August 6, 2024

Company name: RAKSUL INC.
Representative: Yo Nagami
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(TSE Prime Market Code No. 4384)
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Frequently Asked Questions from our Investors (as of August 2024)

The following is a list of questions we have received from investors over the past week and our answers to them.

Q1	With the recent rapid appreciation of the yen, will this impact RAKSUL's business and performance?

The impact of the appreciation of the yen on our business and performance is minimal or positive.

We have very limited foreign currency revenues within our scope of consolidation. In terms of expenses, in addition to having a software development center in Vietnam, we are flexibly adjusting the ratio of domestic and overseas procurement of materials. The impact of exchange rate fluctuations on our business is small, and since some of our expenses are in foreign currencies, the appreciation of the yen has a slightly positive impact.

Q2	Rate environment is changing globally. Does this have any impact on your M&A strategy?

We minimize our risks by using a combination of fixed and variable interest rates in debt financing, as well as by targeting businesses with high synergy probability and profitability as a core part of our M&A strategy.

Our M&A strategy is based on the medium-term financial policy, capital allocation, and the medium-term expansion direction strategy on p.26 and p.7 of the FY2024 3Q Financial Results Presentation, with a particular focus on expansion into adjacent domains and supply enhancement.

We have continuously raised funds through debt financing in advance, and as of the end of April, we have cash and deposits of 18.5 billion yen and interest-bearing debt of 18.9 billion yen, making us well-prepared for future investments. Borrowing terms are optimized for future capital needs, with a combination of fixed and variable interest rates, lump-sum repayments and installment repayments.

In our M&A strategy, we place a high priority on achieving synergies with Raksul's platform, and many of the companies we have acquired so far are highly profitable, hence the impact of interest rate fluctuations on our investment outlook is minimal.

Q3	Are there any changes in performance trends or environment amidst a fluctuating macro environment?

There is no significant change from the trends and forecasts disclosed in the 3Q financial results presentation.

In the Raksul business, organic YoY growth in 4Q revenue and gross profit is expected to improve from the previous quarter, as high previous year hurdles stemming from the reopening after the pandemic gradually normalize. In the Novasell business, gross profit is expected to decline QoQ due to seasonality and one-off projects.