June 10th, 2021

Company name: RAKSUL INC.
Representative: Yasukane Matsumoto
Representative Director, President and CEO
(TSE First Section Code No. 4384)
Contact: Yo Nagami
Director, CFO

Announcement of revision of financial forecast and recording of deferred tax assets

After reviewing recent performance trends, Raksul Inc. ("RAKSUL") has decided to revise the financial forecast for the fiscal year ending July 31st, 2021, which was announced on September 10th, 2020. RAKSUL is also expecting to record deferred tax assets as detailed below.

1. Revision of financial forecast

(1) Revision of full-year forecast for FY2021 (August 1st, 2020 - July 31st, 2021)

	Revenue	Operating Profit (Loss)	non-GAAP Operating Profit (Loss)	Ordinary Profit (Loss)	Net Profit (Loss)	Earnings (Loss) per Share
	In JPY MM	In JPY MM	In JPY MM	In JPY MM	In JPY MM	In JPY
Previously announced forecast (A)	27,000 ～28,000	(150) ～50	300 ～500	-	-	-
Revised forecast (B)	29,650 ～30,150	110 ～190	720 ～800	40 ～120	60 ～140	2.11 ～4.91
Difference (B-A)	2,150 ～2,650	140 ～260	300 ～420	-	-	-
Difference in percentage (%)	7.7 ～9.8	- ～280.0	60.0 ～140.0	-	-	-
(Reference) Results for the previous fiscal year which ended in July 2020	21,494	(244)	(159)	(368)	(494)	(17.64)

Note: non-GAAP profits are calculated by deducting or adjusting non-recurring items and other specific adjustable items from GAAP profits (Japan GAAP) based on certain rules. We disclose non-GAAP figures as we believe they are useful in understanding our fundamental business performance. Specifically, we adjust certain one-off profits and losses that we deem deductible (mainly stock-based compensation expenses).

(2) Reasoning for the revision of financial forecast

In the current fiscal year, although the market situation worsened from initial assumptions due to multiple states of emergency being declared amid the COVID-19 pandemic, the companywide revenue is expected to grow by 37.9% - 40.3% YoY, which is higher than our previously announced forecast. In the Raksul business segment, sales exceeded forecasts by adapting to changes in the business environment, especially showing strong growth in products that capture stay-at-home demand such as envelopes and DMs, and new products such as novelties. In the Novasell business segment, growth accelerated due to an increase in the number of new customers and large-scale projects. For the Hacobell business segment, we are seeing continuous growth due to increasing demand from

customers in the beverage and retail industries in the intra-city and last mile deliveries.

Regarding profit, as we have been focused on improving gross margins in each business segment, we expect the gross profit, which is the source of our corporate value, to be ¥7.1 billion - ¥7.2 billion. As for operating profit (non-GAAP), we revised it upward to ¥720 million - ¥800 million, which is the result of continuous efforts to improve the efficiency of productivity and gross margins, as well as to actively reinvest towards increasing our platform value. As it is certain the full year operating profit (non-GAAP) will highly exceed the previously announced forecast, we will strengthen investment in Q4 towards growth for the next fiscal year onwards. The expected net profit is ¥60 million - ¥140 million which is in line with the increase in operating profit as well as the recording of deferred tax assets.

Note: The above-mentioned forecasts are based on the information available at the time of preparation of this announcement, and actual performance may differ due to various factors such as impact from spread and/or convergence of COVID-19 and other external conditions such as the holding of the Olympics.

2. Recording of deferred tax assets

As a result of careful consideration of the recoverability of deferred tax assets based on future performance outlook, we have decided to record deferred tax assets for the portion where recoverability is probable and incorporate deferred tax assets of ¥198 million as adjustments to income taxes.