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Frequently Asked Questions from Our Investors (as of October 2025)

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

Q1	What is the company's view on the short-term movement of its stock price after the earnings announcement?

We recognize that stock prices are determined by a complex set of factors. That being said, based on our dialogue with the market and the nature of our business, we believe two aspects of our current plan may have been difficult for the market to appreciate in the short term.

- **Q1 Outlook:** This fiscal year, we are committed to invest to accelerate growth throughout the year, with meaningful acceleration expected to materialize in the second half of the year. Consequently, in Q1 the profit growth will be muted due to investments but the growth pace will not change significantly from the previous quarter (Q4), which we believe did not lead to a positive evaluation. However, this is a strategic process designed to accelerate growth toward the end of the fiscal year and achieve a full-year increase in profit.
- **Full-Year Guidance and Market Consensus:** Another potential factor is that our EBITDA guidance did not meet market consensus. This is the result of our careful consideration of the balance between profit growth and investment for accelerated growth.

Our company's plan has a clear intention to "accelerate growth." In the near term we did not meet market expectations for margin expansion, but we see this as an opportunity to expand future revenue and profits.

Q2	Could you explain the rationale for prioritizing investments for "growth acceleration" in the fiscal year ending July 2026 (FY26)

We have determined that now is an opportune time to accelerate investment because cross-selling on our platform is expanding steadily, and we have confirmed significant growth potential in the mid-sized and large enterprise market through the strengthening of our sales structure.

While "Quality Growth," which involves generating profits and cash flow, remains our basic policy, in FY26 we will execute strategic investments funded by our expanding gross profit to accelerate organic growth and evolve into a comprehensive, integrated platform.

In FY26, EBITDA growth will be temporarily suppressed as we prioritize investment for growth acceleration over EBITDA expansion. However, this increased investment will be concentrated in FY26. We plan to return to a path of balancing both growth and profitability from the fiscal year ending July 2027 (FY27) onwards.

Q3	What are the specific details of the investments aimed at accelerating growth?

To expand the RAKSUL ecosystem, we will concentrate our investments primarily on the following three areas:

- **Investment in Sales Personnel:** We plan to double our sales headcount across the company, with a focus on our service for large corporations, "Raksul Enterprise." The EC penetration rate in the printing market for large enterprises remains low, presenting a significant growth opportunity. Our aim is to seize this opportunity and accelerate new customer acquisition. This will result in an increase in the "Other" category within SG&A expenses. As we onboard new sales teams, we expect cot to precede revenue.
- **Marketing Investment:** We will increase the absolute amount of investment in line with business growth to expand our customer base efficiently, focusing on products with high cross-sell effectiveness, while maintaining the same advertising-to-revenue ratio as the previous fiscal year.
- **Technology Investment:** We will invest in building a common technology infrastructure to improve the customer experience across the entire ecosystem. The investment-to-revenue ratio in this area will also be maintained at the same level as the previous year, with the absolute investment amount increasing alongside business growth. Specifically, by enhancing our "Common ID" infrastructure, we will create an environment where customers can seamlessly use our multiple services with a single login. This will powerfully promote cross-selling between services and increase the overall value of our platform. Ultimately, the goal is to increase average revenue per user (ARPU) and net revenue retention (NRR).

Q4	What is the progress of ID integration and cross-selling, and how healthy is the platform?

Our cross-selling initiatives, built on the foundation of ID integration, are progressing smoothly, and as a result, the platform is in an extremely healthy state. We have achieved negative churn among our corporate customers, who account for approximately 80% of our revenue. This means that revenue growth from existing customers is outpacing revenue lost from churn.

- **ID Integration:** As a foundation for promoting cross-selling, we are steadily progressing with the ID integration of our group services. We completed the integration with "Danball One" in FY25, and plan to complete the integration of other major group companies, such as "Hankoya.com," during the current fiscal year (FY26).
- **Contribution and Future Goals:** Cross-selling has recently contributed to a roughly 2-percentage-point increase in our organic growth rate. For the current fiscal year, we aim for cross-selling to account for about half of the targeted increase of up to approximately 5-percentage-points in our organic growth rate (from 14% to 20%), which corresponds to the high end of our guidance.

Q5	What is your future M&A strategy and financing policy?

While maintaining strict financial discipline, we will leverage our ample financing capacity to actively pursue M&A aimed at expanding our services and strengthening our supply chain.

When investing, we adhere to a strict discipline, such as an EV/EBITDA multiple of 5x, and our track record shows that we have been able to execute acquisitions on favorable terms, with an average multiple of around 4x. Furthermore, our post-merger integration (PMI) has progressed smoothly, generating high synergies, including an EBITDA contribution approximately three times pre-investment. Our Net Debt to EBITDA ratio is extremely low at 0.26x, and we have sufficient financing capacity. We plan to actively execute growth investments, including M&A, using the over 25 billion JPY in cumulative operating cash flow generated over the five years from FY24 to FY28 as a funding source.

Q6	What is your approach to shareholder returns (dividends and share buybacks)?

Our plan to return a minimum of JPY 2.5Bn to shareholders over the five years from FY24 is progressing smoothly.

- **Dividend Policy:** While our current top priority is investment in business growth, we also recognize shareholder return is also important. Our basic policy is to provide stable and continuous dividend increases, aiming for a pace of dividend growth that exceeds the growth of our earnings at each stage.
- **Share Buybacks:** We will consider them flexibly as part of our optimal capital allocation, taking into account the stock price at the time, M&A opportunities, and other factors. When executing buybacks, we will also carefully consider the potential impact on stock market liquidity.
- **Minimum target:** Our JPY 2.5Bn shareholder return target is the minimum commitment over 5 years. Depending on profit generated by the business, investment progress and opportunities present, the amount may increase.

Q7	Is the medium-term target of 10 billion JPY in EBITDA for the fiscal year ending July 2027 achievable?

We are highly confident in achieving this goal.

Upon achieving the lower end of our full-year EBITDA target for FY26 (JPY 7.2Bn), we anticipate that in the second half of FY26, on top of accelerated revenue growth, our quarterly EBITDA will be above JPY 2Bn. Annualizing this figure puts us on a profit trajectory exceeding JPY 8Bn, which brings the medium-term target of JPY 10Bn well within reach. We plan to achieve the target by layering on further growth in FY27.