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RAKSUL

Summary of Consolidated Financial Results for the Six Months Ended January 31, 2025 (Based on Japanese GAAP)

March 13, 2025

Company name: RAKSUL INC.
Listed stock exchange : Tokyo
Stock code: 4384 https://corp.raksul.com/
Representative: Representative Director, President, and CEO Yo Nagami
Inquiries: SVP & Group CFO Masaru Sugiyama
Scheduled date of filing annual securities report: March 13, 2025
Scheduled date of dividend payments: –
Supplementary materials: Yes
Meeting for institutional investors and analysts: Yes

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended January 31, 2025 (August 1, 2024 - January 31, 2025)

(1) Consolidated Operating Results

(Percentages show the change from the same period of previous fiscal year)

	Net sales		Gross profit		Operating profit		non-GAAP EBITDA*1	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2025	29,753	24.0	10,309	30.3	1,900	47.2	2,918	34.0
January 31, 2024	23,990	23.0	7,911	34.5	1,291	35.7	2,177	33.1

Note: Comprehensive income For the Six months January 31, 2025: 1,813 million yen (4.8%)
For the Six months January 31, 2024: 1,730 million yen (31.3%)

	Ordinary profit		Net profit attribute to owners of parent		Earnings per share	Diluted earnings per share
Six months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
January 31, 2025	1,710	59.9	1,785	0.3	30.67	29.66
January 31, 2024	1,069	35.0	1,779	34.1	30.47	28.95

	Return on shareholders'Equity	Ordinary profit to total assets	Operating profit to net sales
Six months ended	%	%	%
January 31, 2025	12.0	4.0	6.4
January 31, 2024	13.2	3.3	5.4

Reference: Share of loss (profit) of entities accounted for using equity method:
For the Six months January 31, 2025: (145) million yen
For the Six months January 31, 2024: (187) million yen

*1 non-GAAP EBITDA is 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 share-based payment expenses, depreciation, and amortization of goodwill).

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net Assets per share
As of	Millions of yen	Millions of yen	%	Yen
January 31, 2025	41,484	17,049	37.6	269.04
July 31, 2024	43,863	15,678	32.3	243.80

Reference: Shareholders' equity January 31, 2025: 15,588 million yen July 31, 2024: 14,179 million yen

2. Dividends

	Annual Dividends				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended July 31, 2024	—	0.00	—	1.70	1.70
Year ending July 31, 2025	—	0.00			
Year ending July 31, 2025 (forecast)			—	3.00	3.00

Note: Amendments to dividend forecast compared with the most recent disclosure: Yes

Please refer to the “Announcement of revision of consolidated financial forecast and dividend forecast for the fiscal year ending July 2025 (increase in dividend)” announced on March 13, 2025 for the dividend forecast for the fiscal year ending July 2025.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending July 31, 2025 (August 1, 2024 - July 31, 2025)

(Percentages show the change from the same period of previous fiscal year)

	Net sales		Gross profit		Operating profit		non-GAAP EBITDA	
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2025	61,000 ～63,000	19.3 ～23.2	21,000 ～22,000	22.1 ～28.0	3,200 ～3,700	26.8 ～46.6	5,500 ～6,000	20.9 ～31.9

	Ordinary profit		Net profit attribute to owners of parent	
Fiscal year ending	Millions of yen	%	Millions of yen	%
July 31, 2025	2,700 ～3,200	32.2 ～56.7	2,480 ～2,780	17.1 ～31.2

Note: Revisions of most recent financial results forecast: Yes

Please refer to the “Announcement of revision of consolidated financial forecast and dividend forecast for the fiscal year ending July 2025 (increase in dividend)” announced on March 13, 2025 for the dividend forecast for the fiscal year ending July 2025.

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting methods for preparing quarterly financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

1)Changes in accounting policies due to revisions to accounting standards and other regulations:	Yes
2)Changes in accounting policies due to other reasons:	None
3)Changes in accounting estimates:	None
4)Restatement of prior period financial statements:	None

(4) Number of shares outstanding (common shares)

1)Number of shares outstanding at the end of period (including treasury shares)

As of January 31, 2025	59,152,744 shares	As of July 31, 2024	58,972,546 shares

2)Number of treasury shares at the end of period

As of January 31, 2025	1,214,118 shares	As of July 31, 2024	810,350 shares

3)Average number of shares outstanding during the period

As of January 31, 2025	58,215,114 shares	As of January 31, 2024	58,396,610 shares

This quarterly report of financial results is out of scope from quarterly review procedures conducted by independent auditors.

*** Cautionary statement with respect to forward-looking statements**

The forecasts above are based on the judgments made in accordance with information currently available. Forecasts therefore include risks and uncertainties. Actual figures may differ from these forecasts due to subsequent changes in the circumstances.

Interim Consolidated Financial Statements
Interim Consolidated Balance Sheets

(Millions of yen)

	As of July 31, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	17,014	13,458
Notes and accounts receivable - trade	5,770	5,245
Merchandise and finished goods	495	525
Raw materials and supplies	309	317
Prepaid expenses	424	498
Other	967	1,659
Allowance for doubtful accounts	(0)	(1)
Total current assets	24,981	21,704
Non-current assets		
Property, plant and equipment		
Buildings and structures	914	1,197
Accumulated depreciation	(310)	(495)
Buildings and structures, net	603	702
Machinery, equipment and vehicles	1,711	2,206
Accumulated depreciation	(1,304)	(1,609)
Machinery, equipment and vehicles, net	407	596
Land	135	198
Construction in progress	136	814
Other	159	196
Accumulated depreciation	(114)	(144)
Other, net	45	52
Total property, plant and equipment	1,328	2,363
Intangible assets		
Goodwill	7,730	7,231
Software	538	633
Software in progress	51	121
Other	3	0
Total intangible assets	8,324	7,985
Investments and other assets		
Investment securities	7,524	7,612
Shares of subsidiaries and associates	454	339
Long-term prepaid expenses	8	3
Deferred tax assets	217	192
Other	1,022	1,282
Total investments and other assets	9,228	9,430
Total non-current assets	18,881	19,780
Total assets	43,863	41,484

(Millions of yen)

	As of July 31, 2024	As of January 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	3,825	3,345
Accounts payable - other, and accrued expenses	2,127	1,947
Short-term borrowings	2,300	4,150
Current portion of long-term borrowings	1,634	1,743
Current portion of bonds payable	450	450
Current portion of convertible bond-type bonds with share acquisition rights	5,003	—
Income taxes payable	533	1,015
Accrued consumption taxes	391	227
Contract liabilities	591	602
Asset retirement obligations	122	65
Provision for bonuses	273	279
Other	729	681
Total current liabilities	17,983	14,507
Non-current liabilities		
Long-term borrowings	7,006	7,012
Bonds payable	2,000	1,775
Asset retirement obligations	110	110
Deferred tax liabilities	1,084	1,029
Total non-current liabilities	10,200	9,927
Total liabilities	28,184	24,435
Net assets		
Shareholders' equity		
Share capital	2,798	2,883
Capital surplus	5,606	5,694
Retained earnings	3,659	5,345
Treasury shares	(1,001)	(1,481)
Total shareholders' equity	11,062	12,442
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,119	3,149
Foreign currency translation adjustment	(1)	(3)
Total accumulated other comprehensive income	3,117	3,145
Share award rights	123	47
Share acquisition rights	1,375	1,414
Non-controlling interests	—	—
Total net assets	15,678	17,049
Total liabilities and net assets	43,863	41,484

Interim Consolidated Statements of Income and Comprehensive Income

Interim Consolidated Statements of Income

(For the Six-month Period)

(Millions of yen)

	Six months ended January 31, 2024	Six months ended January 31, 2025
Net sales	23,990	29,753
Cost of sales	16,079	19,443
Gross profit	7,911	10,309
Selling, general and administrative expenses	6,620	8,409
Operating profit	1,291	1,900
Non-operating income		
Interest income	6	6
Dividend income	1	1
Foreign exchange gains	—	5
Cash-back income	8	2
Other	9	23
Total non-operating income	26	39
Non-operating expenses		
Interest expenses	23	49
Loss on extinguishment of stock-based compensation expenses	7	0
Share of loss of entities accounted for using equity method	187	145
Other	29	35
Total non-operating expenses	248	230
Ordinary profit	1,069	1,710
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	1,407	1,067
Gain on reversal of share acquisition rights	132	1
Other	2	—
Total extraordinary income	1,542	1,069
Profit before income taxes	2,612	2,780
Income taxes - current	439	994
Income taxes - deferred	437	0
Total income taxes	876	994
Profit	1,735	1,785
Loss attributable to non-controlling interests	(43)	—
Profit attributable to owners of parent	1,779	1,785

Interim Consolidated Statements of Comprehensive Income
(For the Six-month Period)

(Millions of yen)

	Six months ended January 31, 2024	Six months ended January 31, 2025
Profit	1,735	1,785
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	30
Foreign currency translation adjustment	—	(1)
Total other comprehensive income	(4)	28
Comprehensive income	1,730	1,813
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,774	1,813
Comprehensive income attributable to non-controlling interests	(43)	—

Interim Consolidated Statements of Cash flows
(For the Six-month Period)

(Millions of yen)

	Six months ended January 31, 2024	Six months ended January 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,612	2,780
Depreciation	255	296
Amortization of goodwill	365	554
Share-based payment expenses	265	166
Gain on reversal of share acquisition rights	(132)	(1)
Loss (gain) on sale of shares of subsidiaries and associates	(1,407)	(1,067)
Share of loss (profit) of entities accounted for using equity method	187	145
Interest and dividend income	(13)	(8)
Interest expenses	23	49
Increase (decrease) in allowance for doubtful accounts	—	0
Increase (decrease) in provision for bonuses	(21)	6
Decrease (increase) in trade receivables	262	714
Decrease (increase) in inventories	(24)	(11)
Increase (decrease) in trade payables	(343)	(548)
Increase (decrease) in accounts payable - other, and accrued expenses	(268)	52
Increase (decrease) in accrued consumption taxes	(35)	(168)
Other, net	(232)	(764)
Subtotal	1,492	2,195
Interest and dividends received	8	4
Interest paid	(23)	(51)
Income taxes paid	(710)	(524)
Net cash provided by (used in) operating activities	766	1,625
Cash flows from investing activities		
Purchase of property, plant and equipment	(278)	(957)
Purchase of intangible assets	(75)	(201)
Short-term loan advances	(117)	(559)
Proceeds from collection of short-term loans receivable	113	559
Long-term loan advances	—	(277)
Payments of leasehold deposits	(153)	(0)
Purchase of investment securities	(2,077)	(98)
Purchase of shares of subsidiaries and associates	(33)	—
Proceeds from sale of shares of subsidiaries and associates	1,000	1,036
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,416)	(42)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	20
Contingent consideration payments of shares of subsidiaries	—	(500)
Other, net	28	21
Net cash provided by (used in) investing activities	(5,009)	(998)
Cash flows from financing activities		
Proceeds from short-term borrowings	—	1,500
Proceeds from long-term borrowings	2,000	1,000
Repayments of long-term borrowings	(829)	(884)
Redemption of bonds	—	(225)
Redemption of bonds with share acquisition rights	—	(5,000)
Proceeds from issuance of share acquisition rights	0	0
Proceeds from issuance of shares resulting from exercise of share acquisition rights	40	7
Purchase of treasury shares	(0)	(480)
Dividends paid	—	(98)
Dividends paid to non-controlling interests	(1)	(0)
Net cash provided by (used in) financing activities	1,210	(4,180)
Effect of exchange rate change on cash and cash equivalents	—	(1)
Net increase (decrease) in cash and cash equivalents	(3,033)	(3,556)
Cash and cash equivalents at beginning of period	14,644	17,004
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	925	—
Cash and cash equivalents at end of period	12,536	13,448

Results by Segment

I. Previous six months ended January 31,2024 (August 1, 2023 – January 31, 2024)

1.Information on sales and profit or loss by reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable segments			Other Business*1	Total	Reconciliation *2	Per Consolidated financial statements*3
	Procurement Platform	Marketing Platform	Total				
Printing and solutions	9,759	—	9,759	—	9,759	—	9,759
Business supply and peripherals	8,202	—	8,202	—	8,202	—	8,202
Packaging materials	4,155	—	4,155	—	4,155	—	4,155
Marketing peripherals	—	1,621	1,621	—	1,621	—	1,621
Others	—	—	—	252	252	—	252
Revenue from contracts with customers	22,117	1,621	23,738	252	23,990	—	23,990
Other revenue	—	—	—	—	—	—	—
Sales							
Sales to external customers	22,117	1,621	23,738	252	23,990	—	23,990
Intersegment sales and transfers	1	1	2	6	9	(9)	—
Total	22,118	1,622	23,741	258	23,999	(9)	23,990
Segment profit (loss)	2,477	(206)	2,270	90	2,361	(1,070)	1,291

(Note) 1. “Other Business” consists of the following businesses which are not included in the reportable segments, which includes the System construction support business, and other businesses.

2. Reconciliation of segment profit of (1,070) million yen includes corporate expenses of (1,070) million yen that are not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses not attributable to the reportable segments.

3. Segment profit (loss) is adjusted with operating profit on the Interim consolidated statement of income.

4. There is no revenue other than that generated from contracts with customers.

2.Information on impairment losses on non-current assets or goodwill by reportable segment

(Significant changes in the amount of goodwill)

In Procurement Platform segment, the amount of increase in goodwill due to the inclusion of AmidA Holdings Co., Ltd.(current HANKOYA.COM Inc.) and RAKSUL FACTORY INC. in the scope of consolidation is 2,199 million yen for the three months ended January 31, 2024.

In Marketing Platform segment, the amount of increase in goodwill due to the inclusion of Peraichi Inc. in the scope of consolidation is 635 million yen for the three months ended January 31, 2024.

The amount of goodwill for which the allocation of acquisition costs has not yet been completed is provisionally calculated.

II. Current six months ended January 31,2025 (August 1, 2024 – January 31,2025)

1.Information on sales and profit or loss by reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable segments			Other Business*1	Total	Reconciliation *2	Per Consolidated financial statements*3
	Procurement Platform	Marketing Platform	Total				
Printing and solutions	11,148	—	11,148	—	11,148	—	11,148
Business supply and peripherals	11,837	—	11,837	—	11,837	—	11,837
Packaging materials	4,640	—	4,640	—	4,640	—	4,640
Marketing peripherals	—	1,918	1,918	—	1,918	—	1,924
Others	—	—	—	208	208	—	208
Revenue from contracts with customers	27,626	1,918	29,545	208	29,753	—	29,753
Other revenue	—	—	—	—	—	—	—
Sales							
Sales to external customers	27,626	1,918	29,545	208	29,753	—	29,753
Intersegment sales and transfers	0	1	1	14	16	(16)	—
Total	27,626	1,920	29,547	222	29,769	(16)	29,753
Segment profit (loss)	3,490	(64)	3,426	(20)	3,406	(1,506)	1,900

(Note) 1. “Other Business” consists of the following businesses which are not included in the reportable segments, which includes the System construction support business, and other businesses.

2. Reconciliation of segment profit of (1,506)million yen includes the amount of corporate expenses of (1,506) million yen that are not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses not attributable to the reportable segments.

3. Segment profit (loss) is adjusted with operating profit on the Interim consolidated statement of income.

4. The Group classifies the earnings of its reporting segments into the following business areas.
- Domain of printing and solutions: Printing on paper for business activities, printing solutions for large enterprises
- Domain of business supply and peripherals: Printed for the goods used in offices and shops
- Domain of packaging materials: Cardboard and paper bags
- Domain of Marketing peripherals: An integrated vertical platform “Novasell” for TV commercials and video advertising, Planning and operation of the website creation SaaS “Peraichi”, and provision of other related marketing solutions.

2.Information on impairment losses on non-current assets or goodwill by reportable segment

Not applicable.

3. Matters related to changes in reportable segments

We aim to achieve not only organic growth in our existing businesses, but also inorganic growth through M&A and expansion into new areas and products.

With this in mind, from the first quarter of the current consolidated fiscal year, we have changed the name of the reporting segment that was previously called “Raksul” to “Procurement Platform” and the name of the reporting segment that was previously called “Novasell” to “Marketing Platform” in order to clarify the business content of our group, which will continue to expand in a complex manner, and to provide clear information disclosure to investors.

In addition, on August 1, 2024, we implemented an organizational change, and from the perspective of the management approach, we have changed the Peraichi business, which was previously disclosed as “Other,” to the “Marketing Platform.”

Segment information for the first quarter of the previous fiscal year has been reclassified and is presented in the new categories.