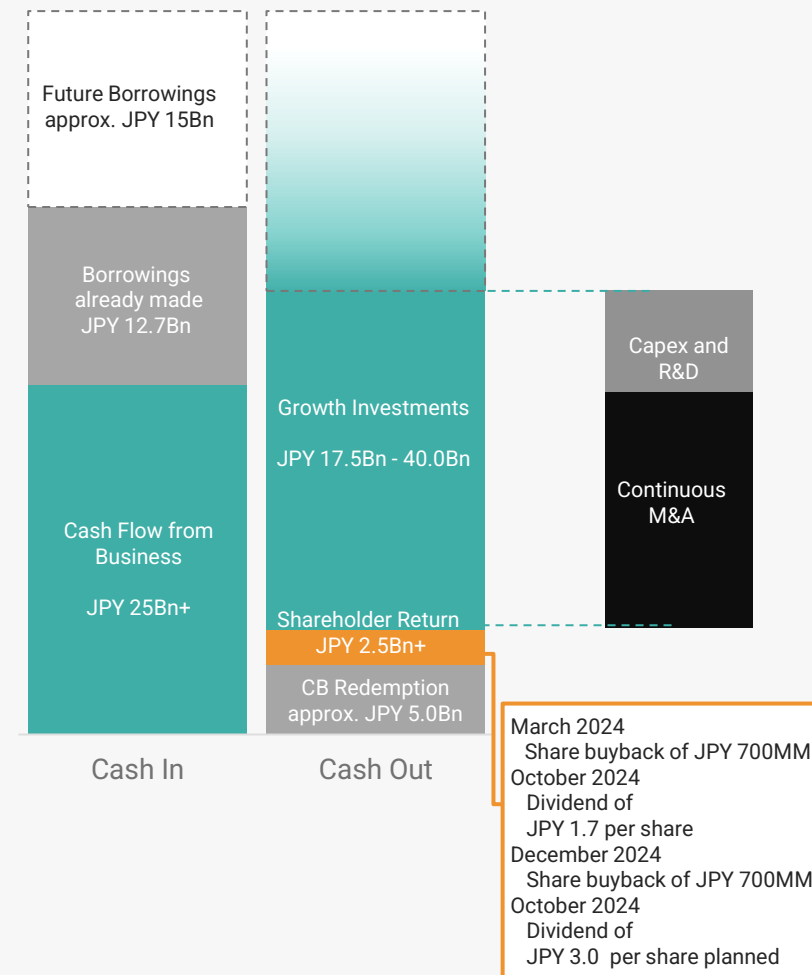
- We will continue to pursue Quality Growth (growth with profit/CF), aiming for gross profit of JPY 30Bn and EBITDA of JPY 10Bn in FY2027
- Over the next 5 years, our capital allocation will focus on growth investments, with abundant M&A opportunities in adjacent domains that would strengthen our competitive advantages
- With stable and growing cash flow, we will return minimum 10% of the cash generated through our business (minimum JPY 2.5Bn) to shareholders over the next 5 years, mainly through share buybacks
- The acquisition of treasury stock announced at the time of the 1Q was completed on February 13

FY2024 – FY2027 New Medium-Term Financial Policy

(in JPY Bn)



Capital Allocation Cumulative Total for FY2024 - FY2028





Consolidated Balance Sheet

■ We continue to maintain a healthy balance sheet. Actions that will affect the balance sheet from 2Q onwards are as follows:

- Redeemed JPY 5Bn in CBs on November 29
- Announced a loan on January 21. Net debt at the end of 1Q was JPY 1.7 Bn
- Transferred Hacobell shares on January 31

(in JPY MM)

Cash & Deposits (32.4% of Total Assets) 13,458		Current Liabilities 14,507	
Other Current Assets 8,246		Short-term borrowings 4,150 Current portion of long-term borrowings and bonds 2,193	
Non-Current Assets 19,780		Non-Current Liabilities 9,927	
Goodwill 7,231		Bank Loan 8,787	
Assets		Net Assets (41.1% of Total Assets) 17,049	
		Share Capital 2,883 Capital Surplus 5,694 Retained Earnings 5,345 Treasury shares -1,481 Stock Acquisition Rights 1,414 Others 3,194	
		Liabilities & Net Assets	

Notes

(1) (Non-GAAP NOPAT) ÷ (Net working capital + tangible and intangible assets)

(2) (Non-GAAP operating income × (1-effective tax rate)) ÷ (interest-bearing debt + net assets)

Our thinking on capital efficiency

- In the integrated report issued today, we introduce the current progress on the capital allocation announced in March 2024
- We recognize the divergence between the two types of ROIC, based on our business assets and liabilities, as an issue. We will continue to grow our business in capital efficient way, pursue M&A, and rationalize the balance sheet to further improve capital efficiency

Achieving Quality Growth

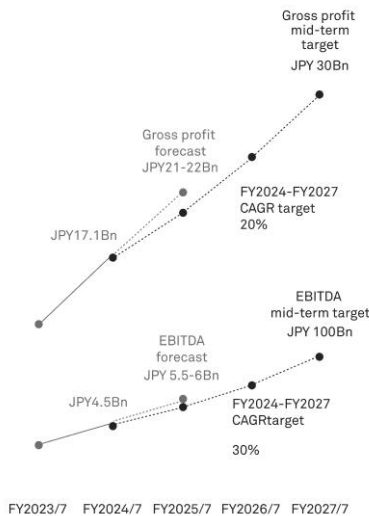
In FY2024, we made steady progress against the medium-term financial policy and capital allocation set in March 2024. We will continue to build on our achievements and aim to maximize shareholder value by achieving both growth and efficiency with a focus on capital efficiency.

Balancing Business Growth and Profit Generation

In FY2024, we achieved significant growth with gross profit of JPY 17.1Bn (YoY +39.8%) and EBITDA of JPY 4.5Bn (YoY +44.6%). FY2025 is also progressing as planned, and we will continue to achieve both business growth and profit generation.

Medium-term financial policy

Aiming for JPY 30Bn in gross profit and JPY 10Bn in EBITDA in the FY2027/7



Balancing Proactive Investment and Shareholder Returns

Since FY2024, we have executed growth investments of approximately JPY 5.7Bn and shareholder returns of JPY 1.5Bn, showing strong progress against our capital allocation targets, supported by steady profit growth. With a current Net Debt to EBITDA ratio of 0.3x, we maintain sufficient investment capacity and will continue to balance investments with shareholder returns.

Investment

M&A
In FY2024, we acquired six subsidiaries with an investment of JPY 5.1Bn. The EV/EBITDA multiple at acquisition was less than 5x relative to first-year consolidated profits. We will continue to execute M&A at appropriate valuations.

Capex and New Business
We are implementing disciplined investments with appropriate hurdle rates, including software technology for existing and new businesses and production facility automation, to achieve sustained growth.

Shareholder Returns

We executed a total of JPY 1.5Bn of shareholder returns, comprised of dividends of JPY 1.7 per share and share buybacks totaling JPY 1.4Bn. We will continue to implement proactive shareholder returns with a minimum of JPY 2.5Bn going forward.

Capital Allocation

We will allocate the cash flow of at least JPY 25Bn generated by our business operations over the five-year period from FY2024 and beyond, plus funds raised through debt, to business growth and shareholder returns (with a minimum of JPY 2.5Bn).

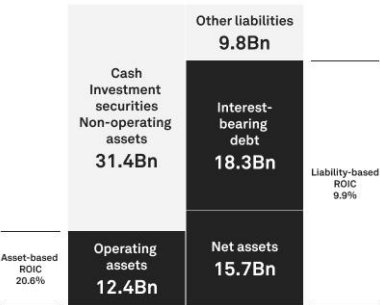


Pursuing Capital Efficiency

To achieve growth with high capital efficiency, we focus on ROIC. While ROIC on business assets has reached 20.6%, ROIC on equity and interest-bearing debt remains at 9.9%. We recognize this gap as a challenge and aim for further improvement through high ROIC in M&A (exceeding 20% upon PMI completion), business growth, and optimization of investment securities.

ROIC and Capital Efficiency

There is a divergence between asset-based ROIC and liability-based ROIC due to holdings of M&A standby funds and investment securities related to new businesses.



*Business assets = tangible and intangible assets + net working capital
†Asset-based ROIC = (Non-GAAPNOPAT) / (Net working capital + tangible and intangible assets)
‡Liability-based ROIC = (Non-GAAP operating income x (1 - effective tax rate)) / (interest-bearing debt + net assets)



Group Companies



Equity method affiliate

- In November 2024, Hacobell took over the business of the truck berth reservation system “truck book” from Monoful Inc.
- Capital participation by Environmental Energy Investment, SOMPO Growth Partners, and JA Mitsui Leasing participated in January 2025
- Quarterly revenue is approximately JPY 1.83Bn



Consolidation possible
in the future

- Raised JPY 14Bn in venture debt financing to invest in customer support expansion
- In addition to the IT device and SaaS management function, Josys released a request portal for employees and an access review function that simplifies inventory

3

1. Our Strategy and Evolution into an AI-Powered Platform, starting with Adobe partnership
2. Financial Highlights
- 3. Q&A**
4. Reference Materials

Q&A

Questions	Answers
What was the outcome of the long-term incentive granted to the CEO?	- On November 16, 2023, we passed a resolution on long-term incentives for the new CEO. The program was designed with the aim for the CEO to become the “founder” of the company to expand corporate value over the next 10 years - The granting of post-grant RSUs, paid stock options, and stock acquisitions, which make up the incentive program, is progressing in line with the original objectives, schedule, and conditions, but some changes have been made, which were disclosed on January 31, 2025 - With regards to the acquisition of shares through company loans, the auditing firm, from the perspective of preserving the company's assets, requested that Nagami borrow from a third-party financial institution and decrease the amount of the company's loan. Based on the request, the purchase amount, which had previously been around JPY 1.2 Bn, was changed to approx. JPY400MM
What is the company's policy and impact on business performance regarding the issues at Fuji Television?	- In light of the recent series of incidents at Fuji Television, as an advertiser placing advertisements on terrestrial television and as an advertising agency, we believe that having a corporate culture and governance structure that is highly conscious of human rights will contribute to the long-term development of the mass media - As an advertiser, we have decided to temporarily suspend advertising on Fuji Television, and will wait for the third-party committee to explain the facts and the company to announce its measures to prevent recurrence - In the advertising agency business, some clients have also stopped advertising on Fuji Television and changed their orders to other TV stations and digital media. At present, the impact on our sales and profits is minimal
What is the progress of Raksul Enterprise?	- The business results are reported in Slide 31 - Raksul Enterprise, our service for large companies, is growing steadily. As of FY2025 2Q, the number of companies using the service has expanded to 3,659 companies and 28,238 users - While Raksul Group's strategy is to “solve management issues of SMEs,” Raksul Enterprise and Novasell already have certain competitive advantage in providing value to large companies, and we will continue to refine our services and expand our advantages

4

1. Our Strategy and Evolution into an AI-Powered Platform, starting with Adobe partnership
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Services Offered in the Medium-to-Long Term

- Based on a shared Raksul ID, we will fulfil the diverse needs of our SME customers. In doing so, we will focus on providing an integrated user experience and creating synergies between businesses
- As we address the business challenges of SMEs, we will continue to expand our business domain and service lineup

	Transaction Diverse contact point with B2B users Maximizing group GMV	Software Lock-in through data acquisition	Finance Share of Wallet expansion, lock-in, enhanced monetization		
Customer needs / Values provided	Get Items Procuring what is needed at the right price at the right time	Manage Workers Improve efficiency of employee management	Get Customers Acquire/manage customers	Get Paid Simplify payment process	Improve Cashflow
Domain	Purchasing & procurement	Labor mgmt & Administration	Marketing & CRM	Accounting	Finance
Accumulated Data	Purchasing data	Employee data	Purchasing data	Credit data & Purchasing data	Credit data & Purchasing data
Specific Service Domains	Custom products (Printing, novelty items, BtoB apparel)	TBC	Marketing	Financial services for SMEs	
	Non-custom products (product sales)		Customer touch points (Peraichi (websites, payments, reservations))		
			CRM		

Current business domains



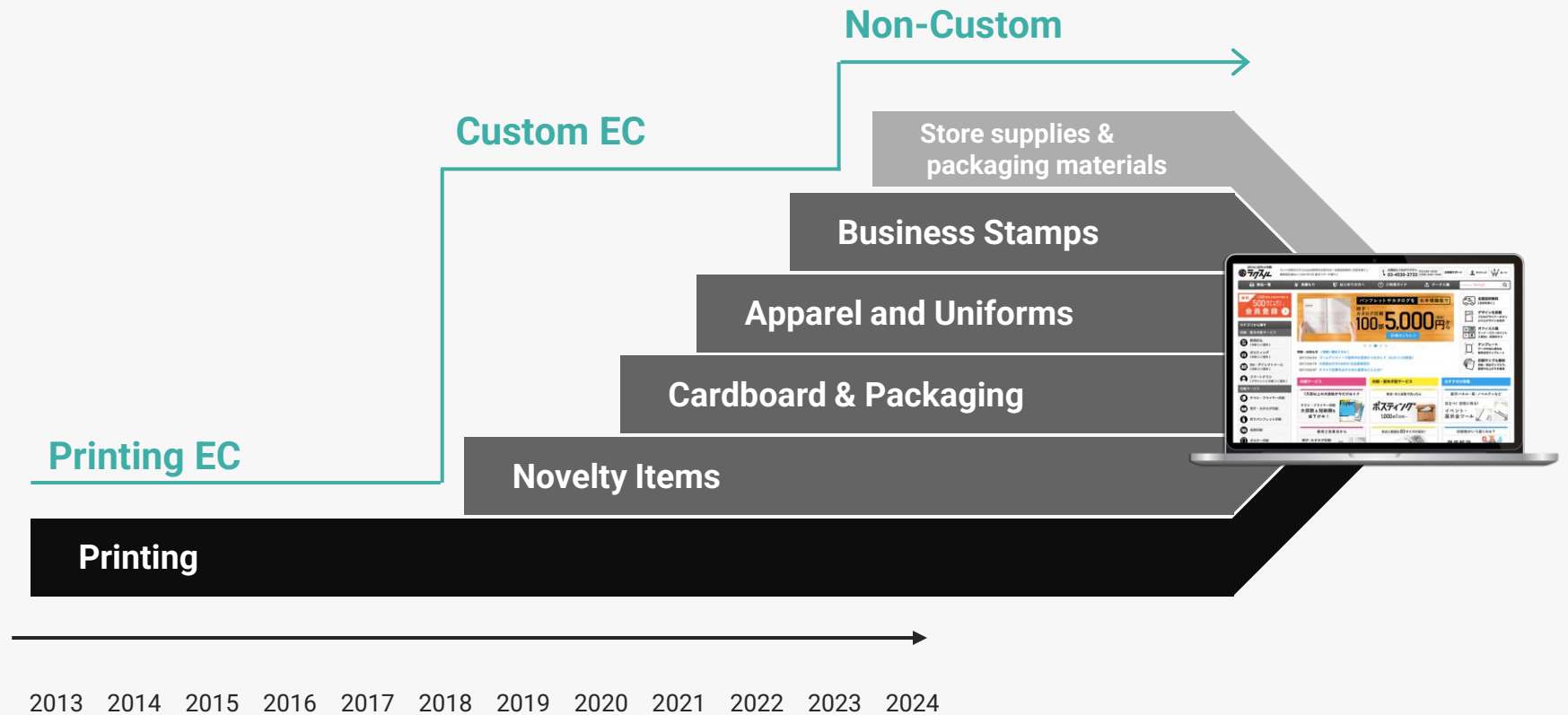
Sequential rollout





Transaction Domain: Expansion Beyond Printing

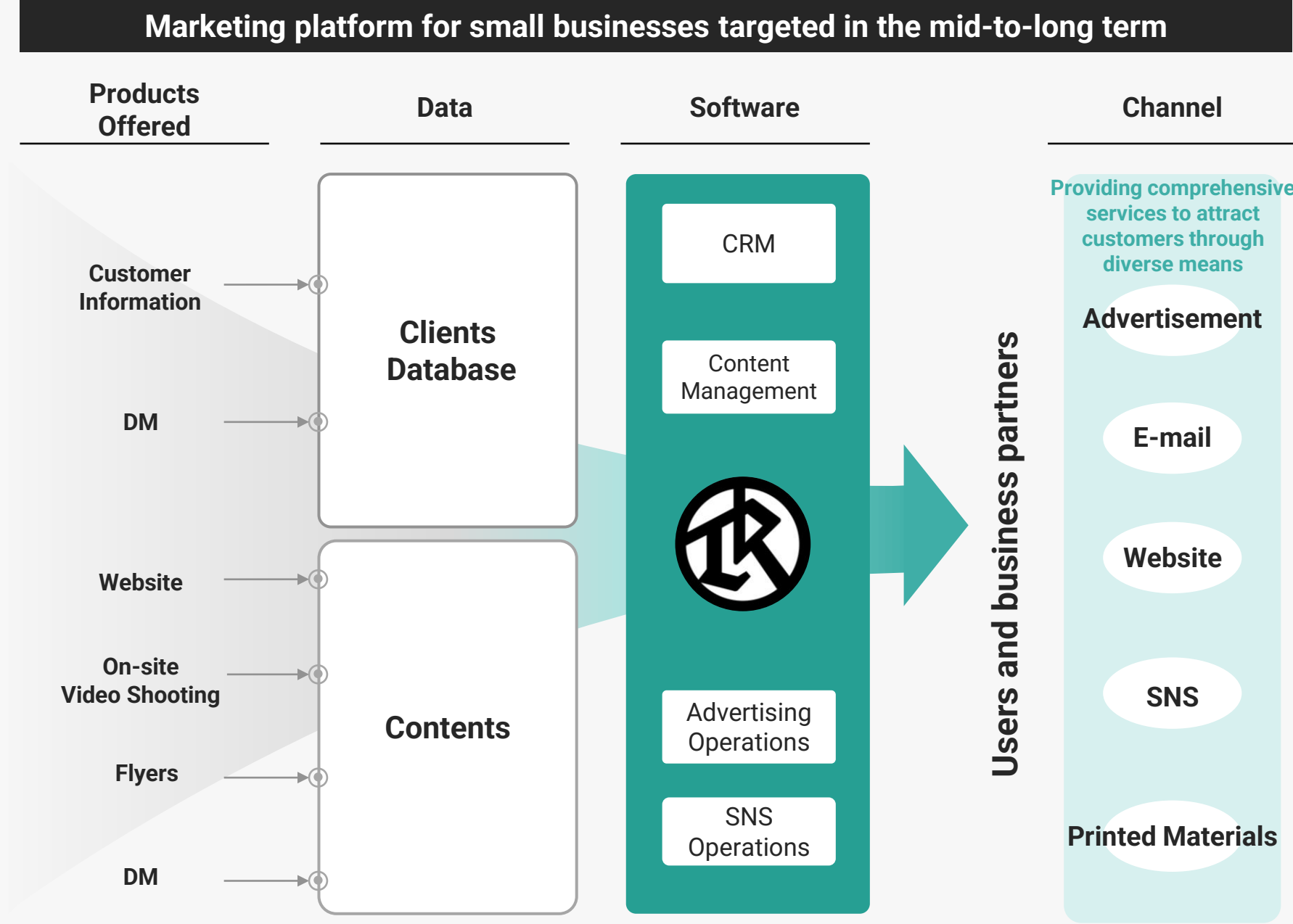
- Raksul started out as a printing EC company, but it has since expanded into custom EC areas other than printing, and has recently expanded into non-custom areas (product sales), continuously expanding its TAM





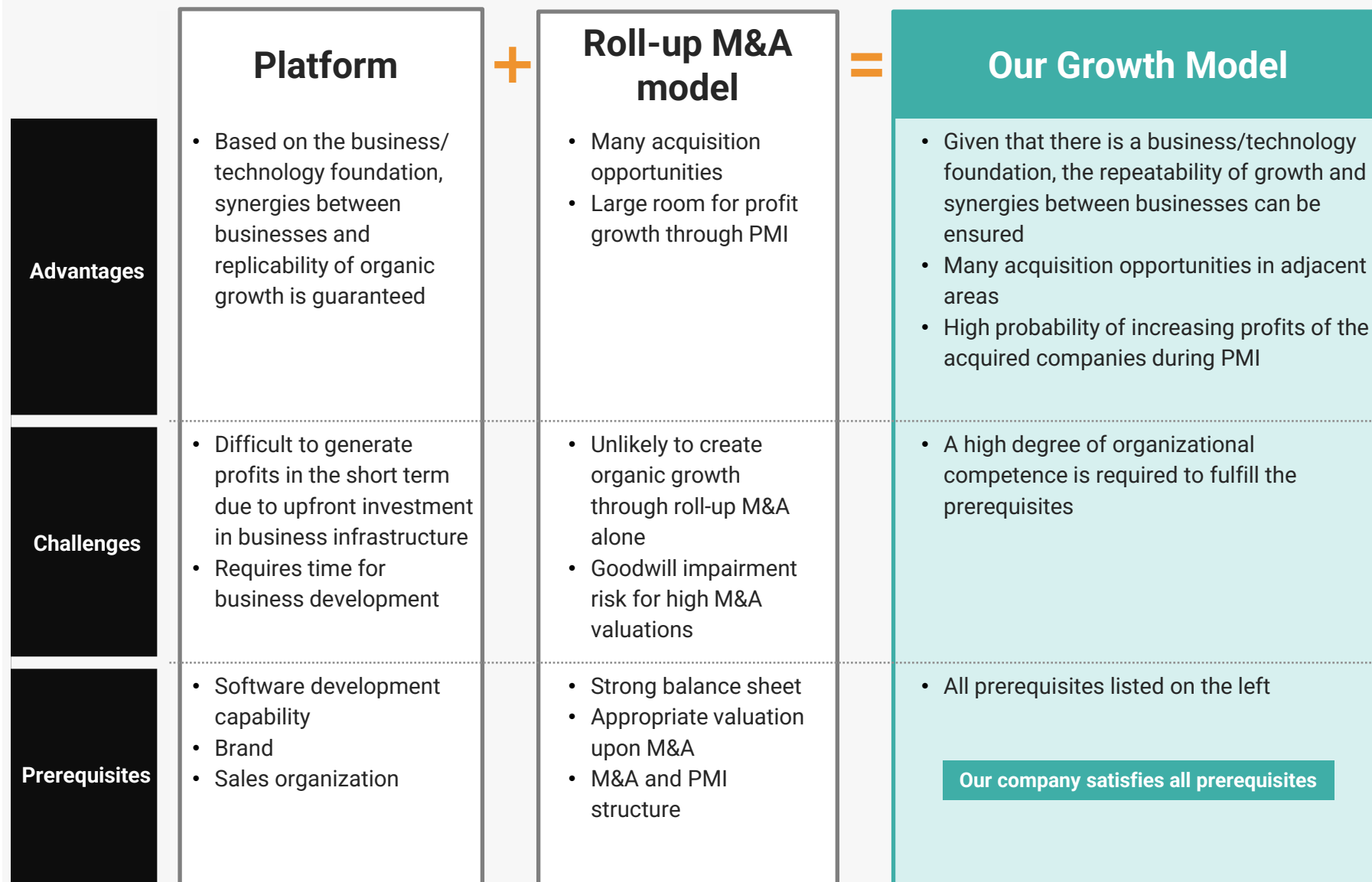
Software Domain: Marketing Platform for Small Businesses

- Provide a comprehensive software-based marketing platform through diversified means to SMEs that use printed materials to attract customers
- We plan to provide software that enables integrated management and utilization of customer information (customer database), contents (flyers, DM, etc.), and commercial area data that customers have entrusted us with



Platform + Roll-up M&A Model

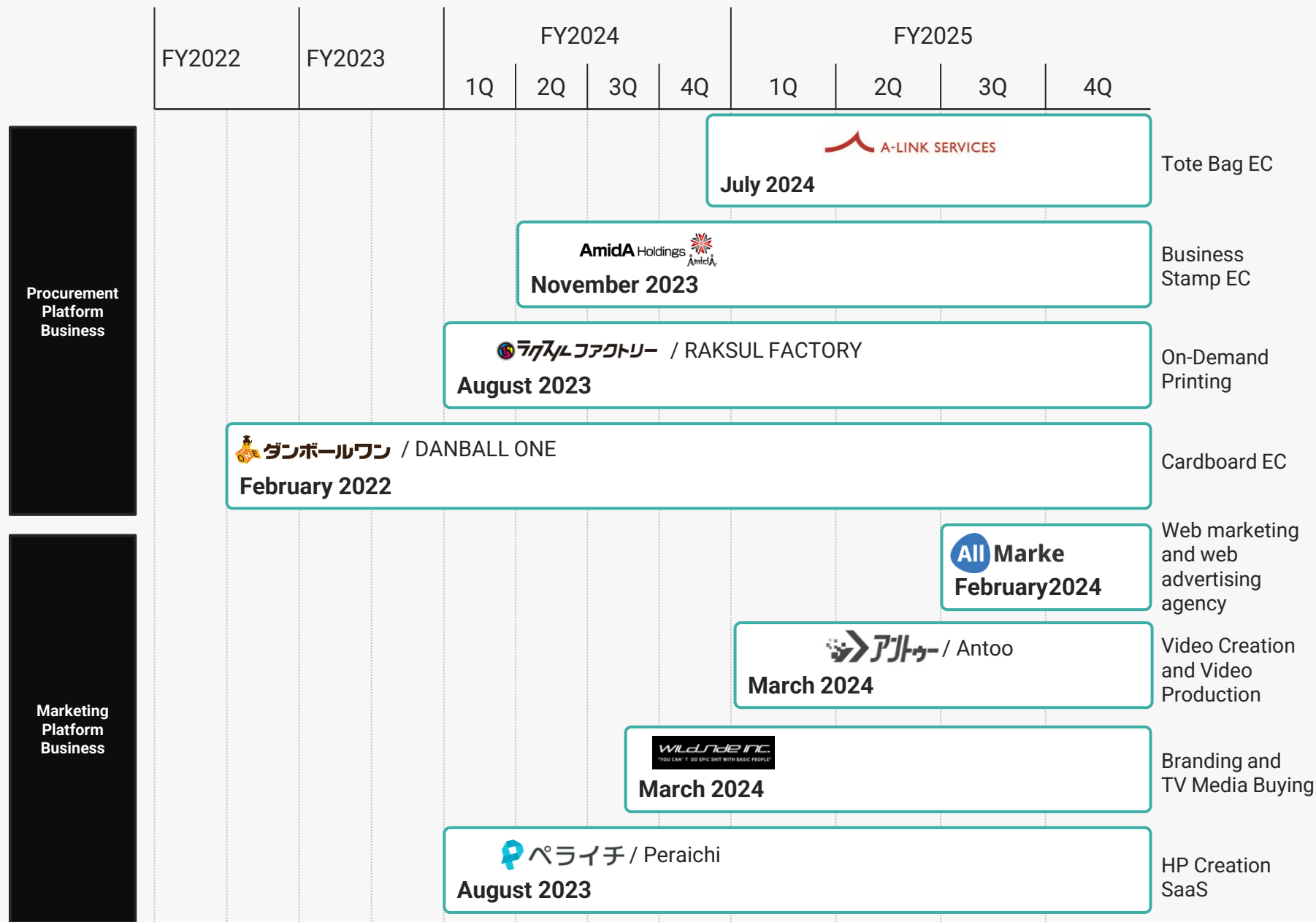
- By combining a roll-up M&A model on top of our platform that enables organic growth, we have created a business model that supplements both challenges and has a high probability of growth
- We are steadily evolving into a company capable of realizing the above model





P&L Contribution Period of Each Consolidated Subsidiary

- Newly consolidated companies and the start of their contribution to P&L are shown on the right





Financial Highlights by Business Segment (New Revenue Recognition Standards)

		FY2022				FY2023				FY2024				FY2025	
(in JPY MM)		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Revenue	Procurement Platform Business	5,461	6,092	7,894	7,877	8,540	9,316	9,919	9,979	10,451	11,666	12,416	12,574	13,561	14,065
	Marketing Platform Business	720	1,007	538	562	643	703	542	766	658	964	1062	893	1,040	880
	Hacobell	741	835	869	1,031	-	-	-	-	-	-	-	-	-	-
	Others	84	97	80	84	154	151	147	151	118	131	87	96	108	97
Gross Profit	Procurement Platform Business	1,478	1,697	2,395	2,347	2,440	2,646	2,847	2,763	3,111	3,591	3,997	3,902	4,385	4,542
	Marketing Platform Business	313	433	253	292	368	348	352	375	504	610	697	643	644	675
	Hacobell	97	104	131	130	-	-	-	-	-	-	-	-	-	-
	Others	33	38	27	29	38	37	37	38	43	50	16	22	32	29
Segment Profit (non-GAAP)	Procurement Platform Business	583	697	1,055	1,153	1,073	1,172	1,161	1,180	1,458	1,649	1,831	1,662	2,096	2,126
	Marketing Platform Business	-18	69	-122	-32	24	34	12	-39	-118	0	9	-64	25	46
	Hacobell	-68	-46	-11	-2	-	-	-	-	-	-	-	-	-	-
	Others and corporate expenses	-396	-429	-360	-437	-345	-324	-315	-491	-401	-410	-462	-607	-591	-785
Segment Profit (financial accounting)	Procurement Platform Business	534	641	862	962	875	942	926	956	1,172	1,304	1,488	1,173	1,735	1,755
	Marketing Platform Business	-25	63	-129	-39	17	21	-0	-53	-135	-14	-9	-99	-27	-36
	Hacobell	-79	-59	-25	-16	-	-	-	-	-	-	-	-	-	-
	Others and corporate expenses	-534	-580	-516	-592	-501	-404	-419	-595	-495	-539	-580	-739	-736	-791
EBITDA	Company wide	99	292	560	681	753	882	859	649	938	1,238	1,378	990	1,531	1,387

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)	FY2025 2Q (2024/11-2025/2)		
	Actual (non-GAAP)	Difference (stock-based compensation expense + amortization goodwill)	Actual (J-GAAP)
Revenue	15,043	-	15,043
Gross Profit	5,247	-	5,247
Operating Profit	1,261	333	927
EBITDA	1,387	63	1,323
Ordinary Profit	1,174	333	840
Net Profit	1,687	333	1,353

Balance Sheet

(in JPY MM)	FY2024	FY2025 2Q
Current Assets	24,981	21,704
Cash & Deposits	17,014	13,458
Non-Current Assets	18,881	19,780
Total Assets	43,863	41,484
Current Liabilities (interest-bearing liabilities)	17,983 (9,387)	14,507 (6,343)
Non-Current Liabilities (interest-bearing liabilities)	10,200 (9,006)	9,927 (8,787)
Net Assets	15,678	17,049
Share Capital	2,798	2,883
Capital Surplus	5,606	5,694
Retained Earnings	3,659	5,345
Treasury Shares	-1,001	-1,481
Stock Acquisition Rights	1,375	1,414
Others	3,241	3,194
Total Liabilities & Net Assets	43,863	41,484



Cash Flow Statement

(in JPY MM)	FY2024	FY2025 2Q
Cash Flow from Business Activities	2,705	1,625
Cash Flow from Investment Activities	-6,930	-998
Cash Flow from Financial Activities	5,671	-4,180
Net Change in Cash and Cash Equivalents (Including increase/decrease due to new consolidation)	2,369	-3,556
Cash and Cash Equivalents at the end of period	17,004	13,448



Sources

P9

TAM	Transaction	Business stationery and commercial printing	Calculated based on "Current Production Statistics: Paper, Printing, and Plastic" (METI), production volume basis
		Novelty items	Calculated based on Yano Research Institute's "Gift Market White Paper (2022)", "Conducted research on the corporate gift market (2024)", "Conducted research on the character business (2023)", and Mitsubishi UFJ Research & Consulting's "Survey results on the domestic creator economy"
		Promotional media = Offline advertising	Total of inserts, DMs, and free magazines from "Advertising Expenditures in Japan" (Dentsu, 2023)
		Packaging materials	Shipment volume of Japan packaging industry 2023 Japan Packaging Institute, paper and cardboard products
	Software & Marketing	TV commercials	"Advertising Expenditures in Japan" (Dentsu, 2023)
		Digital advertising	"Advertising Expenditures in Japan" (Dentsu, 2023)
		Digital signage	"Digital Signage Advertising Market Study 2023" (CARTA HOLDINGS)
		Software	"Software Business New Markets 2023" (Fuji Chimera Research Institute)
	Finance	Financial services	Calculations based on Yano Research Institute's "Actual Conditions and Outlook for the Credit Card Market in 2022", "Actual Conditions and Future Forecasts for the Domestic Cashless Payment Market in 2024", Bank of Japan's "Payment Trends", and Small and Medium Enterprise Agency's "Statistics on Small and Medium Enterprises"
Digital Market Expansion		Corporate cards	"Credit Card Market Facts and Outlook 2022" (Yano Research Institute)
		SaaS for domestic enterprises	"Software Business New Markets 2023" (Fuji Chimera Research Institute)
		Digital advertising	"Advertising Expenditures in Japan" (Dentsu, 2023)
		Printing E-commerce	"Conducted a survey on the domestic print mail-order market (2022)" (Yano Research Institute)
		BtoB E-commerce	"Market Survey on Electronic Commerce 2022" (METI)

P10

Number of companies/employees in Japan	Source: Small and Medium Enterprise Agency, "Number of enterprises, number of regular employees, and total number of employees by prefecture and metropolitan area (private, non-primary industry, 2021)" Small enterprises: 20 or less employees (5 or less for wholesale, retail, and service industries); Medium-sized enterprises: Rubber product manufacturers with capital of JPY 300MM or less or 900 employees or less; other manufacturers, construction, and transportation companies with capital of JPY 300MM or less or 300 employees or less; hospitality companies with capital of JPY 50MM or less or 200 employees or less; wholesale companies with capital of JPY 100MM or less or 100 employees or less; retailers with capital of JPY 50MM or less or 50 employees or less, other industries vary
Number of registered enterprise users of Raksul	Small enterprises: less than 10 employees; Medium enterprises: less than 500 employees
Recognition Survey Results	Survey period: June 26, 2024 - July 7, 2024 Survey targets: 18-69 year olds, monthly budget of at least JPY100,000 for printed materials, and those who place orders at least once a year (excluding students, housewives/househusbands, part-timers, and unemployed) - 'I have the authority to order printed materials or select a printing company for my job' n=543 - 'I do not have the authority to make decisions on ordering printed materials or selecting a printing company, but I am involved in the selection process' n=526



BETTER SYSTEMS, BETTER WORLD

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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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