February 13, 2023

Company name: RAKUS Co., Ltd.
Stock exchange listing: Tokyo PRIME / Stock code: 3923
URL https://www.rakus.co.jp/en/
Representative: Representative Director and President Takanori Nakamura
Inquiries: Director, Strategic Planning Department Yoshifumi Matsushima

# Notice Regarding the Revision of Consolidated Guidance for FY2023.3

RAKUS Co., Ltd. (hereinafter the "Company"), in light of the impact of the company split of some businesses held by our consolidated subsidiary and recent business trends, decided at a board meeting held on February 13, 2023 to revise the guidance for the fiscal year ending March 2023 (from April 1, 2022 to March 31, 2023) which was disclosed on November 11, 2022 as follows:

1. Revision of Consolidated Guidance for FY2023.3 (from April 1, 2022 to March 31, 2023)

| | Sales | Operating profit | Ordinary profit | Profit attributable to owners of the parent company | Earnings per share |
|---|---|---|---|---|---|
| Previous guidance (A) | (million yen) 27,302 | (million yen) 1,424 | (million yen) 1,447 | (million yen) 934 | (yen) 5.15 |
| Revised guidance (B) | 27,366 | 1,498 | 1,508 | 1,111 | 6.13 |
| Difference (B-A) | 64 | 74 | 61 | 177 | |
| Difference (%) | 0.2 | 5.2 | 4.2 | 19.0 | |
| (Reference) Earnings results of the previous fiscal year (FY 2022.3) | 20,629 | 1,578 | 1,595 | 1,078 | 5.95 |

2. Reason of revision

The Company expects to record an extraordinary income of 200 million yen from the company split of some businesses including the rental server business held by our consolidated subsidiary, RAKUS Light Cloud, Co., Ltd. In addition to the steady sales growth, profits at each stage are expected to exceed the previous guidance, reflecting the forecasted decline in personnel costs and increase in advertising costs, in light of the current business environment.

Regarding the details of the company split of some businesses held by our consolidated subsidiary, please refer to the announcement released on November 11, 2022 as follows.
Announcement Regarding the Company Split (Absorption-type Split) with a Consolidated Subsidiary (RAKUS Light Cloud Co., Ltd.) and NHN Techorus Corp.

(Note) The figures of revised guidance have been calculated based on the information currently available to the Company and certain assumptions which the Company deems reasonable. The actual results may differ from the guidance.

End

(reference)

November 30, 2022

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# Announcement Regarding the Company Split (Absorption-type Split) with a Consolidated Subsidiary (RAKUS Light Cloud Co., Ltd.) and NHN Techorus Corp.

RAKUS Co., Ltd. (Head office: Shibuya-ku, Tokyo; President and Representative Director: Takanori Nakamura) hereby announces that, our board of directors resolved at the meeting held on November 30, 2022, to transfer Xform and rental server businesses (hereinafter the "Business") of RAKUS Light Cloud Co., Ltd. (Head office: Shibuya-ku, Tokyo; President and Representative Director: Fumihiko Asano), a wholly-owned subsidiary of RAKUS, to NHN Techorus Corp. (Head office: Minato-ku, Tokyo; CEO: Akiteru Shirakura) by means of company split (absorption-type split), as described below.

## 1. Purpose of the Company Split

The mission of RAKUS is "we constantly help companies grow their businesses by providing IT services". In Japan, where the birthrate is declining and the working population is decreasing, our goal is to help with these social issues by increasing work efficiency through cloud services and IT technologies.
RAKUS Light Cloud provides cloud services mainly to SMEs. As for the Business, it became a consolidated subsidiary of RAKUS in 2005, was merged into RAKUS in 2006, and then transferred its business to RAKUS Light Cloud in 2018.
NTN Techorus is a managed service provider company that has been providing customers with IT infrastructure design, operation, and management support services for over 20 years, covering the three elements required for a smooth cloud journey to achieve DX: implementation, optimization, and data utilization.
As part of efforts to streamline and concentrate the management resources of RAKUS Group from a medium-to-long term perspective, we have continuously discussed with NHN Techorus, which has management expertise in the area of the Business, and determined that transferring the Business to NHN Techorus would be the best way for enhancing the Business itself and increase the value provided to customers.

2. Summary of the Company Split

(1) Schedule of the Company Split

| | |
|---|---|
| Date of the resolution of the Board of Directors (RAKUS) | November 30, 2022 |
| The date of conclusion of the absorption-type company split agreement (RAKUS Light Cloud and NHN Techorus) | December 1, 2022 |
| Effective date of the company split | February 1, 2023 |

(2) Method of the Company Split

This will take the form of an absorption-type company split, with RAKUS Light Cloud as the splitting company and NHN Techorus as the successor company.

(3) Details of the Allocation Relating to the Company Split

In the company split, RAKUS Light Cloud will receive 200 million yen in cash from NHN Techorus.

(4) Treatment Regarding Share Options and Bonds with Share Options Associated with the Company Split

None.

(5) Stated Capital Increased or Decreased due to the Company Split

There will be no increase or decrease in RAKUS's stated capital due to the company split.

(6) Rights and Obligations to Be Succeeded by the Successor Company

NHN Techorus, the successor company, will succeed the assets, liabilities and other rights and obligations related to the Business prescribed split agreement as of the effective date.

(7) Expected Fulfillment of Obligations

It has been judged that there would be no issues regarding fulfillment of obligations in the split due to the fact that neither the splitting company nor the successor company is expected to have any problems with the performance of obligations to be born in this company split.

3. Basis of the Allotment Related to the Company Split

The two companies have reached an agreement on the aforementioned allotment in relation to the company split as a result of sincere discussions based on a comprehensive consideration of factors such as the status of earnings and future prospects of the Business to be split from RAKUS Light Cloud in this company split.

4. Overview of the Companies Involved in the Company Split

| | | Splitting company | Successor company |
|---|---|---|---|
| (1) | Name | RAKUS Light Cloud Co., Ltd. | NHN Techorus Corp. |
| (2) | Location | 5-27-5 Sendagaya, Shibuya-ku, Tokyo | 1-23-1 Toranomon, Minato-ku, Tokyo |
| (3) | Representative | Fumihiko Asano, President and Representative Director | Akiteru Shirakura, CEO |
| (4) | Business description | provide cloud services | IT infrastructure and solution business |
| (5) | Capital amount | 18 million yen | 2,100 million yen |
| (6) | Established | February 17, 2003 | April 2, 2007 |
| (7) | Shares outstanding | 360 | 201,000 |
| (8) | Fiscal year-end | March 31 | December 31 |
| (9) | Shareholder | RAKUS Co., Ltd. 100% | NHN Japan Corp. 100% |
| (10) Financial Condition and Business Results for the Previous Fiscal Year | | | |
| Fiscal term | | Fiscal year ended March 31, 2022 | Fiscal year ended December 31, 2021 |
| Net assets | | 936 million yen (Non-consolidated) | 3,741 million yen |
| Gross assets | | 1,380 million yen (Non-consolidated) | 5,584 million yen |
| Net assets per share | | 2,600,081 yen (Non-consolidated) | 18,612.91 yen |
| Net sales | | 923 million yen (Non-consolidated) | 8,851 million yen |
| Operating profit | | 352 million yen (Non-consolidated) | 1,347 million yen |
| Ordinary profit | | 357 million yen (Non-consolidated) | 1,340 million yen |
| Net profit | | 234 million yen (Non-consolidated) | 1,012 million yen |
| Net profit per share | | 651,459 yen (Non-consolidated) | 5,039.79 yen |

Note: The financial condition and business results of RAKUS Light Cloud for the previous fiscal year are the figures before the Business carve-out.

5. Overview of the Business to Be Split

(1) Description of the Business to Be Split

Xform and rental server businesses

(2) Operating results of the business to be split (fiscal year ended March 31, 2022)

Sales 157 million yen

Operating profit 37 million yen

(3) Items and Amounts of Assets and Liabilities to Be Split (As of end of July, 2022)

| Assets | | Liabilities | |
|---|---|---|---|
| Items | Book values | Items | Book values |
| Current assets | 43million yen | Current liabilities | 53 million yen |
| Non-current assets | 9 million yen | Non-current liabilities | — |
| Total | 53 million yen | Total | 53 million yen |

6. Status of the Companies After the Company Split

There will be no change in the name, location, position or name of the representative, business, stated capital, or fiscal term of RAKUS, RAKUS Light Cloud and NHN Techorus following the company split.

7. Outline of Accounting Procedures

We plans to record an extraordinary income of 200 million yen in the fourth quarter of the fiscal year ending March 31, 2023, while the estimated sales and profit amount of the Business is expected to decrease.

8. Future Outlook

We are still examining the impact on our consolidated financial results and will promptly disclose the revised forecast if it becomes necessary.

End