



RAKSUL

Value Creation Report 2024



BETTER SYSTEMS, BETTER WORLD

We aim to change the world by reinventing traditional industry structures with the power of the Internet.

RAKSUL reborn. What we'll keep, what we'll change.

In August 2023, RAKSUL appointed Yo Nagami as Representative Director and CEO and launched a new management team. Since its founding, under the vision of "BETTER SYSTEMS, BETTER WORLD," the company has continued to take on challenges of transforming existing industries through technology.

RAKSUL is now entering a period of updates under the new leadership, but our pursuit of creating value collaborating with stakeholders remains unchanged.

There will be updates, and in the current fiscal year, we will make further progress in the following three areas.

- Establishing the new management team
- Creating group synergies
- Sustainability initiatives for impact and business growth

With things we keep and things we change, we RAKSUL Group is opening doors into new chapter to build a better world with better systems.



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01 Introduction



Introduction
Creating new landscapes

CEO MESSAGE

Yo Nagami
RAKSUL CEO

In August 2023, I received the baton from our founder, Matsumoto, and assumed the position of CEO of our company. This first year in office was a period of transformation for our company and a year in which we were able to significantly increase our business performance. Behind this expansion was a shift to management that pursues group synergy (from management of addition to management of multiplication). The following three actions are the focus of this year.

1

Establishment of a new management team

Since I took over as CEO, we have welcomed a new CFO, CTO, CSO, and CLO., and have been able to establish the foundation of a new management team, merging with the executive team that has been active to date. In particular, we have been strengthening the leadership in technology and corporate domains from the perspective of strengthening horizontal functions to pursue group synergy.

2

Continuous M&A

Since the beginning of this fiscal year, we have conducted five M&A transactions involving conversions of companies into consolidated subsidiaries. We are accelerating the pace of M&A compared to the previous fiscal year while focusing on financial governance and creation of synergies after joining the group. We have also set up a dedicated organization for M&A and are looking at a wider range of opportunities.

3

Strengthening the software(SaaS) business

We have launched SaaS businesses that deeply penetrate into customers' operation processes, such as SaaS businesses at Novasell, Peraichi (consolidated subsidiary) and JOSYS (new business within the Group), contributing to the reduction of volatility in business performance.

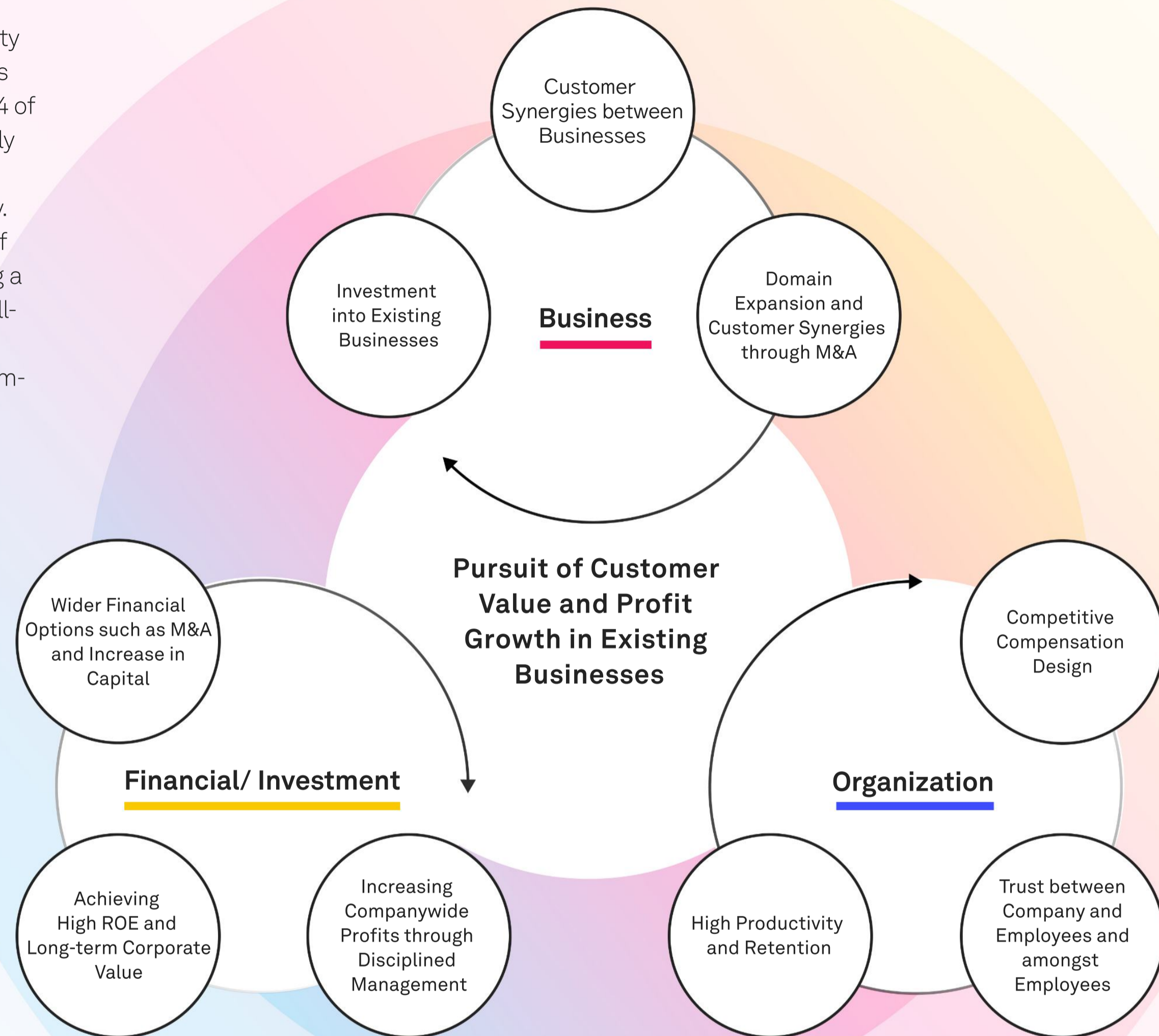
As my role changes from CFO to CEO, although with growing pains, I spend a lot of time developing the directions and visions on how we will evolve as Raksul Group in the long term. The long-term trend we are assuming is a decline in the domestic population, especially the working population. We envision a world in which services that contribute to greater efficiency and manpower savings flourish, and in which the demand for such services increases, leading to an expansion of companies that play a role of platforms in various industries. In this context, our medium-term direction is to evolve from our existing E-commerce businesses (e-commerce of custom products, goods, and services), mainly Raksul, to a sales order platform for a broad range of BtoB industries. In the long term, we also intend to provide businesses utilizing the data accumulated within the Group, as well as payment and financial services, to realize the digital transformation of industries and businesses, especially SMEs, and evolve into a platform that contributes to society.

As a technology platformer, the use of Generative AI (AI) is essential in this era. We have already started automating internal operations and customer support using AI, and beyond that, we will continue to utilize and implement AI in software for our customers and suppliers.

On the financial side, we will continue with our company policy of Quality Growth, which embodies growth accompanied by an increase in profits and cash flow. On this basis, in the announcement made in March 2024 of our financial results for the second quarter of the fiscal year ending July 31, 2024, we announced solid prospects of achieving our previous medium-term policy while also disclosing our new medium-term policy. This new policy of achieving gross profit of JPY 30 billion and EBITDA of JPY 10 billion by FY2027 is a stepping stone to transition into becoming a listed company with a national and international presence from a small-scale listed venture. Beyond that, we will continue to pursue EBITDA growth of JPY 20-30 billion, but first, we will strive to realize this medium-term policy without fail. The three drivers for achieving this goal are organic growth of existing businesses, continuous M&A, and synergy creation between existing and M&A businesses.

Finally, we are committed to realizing our contribution to society and industries, which is implicit in our vision "Better Systems, Better World" from an ESG perspective as well. In particular, for this fiscal year, we are focused on three areas: strengthening information security and privacy, promoting diversity in an organization, and ensuring compliance and building a framework for such compliance. Although these are measures we have already started taking in the past, we have chosen to focus more on these points in light of growing social demands, trends, and our direction as a company to diversify further with an increasing number of group companies.

All of us in the Group are more committed than ever before to becoming a company that will prosper and contribute to society in the long term, and we would like to thank you for your continued support.



RAKSUL 2024



CEO Dialogue

Yasukane
Matsumoto
Former CEO



Yo Nagami
New CEO



**Thoughts on Change of CEO,
And the Future Vision of
RAKSUL Group**

In August 2023, RAKSUL changed its management structure, and the baton was passed from Yasukane Matsumoto to Yo Nagami, as the company's new Representative Director, President, and CEO.

How has RAKSUL progressed since its foundation, and what should be protected and what should be advanced for further growth? Matsumoto, the founder and chairman, and Nagami, the newly appointed Representative Director, President, and CEO, had a dialogue.

Since our foundation, we have gone through the phases of Chapters 1 and 2, and I believe that the change of CEO to the beginning of Chapter 3.

Strategy evolves to "scale" into adjacent business domains

Please tell us about your vision for RAKSUL and how its DNA has grown over the past decade.

Yasukane Matsumoto ("Matsumoto"): Since our foundation, we have gone through the phases of Chapters 1 and 2, and I believe that the change of CEO to Mr. Nagami marks the beginning of Chapter 3.

The First Chapter was a phase of creating a new system, with everyone working together as one team to transform the printing industry. We built the foundation of a company by launching the Raksul business in 2013 and going public in 2018.

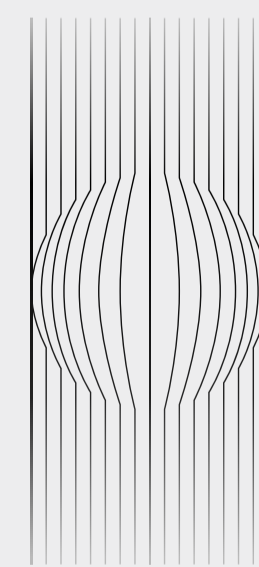
After the IPO, we started the Second Chapter, accessing other industries. We launched Hacobell and Novasell, as well as JOSYS in 2021. Multiple talents came together, each teaming up to change the systems in various industries for the 5 years up to 2023.

Has there been changes in the company culture going from Chapter 1 to Chapter 2?

Matsumoto: It has not changed significantly. One of the action guidelines of "RAKSUL Style" is "Reality (granular understanding)," which has taken root as a strong culture within the company through the creation of a system in which the entire team works together in a hands-on manner. In order to realize our company vision "Better Systems, Better World," it is imperative to experience firsthand what is happening on the ground. For this reason, I believe that the fact that this attitude of pursuing "Reality" has permeated, we can say that we were able to foster the culture that brings us closer to the realization of our vision.

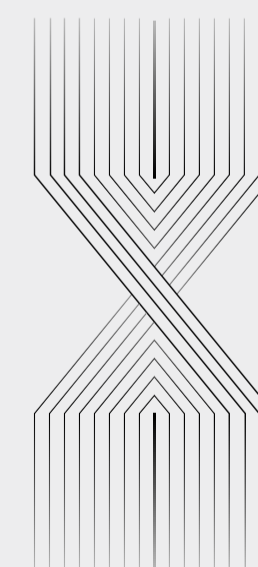


RAKSUL Style RAKSUL's Code of Conduct



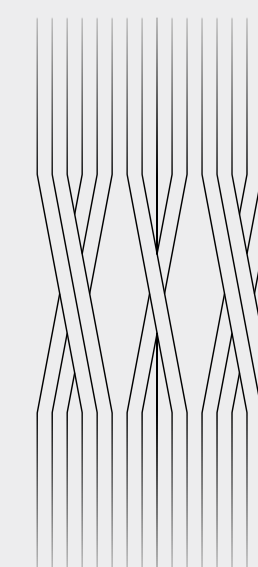
Reality

To see the actual situation on the ground with one's own eyes, and to set issues based on the information experienced and grasped. To go through a process of trial and error, which could be called "small experiments," to turn uncertainties into certainties. To properly prioritize the issues after working on the above.



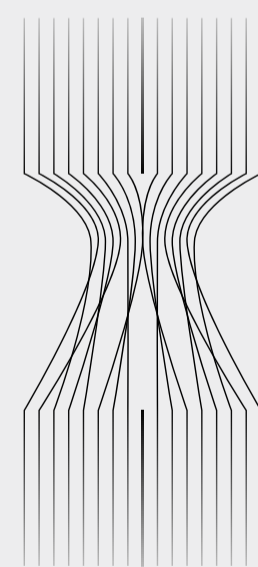
System

To lead to the solution of problems through advanced technologies and systematization. To eliminate inefficiencies and improve productivity. To propose effective approaches with original ideas and ingenuity.



Transparency

To create an environment where information asymmetry does not exist. To disclose the background and contexts of decision-making to ensure transparency in information sharing. To clarify each member's mission and area of responsibility and create teams that delegate tasks to each other.

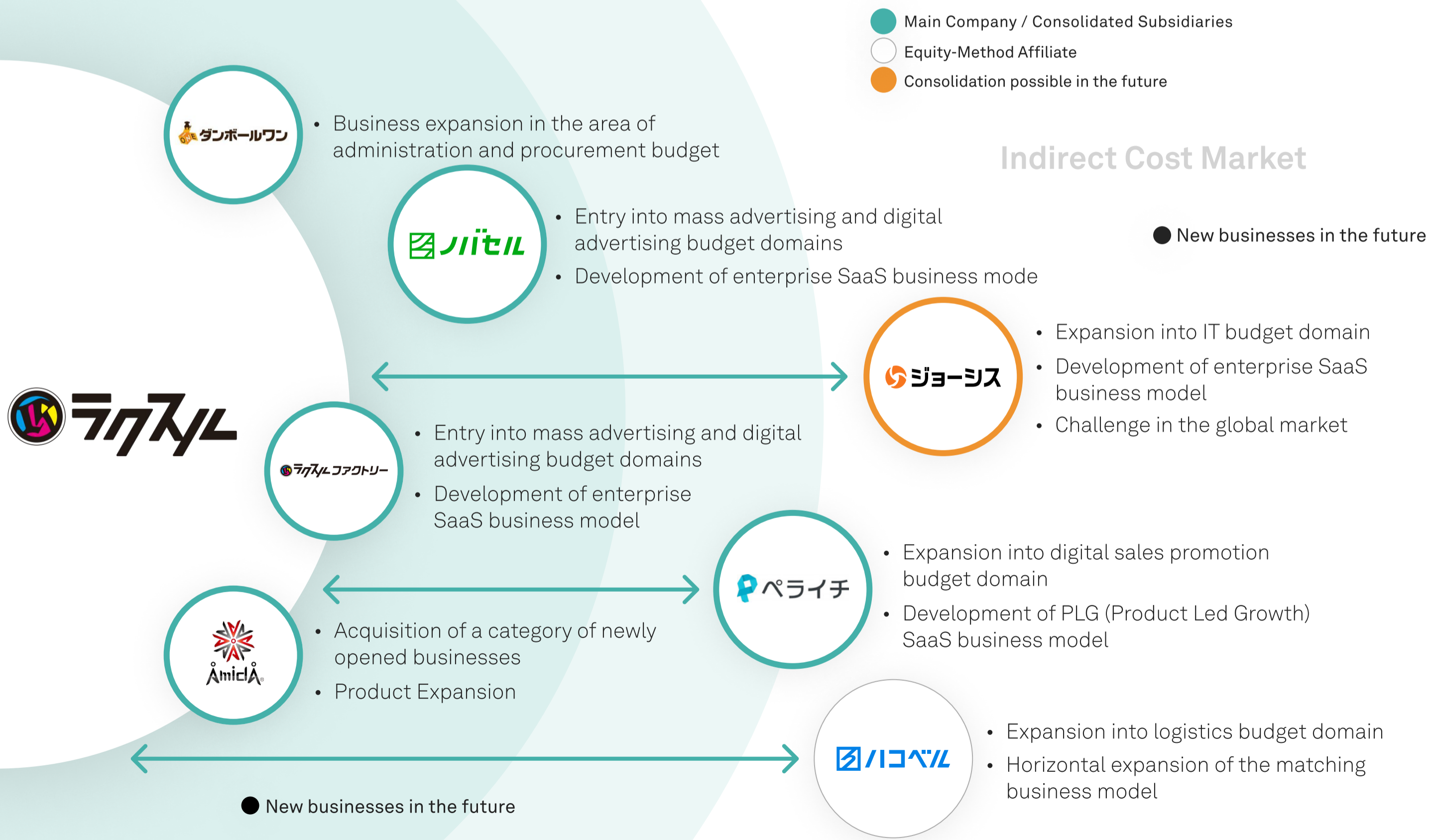


Team first

To build a strong team that is responsible for recruitment and promotion, and maximizes member performance. To ensure the team's success by onboarding of members, providing appropriate feedback, and maintaining motivation.

How do you see the evolution of the business portfolio?

Matsumoto: I believe that we have evolved from a phase of "expansion" to transform the industries somewhat distant from the printing industry, such as JOSYS and Hacobell, to a phase of "scale" into adjacent domains of existing businesses. DANBALL ONE, Peraichi, and AmidA Holdings, which joined RAKSUL Group during Chapter 2, are all in close proximity to the printing industry and we have been able to operate the businesses with group synergies. We were able to create success stories in M&A and build a structure to transform multiple industry structures by leveraging the assets we have developed; this has also become a stepping stone towards our third chapter.



Change of CEO is a change in the division of roles in management

How did you decide to pass the baton of management to Mr. Nagami as the company moves into Chapter 3?

Matsumoto: In the third chapter of our company, we will take a step forward from the phase with an emphasis on the entrepreneurial spirit to now requiring the creation of major business stories as well as a shift in strategies. I thought that only Mr. Nagami could face this turning point with the greatest passion.

Yo Nagami: ("Nagami"): It was around January 2023 when Mr. Matsumoto first talked to me about future business policies. His

commitment to JOSYS was becoming stronger, and I also felt that the time had come to re-evaluate RAKSUL's management structure.

In the past, you have split Hacobell and Novasell into separate companies. When it comes to the management of JOSYS, why did you want to strengthen your own commitment?

Matsumoto: The phase of the company played a significant role. When we launched Hacobell, RAKSUL was still in its infancy, so I was in charge of the management of RAKSUL, and we set up a dedicated team to take charge of Hacobell. Novasell was a business with an idea coming from Mr. Masaki Tabe (RAKSUL Senior Executive Officer CMO / SVP of Novasell), who has more passion than anyone else, therefore I entrusted him with the management.

On the other hand, JOSYS is a business I personally launched in 2022 to ensure that our company would remain strong even in the event of an economic downturn such as COVID-19. By this time, the management foundation of RAKSUL had been established and the company was ready to grow without me on the ground, so I decided to focus on steering JOSYS.

Nagami: Although the baton of the CEO has been passed, Mr. Matsumoto has not completely left the management of the company. Between the two of us, it is more like a change in the division of our roles in the management, rather than it being a major event of "CEO change."

Mr. Matsumoto will continue to be part of the discussions surrounding strategies and personnel matters, as well as being responsible for the company governance as a member of the Nomination Committee.

Matsumoto: I mainly have two specific roles. The first is governance. As a director, I will continue monitoring whether the executive officers are managing the company well. The other role is to support Mr. Nagami by sharing the knowledge I can provide on the direction he is taking. Moving forward, I believe that these two roles are the contributions I can make to RAKSUL.

Nagami: Now that our roles have become clear, my communication with Mr. Matsumoto is more active than ever. In addition to regular meetings, we are in constant dialogue on Slack. I feel lucky to have been given the opportunity to lead the new structure as the "second founder" in an environment where the founder continues to be involved as a mentor and coach.



Our aim to realize our vision and our own values, the "RAKSUL Style," will remain unchanged.

Further growth through management of multiplication

Looking ahead to the next decade, what kind of DNA of RAKSUL will you protect, and what changes will you make?

Nagami: Our aim to realize our vision and our own values, the "RAKSUL Style," will remain unchanged.

On top of that, over the next 10 years, we would like to scale into adjacent business domains through continuous M&A while leveraging our strengths and experiences in creating new businesses within the company. Instead of increasing business through simple addition, we will promote a multiplication approach of management that leverages the company, customers, and payment infrastructure to realize synergies. With these two policies, I envision a scenario in which we will grow the company.

Under the new structure in which I serve as CEO, Masaru Sugiyama (CFO), Yuichiro Tanakamaru (CSO), Goro Mikano (CLO), and Toshiharu Takeuchi (CTO) will newly join the management of RAKSUL. Promoted from within the company, Tatsuru Watanabe (Senior Executive Officer, SVP of Raksul) and Shinnosuke Nishida (Senior Executive Officer, CAO/ SVP of Corporate) have joined the management team.

Under this updated management structure, we intend to acquire the necessary human resources for future growth, as well as to focus on the evaluation and development of employees.

To create a landscape yet to be seen

As you further expand your business portfolio, do you have any plans to launch a new business following JOSYS?

Matsumoto: At JOSYS, we are taking on two challenges: to become the infrastructure for software management tools in Japan, and to extend that infrastructure globally and compete on a global standard.

The latter, in particular, is an unprecedented challenge to develop a product with a global team, not for a specific country such as Japan, but on the premise of providing a uniform service to customers all over the world. I believe that this will be a challenge of great significance not only for RAKSUL Group, but also for Japanese startups and the Japanese economy as a whole.

Nagami: I believe it is crucial as RAKSUL Group to first ensure that the business itself grows strongly. We intend to continue to promote the

growth of individual businesses, including JOSYS.

We believe it is important to continue to demonstrate our value in changing the systems of various industries, while remaining flexible in our management style and returning to our vision.

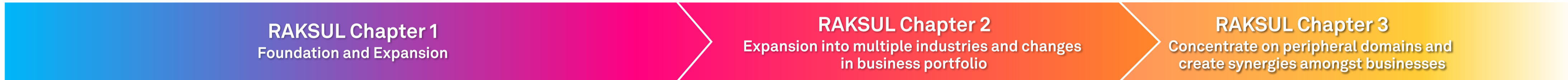
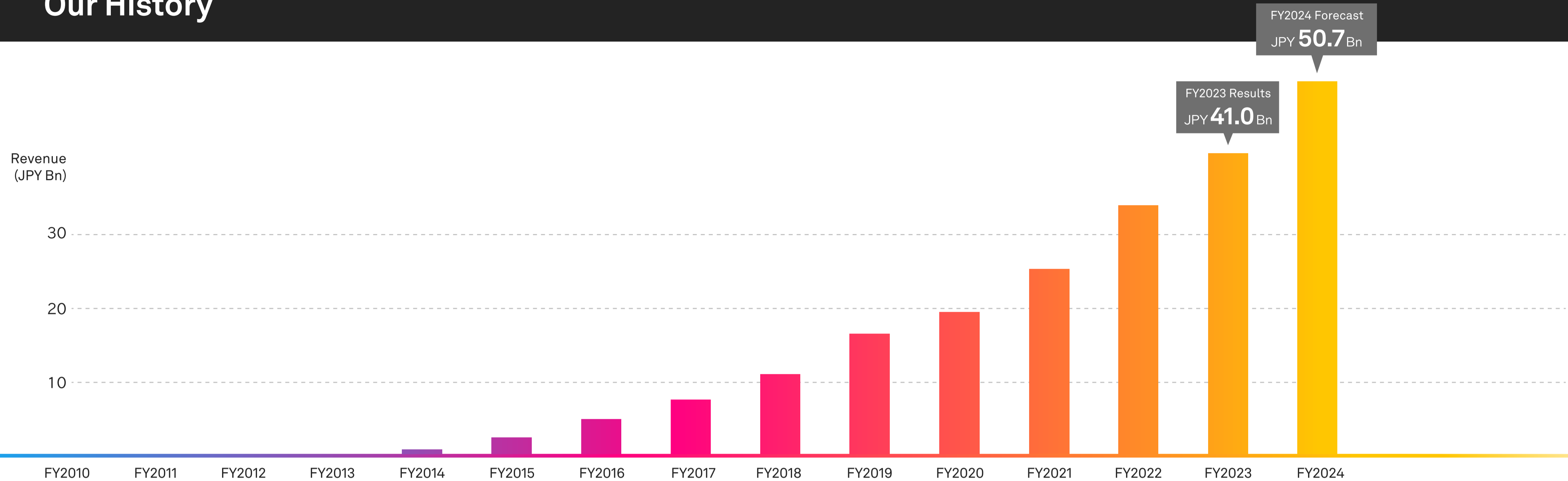
Finally, please tell us about your future expectations for each other.

Nagami: I think Mr. Matsumoto is one of the few entrepreneurs who can make a Japan-originated business successful on a global scale. I would like to support him in realizing this goal, and I am rooting for him. And I hope that we continue being partners with whom we can discuss the direction of RASKUL Group together.

Matsumoto: With this change in structure, Mr. Nagami has set higher targets than ever before. Raising targets requires the courage to make a commitment for years to come, when the future cannot be foreseen. By maintaining this stance of creating a "landscape yet to be seen," I believe that RAKSUL will become an even more dynamic company.



Our History



RAKSUL INC. was established in 2009, and "Raksul," the sharing platform that utilizes unused capacity at printing factories was launched in 2013. This was a phase where under our vision of "BETTER SYSTEMS, BETTER WORLD," the entire company worked as one team to create a new system to change the printing industry. Since then, we expanded the business by investing extensively in marketing, especially in TV commercials. In 2018, RAKSUL went public on TSE Mothers (currently Growth Market), and the following year, we changed the listing market from TSE Mothers to TSE 1st section.

After going public in 2018, started to expand outside of printing industry, into advertising, logistics, and corporate IT. This was a phase where we created multiple teams of talented individuals to change the structure of those industries. In addition to in-house startups, we invested in companies such as DANBALL ONE. Inc. and Peraichi Inc., as well as the JV of HACOPELL INC., are stepping stones toward portfolio management.

The previous phase was about expanding to areas distant from core printing e-commerce, such as Hacobell and Josys. The new phase entails expanding to peripheral domains from our core business through internal startups and programmatic M&A. By leveraging customer base and payment platforms, we are unlocking synergies.

September 2009	Company Established
March 2013	Launched Raksul, a printing & offline advertising platform
June 2014	Began airing Raksul TV Commercials
May 2018	Listed on TSE Mothers
August 2019	Changed listing market from TSE Mothers to 1st section

April 2020	Launched Novasell, a TV commercial related platform
October 2020	Acquired shares of Peraichi Inc., operation of website creation SaaS, and made it an affiliate company
December 2020	Acquired shares of DANBALL ONE. Inc., an online order platform for cardboard and packaging materials, and made it an affiliate company
September 2021	Launched Josys, a corporate IT platform
February 2022	Acquired 100% shares of DANBALL ONE. Inc. (wholly owned subsidiary)
April 2022	Transition to Prime Market, a new market segment of TSE
August 2022	Spun off "Hacobell" which operates logistics platform, and transformed to Joint Venture with Seino Holdings Co., Ltd.

August 2023	CEO change from Matsumoto to Nagami
August 2023	Acquired 100% shares of RAKSUL FACTORY INC. (wholly owned subsidiary)
August 2023	Merged with DANBALL ONE Inc.
August 2023	Consolidated subsidiary Peraichi Inc.
October 2023	Acquired 100% shares of AmidA Holdings Co., Ltd. (wholly owned subsidiary)
March 2024	Our subsidiary acquired 100% shares of Wild Side Inc. and made it its wholly owned subsidiary

Our Value Creation Story

Issue

Structural Challenges in Japan

Japan's working-age population declined by 10% over the decade from 2010 to 2020, and is projected to continue declining at the same rate in the future.*1

In addition, Japan's labor productivity is equivalent to around two-thirds of that of the United States, ranking 23rd out of 38 OECD member states and the lowest among the G7 nations, and productivity is low by global standards. *2

*1 Ministry of Internal Affairs and Communications, National Census; National Institute of Population and Social Security Research, Population Projections for Japan (April 2017)

*2 OECD

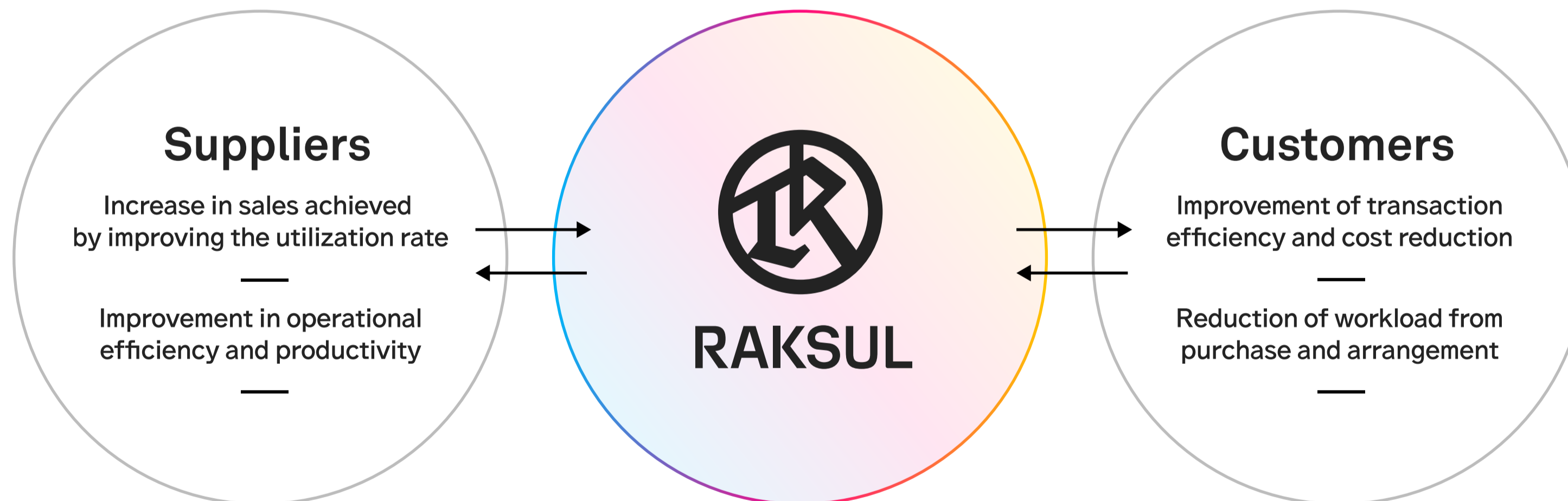
Structural Challenges in Japanese Industries

Many of the industries that were established in the 20th century feature a structure that vertically join sales and manufacturing. Companies purchase production equipments such as trucks and printing machines and employ a sales team to sell the capacity. This has led to the heavy use of subcontracting services by major enterprises and the establishment of a pyramid-shaped structure with major enterprises at the top and multiple layers of subcontractors under them.

As a result, transaction costs have increased due to the running costs of major enterprises and the existence of intermediaries with low added value, and optimization has not been realized on both the supply and demand sides.



Solution



We improve the efficiency of transactions and operations on both supply and demand sides, eliminate structural inefficiency of industries, and work on improving productivity and empowering both customers and suppliers through digital transformation (DX). Based on our vision, "Better Systems, Better World," by reinventing traditional industry structures with the power of the Internet, we aim to realize a better world - this is our value creation story.

Our Value Creation Process

We provide diverse value to our stakeholders through investment of management resources and the creation of a unique business model while addressing social issues. By creating social and economic value in an integrated manner, we commit ourselves towards realization of our vision.

Input

Business (Social and Relationship Capital)

- **Global platform development capabilities**
Tech headcount _____ 181
- **Stability and scalability of customer base**
Rakusul number of registered users _____ 2.3 million
Novasell: number of SaaS corporate customers _____ 200
- **Supplier engagement**
Rakusul number of suppliers (including Danball one) _____ 360
- **Investments in marketing and technology** _____ JPY 4.9Bn

Capital (Financial Capital)

- **Strong financial discipline**
Total assets _____ JPY 32.6Bn
Cash and deposits _____ JPY 14.6Bn
Net assets _____ JPY 13.9Bn

Human Capital

- **Creating an environment which enables employees to continue to develop and demonstrate their capabilities**
Number of employees _____ 533
Percentage of female employees _____ 44.7%
Infinity Talent Growth _____ P42
RAKSUL Style _____ P44

Business model



Foundation for Value Creation

Environmental Initiatives
Corporate Governance

Output / Outcome

Becoming an even more convenient platform through horizontal and vertical expansions

- **Enhancement of corporate value for customers through pursuit of customer value**
Customer time saved per order _____ 49 hours average
Customer cost reduction rate _____ 45.0%
Improved advertising efficiency through visualization of TV commercial effectiveness
- **Co-creation of supply chain with suppliers**
Supplier productivity improvement _____ 11.2%

Taking capital efficiency one step further

- **Sustainable Growth and Return of Profits**
Gross profit CAGR _____ +35.5%
EBITDA _____ JPY 3.1Bn
- **High capital efficiency**
ROE _____ 12.7%

Unlocking the infinite potential of our employees

- **Diversity & Inclusion, future leadership development**
Percentage of female managers _____ 23.2%
Continuously producing group company executives
Track record of management training attendance
- **Delivering high productivity**
Gross profit per employee _____ JPY 27.8M

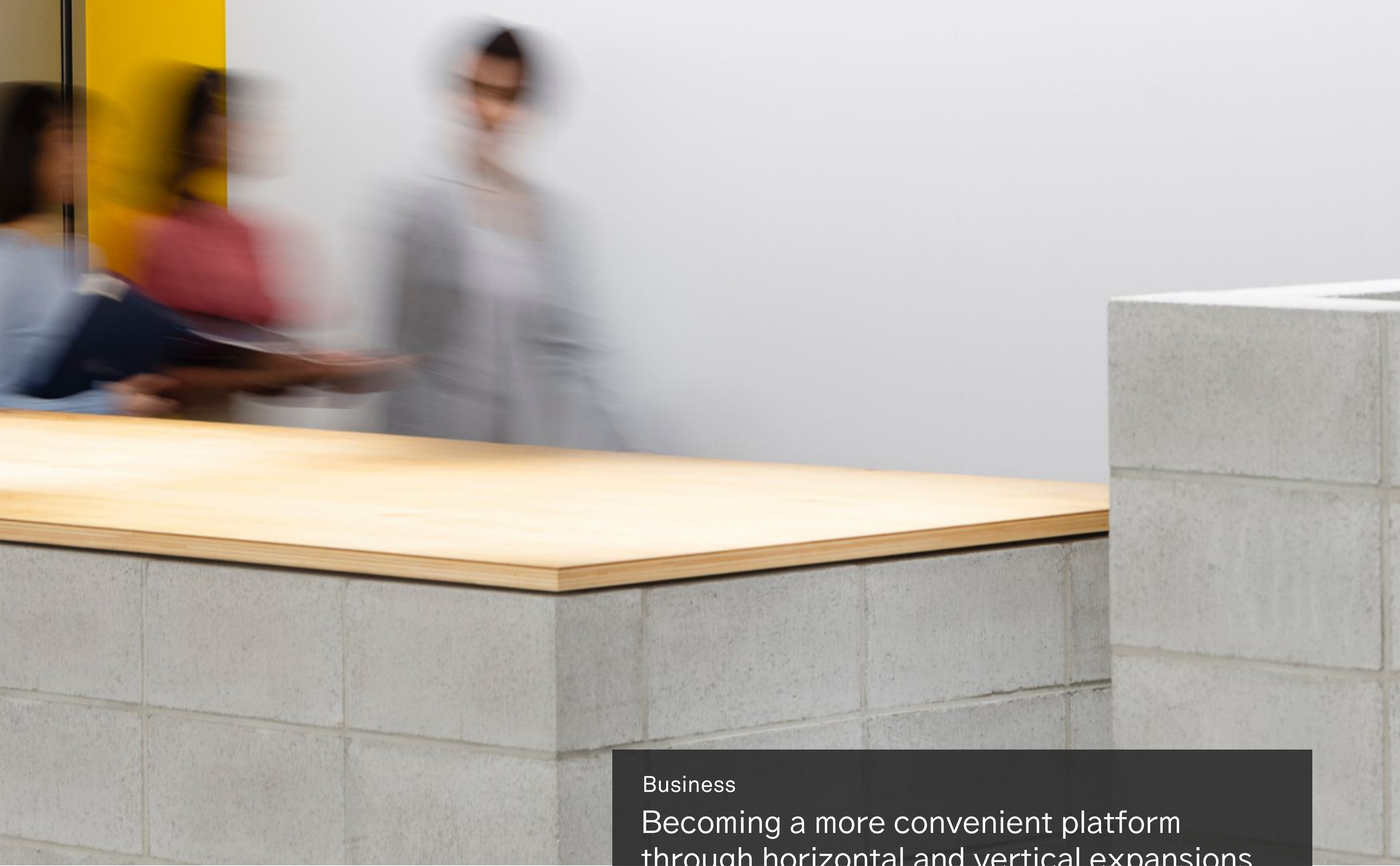
Creation of Social Value

Expansion of Economic Value

• Information as of July 31, 2023. Except "Novasell number of corporate SaaS customers" is during the one-year period from February 1, 2023 to January 31, 2024
 • Customer time saved per order: an estimate of the average annual man-hour reduction per customer, compared before and after use of Rakusul
 • Customer cost reduction rate: an estimate of the average cost reduction per customer, compared before and after use of Rakusul
 • Supplier productivity improvement: YoY change of the productivity index (Rakusul order value divided by the number of workers engaged in Rakusul business) of top suppliers
 • Gross profit CAGR: Compound annual growth rate from FY2018-FY2023
 • EBITDA: Operating profit + Amortization of goodwill + Depreciation+ Stock-based compensation expenses

02 **Business**

**BETTER SYSTEMS,
BETTER WORLD**



Business

Becoming a more convenient platform
through horizontal and vertical expansions



SVP of Raksul

Tatsuru Watanabe

It has been 10 years since Raksul started its service. We have consistently faced the structural challenges of traditional industries and have evolved while transforming the systems with the power of technology, for example by eliminating inefficiencies in transactions.

As a leading online printing company, we aim to become Japan's most convenient "customized e-commerce platform" with the aim of improving industrial efficiency and developing industries, with a focus on expanding the service lineup for SMEs, our main customer segment, and developing and expanding services for large enterprises.

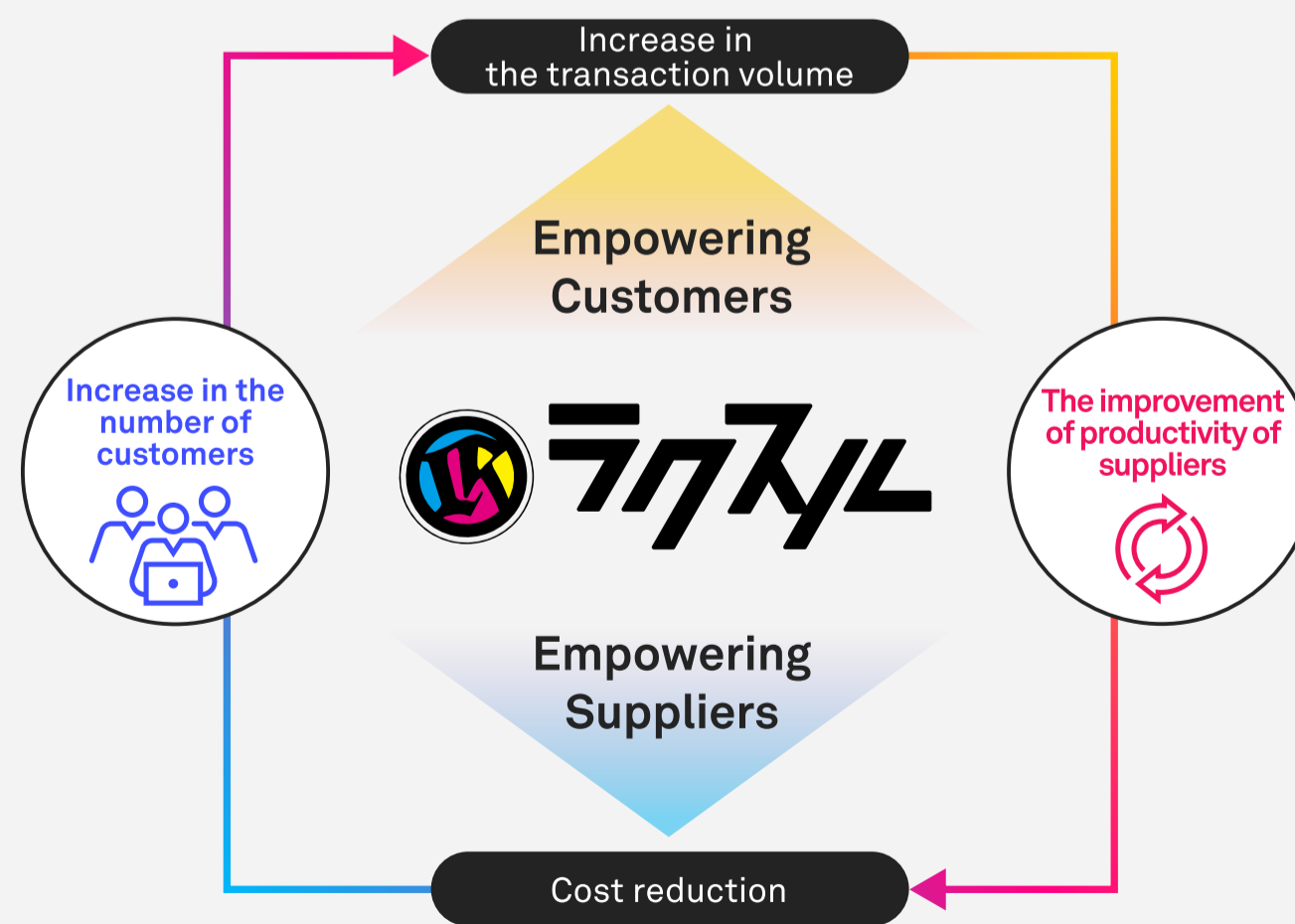
Raksul

RAKSUL is a platform business that makes highly complex transactions of "custom products" overwhelmingly easy through the power of technology. We first started out with the business of paper printing, and now the company has expanded and achieved significant growth, achieving the No. 1 position in the number of registered users in the Japanese online printing e-commerce market in November 2022. We have also expanded our service range in non-paper printing, such as office & industrial materials and customer attraction support, aiming to provide customers with a highly convenient one-stop purchasing experience. We have also worked to improve the efficiency of the increasingly complex purchasing flows for large companies by actively embracing technology and utilizing the mechanisms and customer value we have cultivated.

We will continue to create added value for existing products and create synergies through in-house businesses and M&A in areas where synergies with existing products can be expected, in order to realize our mission of "customized e-commerce platform that makes work easier for workers."

Business model

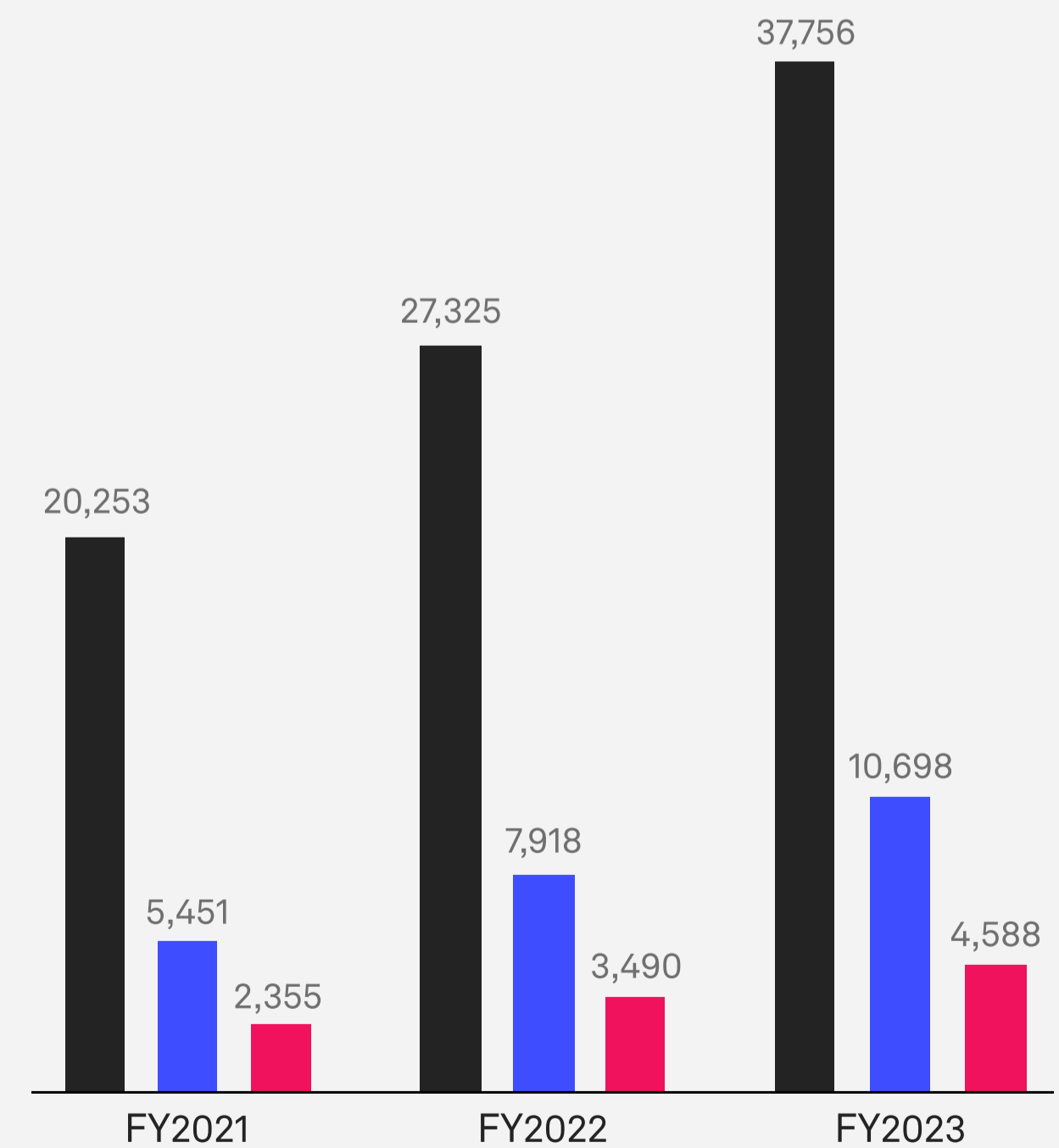
We have created a nationwide network of printing companies and deliver their capacity directly to the customers. In this way, we can minimize transaction costs and provide on-demand services. Increase in the number of customers and the transaction volume leads to the improvement of productivity and cost reduction for suppliers, which in turn increases the number of customers and transaction volume. The business model is a self-sustaining growth model that benefits both the supply and demand sides.



Performance

(JPY MM)

■ Revenue
■ Gross profit
■ Segment profit



*Tokyo Shoko Research (Major Online Printing Services, as of December 2022)

Rakul Business Strategies and Initiatives

Rakul aims to further improve business value based on four strategies.

- Create values that will continue to be chosen in each domain (Core Value) and expand their domains (Market Expansion)
- Differentiate ourselves by integrating the values of multiple business domains (Portfolio Value)
- Expand our customer target to large enterprises, the core of industrial transformation, using all our domains and values (Segment Expansion)

Value Refinement

Domain Expansion

Core Value

Realization of "Low Price, Fast and Easy"

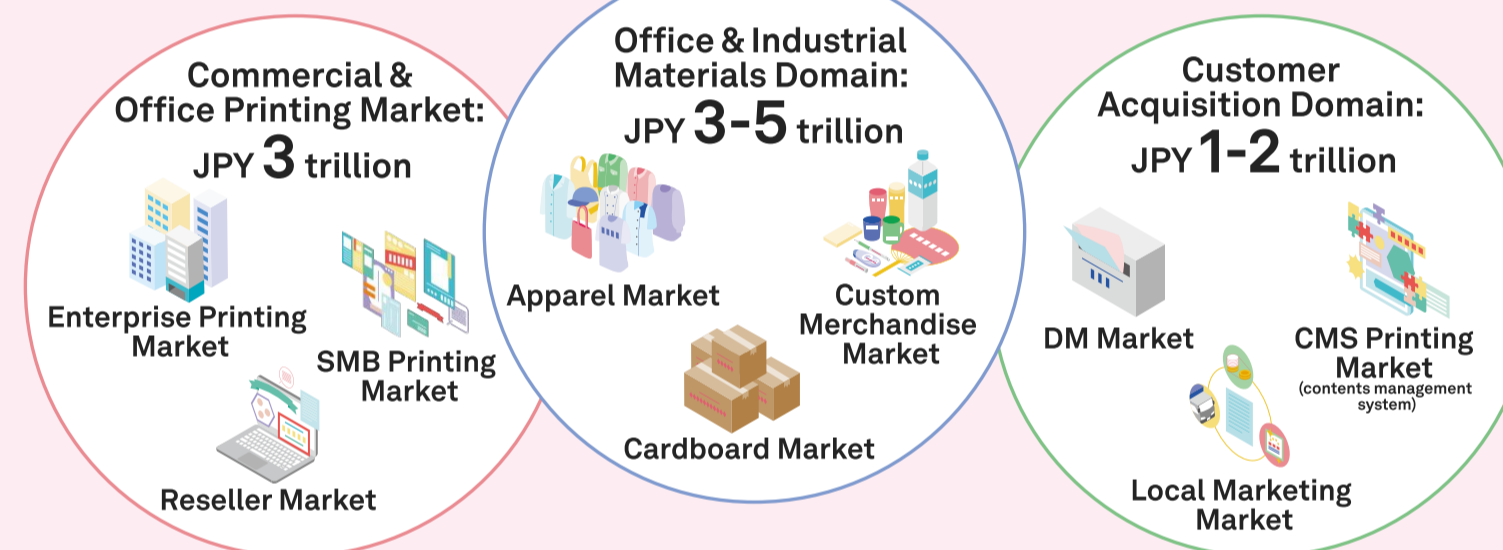
- Constant value created by technology (P20)
- [Roundtable Discussion] Co-Creation of Supply Chain (P22-24)



Market Expansion

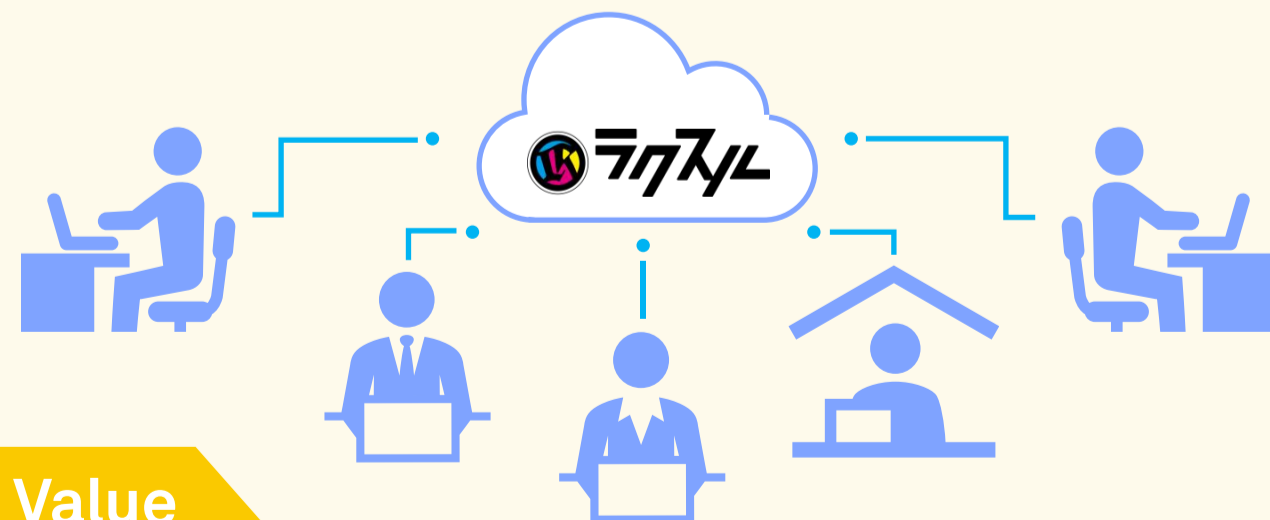
Merchandise Expansion

Acquisition of AmidA Holdings Co., Ltd. (P25)



Customized E-commerce of BtoB Indirect Materials

[Technology Dialogue]
Challenge to Create Inter-Group Synergies (P30-P32)



Customer Expansion

Rakul Enterprise Customer Case Study (P21)



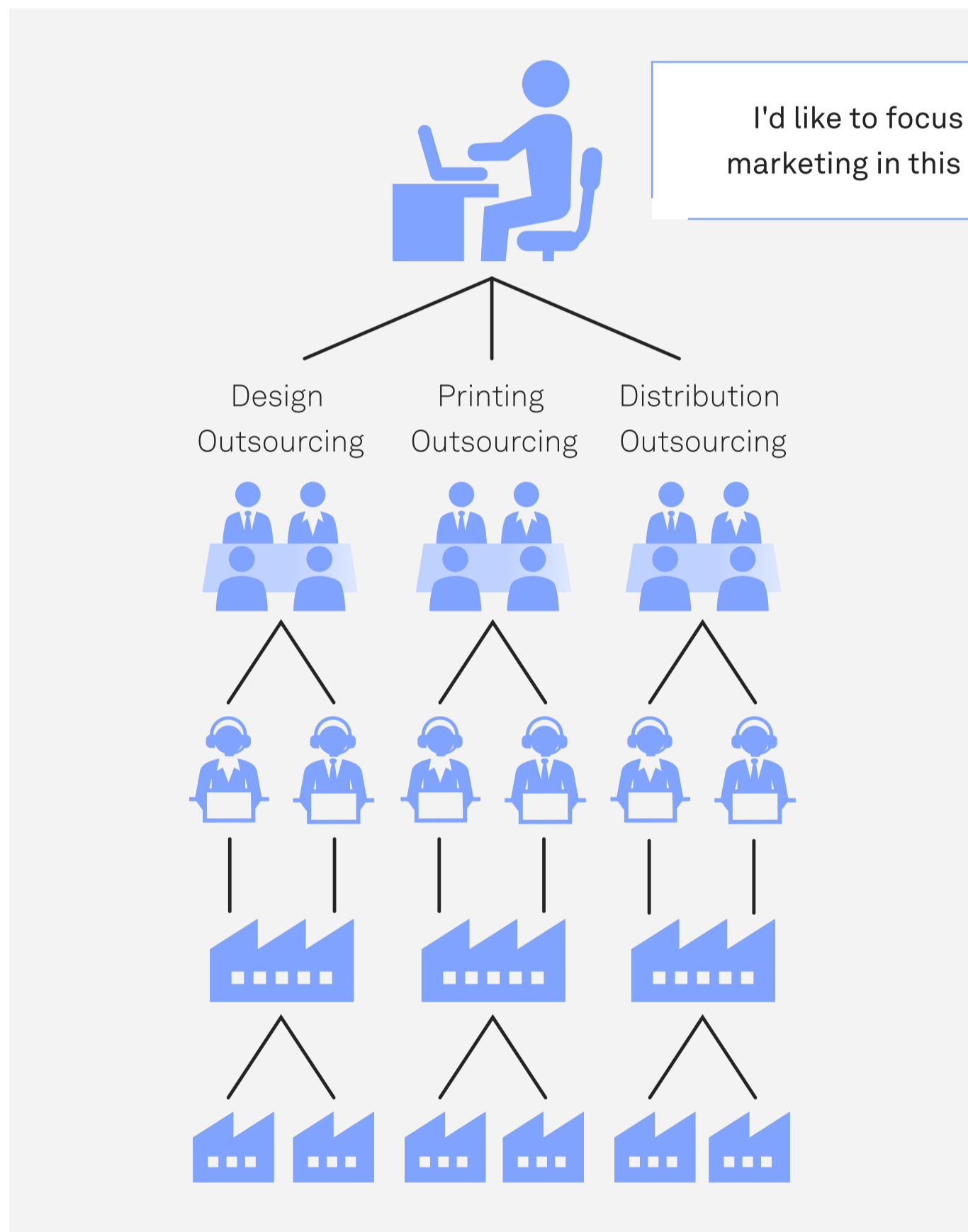
Portfolio Value

Segment Expansion

Inalterable Value Created by Technology

Raksul's platform has automated not only ordering and sales over the Internet, but also inefficient human operations in the order-to-delivery process. This allows anyone to easily place an order over the Internet and quickly receive low cost, stable quality service, without the need for specialized knowledge or skills.

Conventional Customer Behavior



A complex process dependent on and involving many humans



Services

Design	Printing	Distribution	Raksul Enterprise Service
<ul style="list-style-type: none"> • Online designs • Automated check of submitted data 	<ul style="list-style-type: none"> • Marketplace • Matching (ganging) Automation/ Optimized Ordering Algorithm 	<ul style="list-style-type: none"> • Posting area designation 	<ul style="list-style-type: none"> • Account/ Group Management • Order Management/ Statement Download • Approval Workflow • Design Management
Easily create print data from design templates with free design creation tools	Line-up of more than 20 product categories. Realizing low price, high quality, and fast delivery with partners	One stop service for design, printing and distribution with an intuitive interface (Newspaper, Posting, DM)	All the functionalities needed to optimize purchasing across the enterprise

Transaction efficiency improvement • Cost reduction • Improved convenience

Case Study: Raksul Enterprise



Teijin Pharma Limited

Cost reduction, Reduced Workload in Purchasing & Arrangement, and Enhanced Sales Support from HQ

Teijin Pharma Limited plays an important role in Teijin Group's healthcare business and provides information on pharmaceuticals and home medical equipment to medical professionals. The company was faced with the challenge of increasing printing costs of flyers with multifunction printers. The company had been working across the organization to optimize payment costs to external services, and during the periodic monitoring, they became aware that multifunction printer costs were increasing year after year, mainly due to the color printing of flyers for lectures.

The company first introduced Raksul on a trial basis at some of their sales offices. The sales offices gave positive feedback that the flyers, which had previously been printed on multifunction printers, looked noticeably different now that they could be printed on high quality glossy paper with Raksul. Furthermore, the costs have been reduced by one-third, which convinced the company that this would be a good solution. There used to be cases where the company needed to limit the number of copies for printing due to the high cost of printing on multifunctional printers. However, with the cost savings by using Raksul, they can now print more copies, allowing the sales representatives to be more proactive in providing information and lecture invitations to medical professionals.

On the other hand, it has become time consuming with uploading the printing data, inputting necessary information during the order process, and updating the master data whenever there is a change of personnel in charge of the order. Considering the situation, the company has decided to utilize the "Dedicated Ordering Website function" on Raksul Enterprise in order to reduce man-hours. This functionality has simplified the ordering process by issuing user accounts to each of the sales offices in Japan, enabling them to update orders themselves, and eliminating the need for data upload and confirmation.

After the introduction of this function, we have received comments from the sales office staff that ordering has become easier. The system also visualizes the number of flyers printed at each sales office, and this has been helpful for the head office in grasping the amount of activity at each lecture to plan future lectures.



Makino Milling Machine Co., Ltd.

Reduction of Excess Inventory and Reduced Workload in Purchasing & Arrangement

Makino Milling Machine Co., Ltd., a manufacturer of high-precision machine tools, consistently has more than 100 different types of catalogs and was facing challenges in stock management and disposal of old catalogs. The catalogs were printed by a printing company that the company had a long-standing relationship with, however, the minimum lot size was 1,000 copies, which forced them to order an excessive number of copies even for the products with few business meetings. There had been many cases where they had to dispose of the catalogs since the specs of the products changed before using all the catalogs in stock, which they considered an issue from cost and environmental perspectives.

Considering the situation, the company decided to partially switch to Raksul for some of their sales offices so that they can place orders in small lots. By switching to Raksul, the sales offices no longer need to have excess inventory, and only a small amount needs to be disposed of, if any. In addition, they used to fix some of the revisions using stickers if it was only one revision, however, now that they no longer need to do that, the employee's workload has been reduced, which is an improvement.

While the use of Raksul had helped them reduce excessive catalog inventory, they also received feedback from their sales offices one after another about order errors due to issues with data submission and the increased workload from carrying out data checks to prevent such errors. The company then received a proposal regarding the "Dedicated Ordering Website function" on Raksul Enterprise and decided to give it a try.

With the introduction of this function, each sales office can receive catalogs simply by specifying the number of copies needed and the destination, eliminating the need to check order data and reducing the workload associated with placing orders. In addition, the catalog data is first checked for completeness at the head office before the registration on a dedicated ordering website, preventing order errors at the sales offices.



Product/Category Management

Cataloging of promotional tools and materials which also contributes to controlling available products



As quick as 10 seconds

By far the easiest ordering experience
Requests can be made as if you were purchasing products



Roundtable Discussion

Co-Creation of Supply Chain

Making progress towards realization of CORE VALUE through integration with Net Square with strengths in “small-lot digital printing”

SVP of Raksul

Tatsuru Watanabe

Net Square Co., Ltd., Representative Director and President
RAKSUL FACTORY INC., Representative Director and President

Yoshihisa Urakami

RAKSUL INC., Raksul Business Unit, Supply Chain Management (SCM) Division
RAKSUL FACTORY INC., Director

Daisuke Kamimura



Joined the Group out of shared passion for fast-growing “Digital Printing”

First, could you give us an overview of this spin-off as RAKSUL FACTORY, separating a part of Net Square’s business?

Mr. Yoshihisa Urakami (“Urakami”): We split the portion of our business, which was on-demand printing business for Raksul, transferred it to RAKSUL INC., and launched the business as RAKSUL FACTORY INC. on August 1, 2023. This portion of the business for RAKSUL accounts for about half of our group's consolidated annual revenue of approximately 5 billion yen.

With this change in structure, about 150 employees, including part-time workers, have transferred to the new company. Currently, I serve as president of both Net Square and the newly formed RAKSUL FACTORY.

Mr. Tatsuru Watanabe (“Watanabe”): We have a long-standing relationship with Net Square as a core partner and have invested in the company in two stages so far. In our first investment, we acquired 40% of Net Square's shares in September 2021, making it an affiliate company. And this time around, in August 2023, we took over the business by splitting the portion of the business dedicated to Raksul.

As someone in charge of Raksul business unit, I am responsible for everything from designing synergies at the time of initial investment to considering schemes for onboarding them to the group, as well as developing strategies related to PMI.

Mr. Daisuke Kamimura (“Kamimura”): I have been seconded to Net Square since the initial investment timing and have worked with the company on business operations. As the PMI leader for this onboarding to the group, I am responsible for considering and executing a concrete business plan.

Enabling realization of CORE VALUE in small-lot printing

What was the deciding factor for Net Square to join the group?

Urakami: We wanted to run a business with like-minded people to boost the printing industry in the area of “digital,” which is still fairly new in the industry. Simply put, it came down to that.

When we closed our brick-and-mortar business and considered our next growth strategy, we decided to go into the online printing business at full scale. The market for online printing was rapidly growing at the time, but we did not have the in-house know-how at the time. On the other hand, RAKSUL had built an “online printing platform” that we had never even considered, and was continuing to grow. In a sense, it was a natural progression for us to move from a partner relationship to becoming a group company.

In that sense, I see this consolidation as we were given an opportunity to join a circle of people who share the same dream.

I would like to hear about the aim and the future that RAKSUL is envisioning with this launch of RAKSUL FACTORY.

Watanabe: One of the growth strategies for Raksul Business Unit is “CORE VALUE.” In other words, to create values that continue to be chosen by our customers. Our “CORE VALUE” is “low price, fast,

and easy.”

Until now, we have been expanding our partner network with a focus on the orders of mid-volume and above, and have been refining our value through improvements together with our partner companies. On the other hand, we have not been able to approach the extremely small-volume orders, which are expanding with the diversification of use cases. This is because digital printing, which is suitable for small-lot printing, is still developing and has a short history, and it is an area where innovation is needed while incorporating new technologies. Therefore, we thought that we could grow our “CORE VALUE” if it is with Net Square, who have been refining their production technology while incorporating changes, specializing in digital printing.

In the printing market which has a long history, the area of digital printing is still in its infancy. We expect that there is a great deal of room for investment in this area, as various technological innovations continue to take place. We established RAKSUL FACTORY in order to “win” in this area.

Smooth PMI by presenting the “goal to work toward together”

How did you proceed with PMI after the business integration?

Kamimura: The first thing we have done thoroughly is to “work backwards from the goal.”

Until now, Mr. Urakami has strongly driven the growth of Net Square and the business for Raksul has been growing steadily. We thought that there might be strong resistance on the ground to making drastic changes under such circumstances. Therefore, we wanted to create a culture in which we present a clear picture of our goals to our members on the ground and encourage them to take on challenges together to achieve them, thereby promoting their growth. We would then communicate specifics and figures, for example, “By making such investments and implementing such measures to address current issues, we will contribute to improved operational efficiency and profits.” Once they were truly convinced of the plan and process, they took action and accumulated small successes. This repetition gradually transformed the mindsets. It seems to me that a sense of self-efficacy was fostered as an organization, as if to say, “We can produce good results through change.” Another major change is that we are now able to efficiently execute the PDCA cycle based on best practices.

What kind of structures did Raksul have for the PMI?

Kamimura: In terms of the structure, I took the lead on my own. However, the SCM Division of Raksul Business Unit, which I am part of, has many members with diverse backgrounds and knowledge, and they enjoyed the synergy with the new staff. Watanabe: I want the people on the ground to be glad that they joined RAKSUL Group.

Mr. Kamimura has a wealth of management experience in manufacturing, including as deputy factory manager of a major food manufacturer, Kewpie, where he launched a new factory in China. I thought he would be the right person to join the two companies and refine the operations that would lead to further value creation.



Quantitative outcomes and autonomous movements born out of joining the group

Could you tell us what kind of results came out of this M&A and the foundation of RAKSUL FACTORY?

Watanabe: As a premise, we have already achieved a growth rate of 150% from the start of the first investment in September 2021 to the pre-merger period. Considering that the annual growth rate of the entire Raksul business has been 120% to 130%, we can say that we have achieved remarkable growth.

With Raksul business, we want to become the dominant player in Japan in terms of our “CORE VALUE” of “low price, fast and easy.” Although we are still halfway there, I am confident that RAKSUL FACTORY can become No.1 in small-lot digital printing.

Kamimura: While there are many aspects to the success, we feel that the knowledge and the solid technology Net Square has cultivated in small-lot printing have contributed to the success of the project.

Watanabe: In PMI, these 3 essential elements must work well together: an optimal and strategic business plan, leadership on the Raksul side, and the leadership of the organization joining the Group who is accepting of the leader from Raksul. Above all, the biggest successful factor was that we had been able to share business ideas for about 8 years before the merger. We were able to move forward with confidence that “together, we could create further synergies” in every situation.

Urakami: The management style at Net Square had previously been top-down. Just as we were thinking that we needed to change the style in order to achieve continuous business expansion, Mr. Kamimura was assigned to Net Square, and he carefully communicated with the executive members to build up a series of successful experiences.

Thanks to this, we feel that we have created a culture of trust and autonomy with them.

Our employees on the ground have grown so much that we now feel comfortable entrusting them with most of the decision-making. The biggest impact of joining the group has been the significant change in the organizational culture in less than a year since the merger in August 2023.

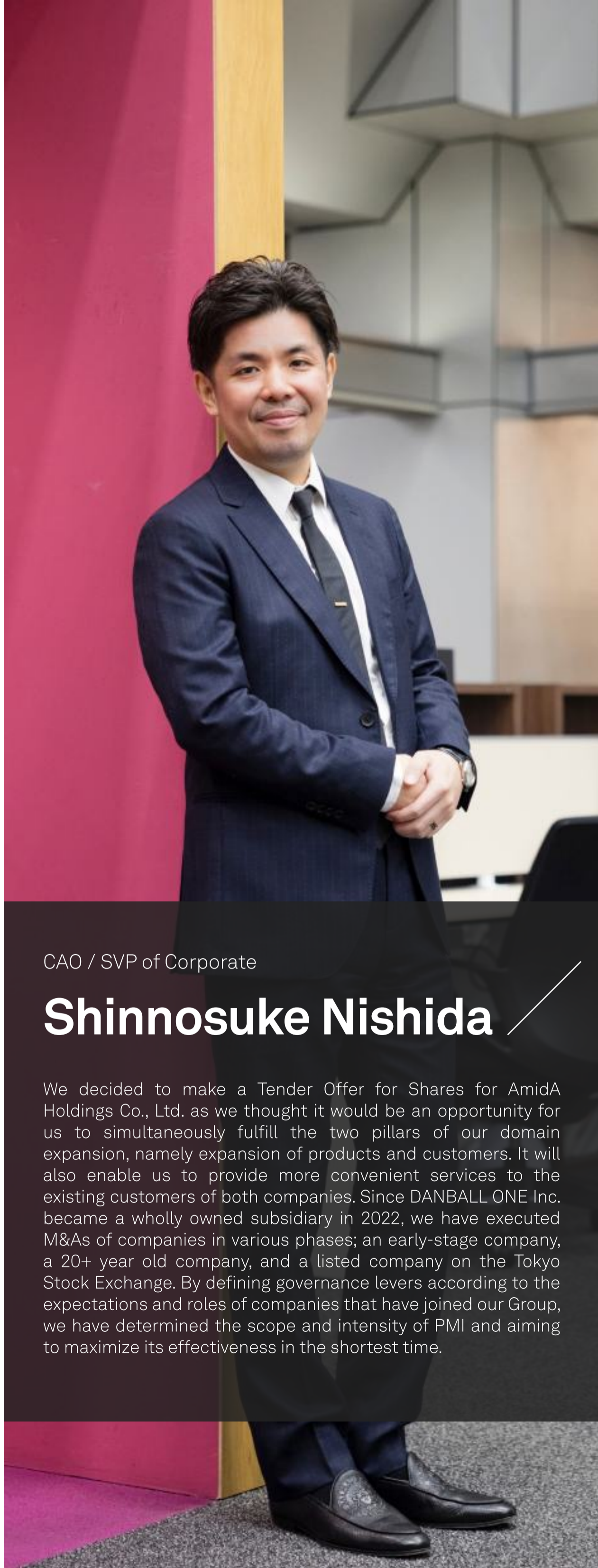
Finally, Mr. Watanabe, as someone who oversees the Raksul Business Unit, could you give us an outlook for the future?

Watanabe: We aim to provide the best service in Japan by far. Within the Raksul Business Unit, we have formulated our new

slogan, “Excellent service that will become the infrastructure of the industry and continue to be chosen for 100 years.” With the establishment of RAKSUL FACTORY, we hope to reach our ideal state in the digital small-lot printing domain in the fastest possible time.

With markets in traditional industries, including the printing industry, either flattening or shrinking, “continuous growth” is a major business challenge for all companies. At RAKSUL Group, we hope to bring the power of technology to such areas and create new values for society by changing industrial structures. We would be happy to meet with companies that are willing to share growth with RAKSUL Group in the future.





CAO / SVP of Corporate

Shinnosuke Nishida

We decided to make a Tender Offer for Shares for AmidA Holdings Co., Ltd. as we thought it would be an opportunity for us to simultaneously fulfill the two pillars of our domain expansion, namely expansion of products and customers. It will also enable us to provide more convenient services to the existing customers of both companies. Since DANBALL ONE Inc. became a wholly owned subsidiary in 2022, we have executed M&As of companies in various phases; an early-stage company, a 20+ year old company, and a listed company on the Tokyo Stock Exchange. By defining governance levers according to the expectations and roles of companies that have joined our Group, we have determined the scope and intensity of PMI and aiming to maximize its effectiveness in the shortest time.

Domain Expansion and Synergy Creation through M&A

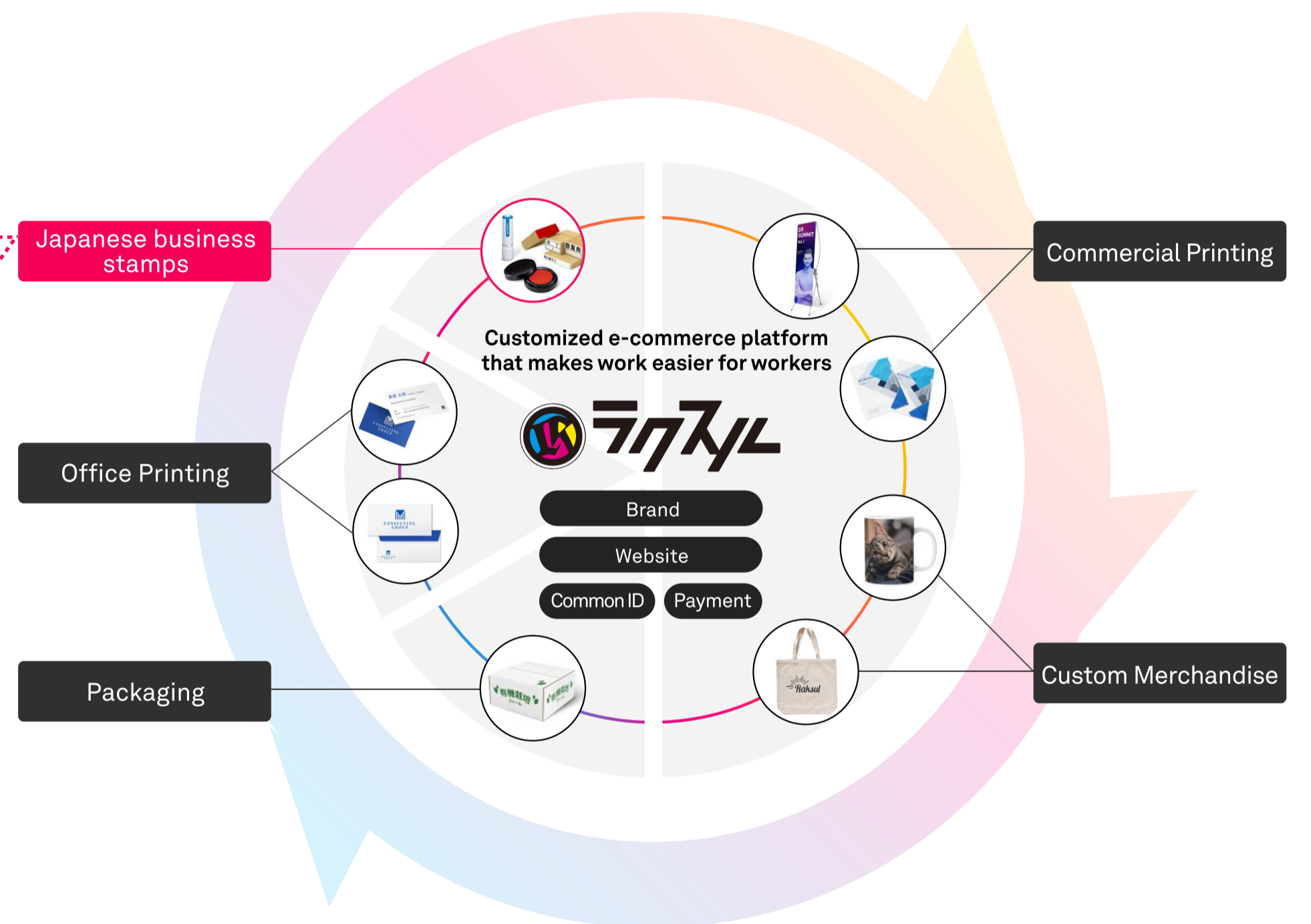
At Raksul, we are promoting M&A to expand into adjacent domains aiming to build a "customized e-commerce platform that makes work easier for workers" in addition to launching our own businesses. In August 2023, we absorbed DANBALL ONE Inc., an e-commerce platform for cardboard and packaging materials, and in October 2023, we made AmidA Holdings Co. Ltd., which operates e-commerce for Japanese business stamps, "Hankoya.com," a wholly owned subsidiary. By expanding our product lineup, we aim to improve customer convenience and accelerate the expansion of customer value by providing a one-stop shop for business necessities.

Expansion of customer segments



1 in 10
Japanese companies starting a business uses a personal seal and business stamp service

Expansion of product lineup



Creation of group synergies (planned)

PMI is now underway to achieve mutual synergies in both revenue and costs while leveraging the PMI experience with DANBALL ONE Inc.

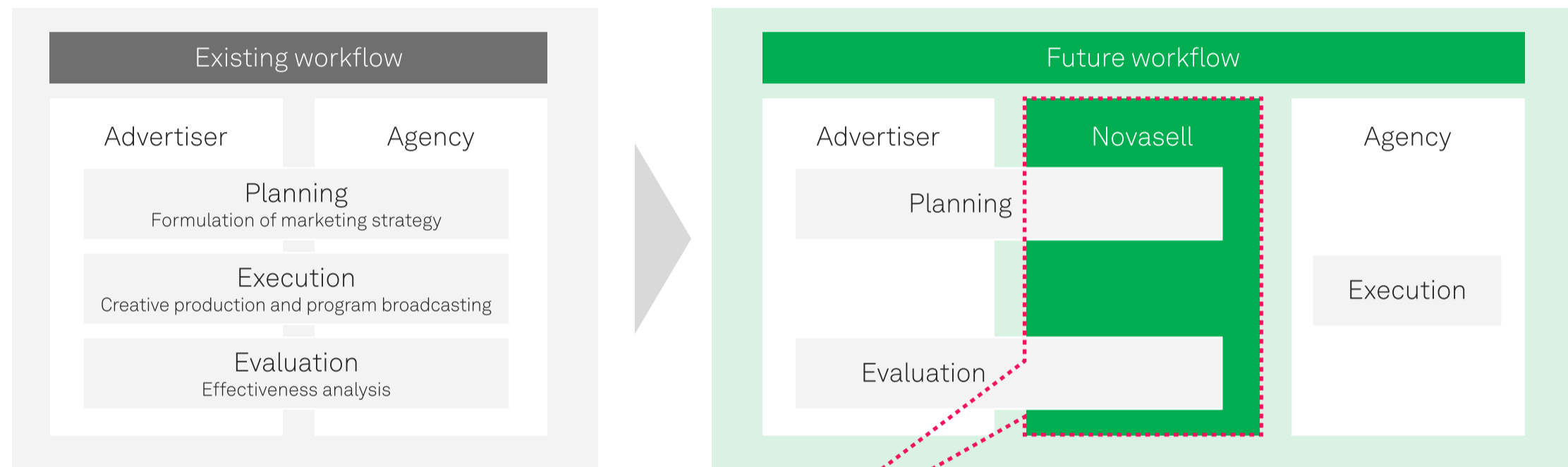
Revenue	Costs
<ul style="list-style-type: none"> • Cross-selling of Raksul products to startup and office customers using Hankoya.com • Mutual customer referrals through account and brand integration 	<ul style="list-style-type: none"> • Integration of corporate functions and operational systems • Integration of payment systems • Improvement of marketing efficiency

Novasell

Novasell has greatly contributed to the creation and spread of the market for programmatic TV commercials, utilizing the marketing know-how that has improved Raksul's sales by 30 times in six years. In the future, in order to utilize this platform to eliminate the black-box nature of marketing, we will create an environment in which anyone can easily measure the effectiveness of marketing by making full use of client data collection as well as analytic technology and consulting services.

In addition, we provide medium to long-term support from an objective standpoint as a "third agency" in response to the needs of advertisers and advertising agencies. Furthermore, we focus on structuring marketing operations and creating an environment in which clients can strengthen their own marketing activities. In this way, we support the growth of clients, structure an environment that is resistant to change such as personnel relocation, and establish a self-sustainable system for marketing.

Novasell Professional (Consulting) Service Overview



Process Consulting

Media planning and evaluation system development
Business process improvement

- Professional staffing
- Data analysis using proprietary tools
- Program/station/agency evaluation rule design
- KPI design
- In addition to Novasell's proprietary data, ratings/quality and 1st party data can also be combined

Execution

Campaign planning, buying, and operational execution

- Professional staffing
- Data analysis using proprietary tools
- Resolving lack of analytical and operational resources
- Elimination of information asymmetry with agencies
- Support for in-house marketing



Comparison of TV commercial effectiveness of the client company and other companies using the index of "nominated searches"



Elaborate analysis of the effectiveness of TV commercials, including conversion



Visualization of the impact of all variables that can affect business KPIs, such as paid media, PR, and other non-paid media and market conditions

CMO / SVP of Novasell
NOVASELL INC. Representative Director
and President

Masaki Tabe

We provide comprehensive measures including TV commercials and web marketing, as well as effectiveness analysis and proposals for improvement from a third-party perspective, to support clients accurately evaluate proposed prices and how to spend their advertising expenses. By promoting marketing DX for advertisers, we will realize the "democratization of marketing" to create a world in which everyone can understand the accurate effectiveness and use marketing to its fullest extent.



Novasell Professional Dialogue

SUBARU **Atsushi Yasumuro** × Novasell **Yohei Shimizu**

Domestic Sales Volume Positive for the First Time in 6 Years Virtuous Cycle within the Organization Created by Data-driven Measures

How Novasell professional changed the course of SUBARU's marketing initiatives

SUBARU CORPORATION
Domestic Sales Division Marketing Department
Advertising Section Manager
Customer Experience Group Business Innovation Department

Atsushi Yasumuro

NOVASELL Inc.
Manager, Consulting 2G,
Marketing DX Business Division

Yohei Shimizu

In May 2023, SUBARU started working with “Novasell Professional,” a consulting service that supports the management and evaluation of advertising agencies involved in TV commercials, as well as advertising operations. 11 members of SUBARU's advertising team are supported by 6 members from Novasell on TV and digital marketing including data analysis. Novasell members received SUBARU's employee ID and laptop, and there was constant communication on a business chat tool, truly making them accompanying partners. Mr. Atsushi Yasumuro from SUBARU and Mr. Yohei Shimizu from Novasell looked back on how it all started and what kind of impact it has created.

The fact that a member with expertise would accompany us in our business matched the image of support we were looking for and this became the deciding factor in our decision to introduce this service.



“Media buying” and “human resource development” Marketing challenges SUBARU was facing

Please tell us the background on why SUBARU decided to use Novasell Professional.

Atsushi Yasumuro (“Yasumuro”): At the time, SUBARU's marketing department had two major challenges: media buying (purchasing of advertising slots) and human resource development. First of all, with regard to media buying, SUBARU had been engaged in central media buying (a single outsourced advertising agency buying a huge number of media) for more than 20 years, however, it had not been able to achieve efficient buying prior to when I took my current position in April 2023. When examined using our company's own data marketing platform, the Search Lift value indicating the effectiveness of the commercials was very poor, and the per-cost of time commercials to be run within the provided programs was high. Therefore, we needed to have a major transformation of commercial strategy in a data-driven manner, such as shifting from time commercials to spot commercials as well as changing the creatives. In addition, manufacturing companies like ours have a very

high rate of job rotations with a short cycle of 2 to 3 years. The current member in charge of the TV domain transferred from the HR Department; although with excellent capabilities, he had almost no marketing knowledge. Also for myself, when I was assigned this role, although digital marketing was my area of expertise, I did not have much knowledge of TV buying.

We were just thinking about whether we needed an external person with a high degree of expertise, and that is when we ended up meeting someone from Novasell. Based on his background and personality as a former media manager at an agency, we consulted him about working together. The fact that a member with expertise would accompany us in our business matched the image of support we were looking for and this became the deciding factor in our decision to introduce this service.

Yohei Shimizu (“Shimizu”): I was truly honored when I was offered the opportunity, and it was at a timing of change that would drastically change their marketing strategy; I felt a sense of responsibility to “deliver results no matter what.” SUBARU helped me set up the right environment in the company, and I started by thinking about what I could do with the mindset of being one of SUBARU's employees.

Support from Novasell included everything from upstream processes

such as budgets for the next fiscal year and the formulation of marketing and media plans, to the analysis of broadcast results for all TV stations, and the “line-drawing evaluations” to decide which slots to place based on this data. In the case of TV commercials, there are thousands of slots scheduled for broadcast each week, and each slot is checked one by one against past data such as Search Lift to determine which slot is suitable. This method is very effective, but it also requires a large number of personnel. At Novasell, we have developed a proprietary tool that links a vast number of broadcast slots with past performance data, making it possible to produce results in a more productive manner.

Supporting the creation an environment where advertisers and agencies can thrive together as a Third Agency

What changes have you seen as a result of implementing Novasell?

Yasumuro: In the past, the only evaluation indicator for TV commercials was viewership ratings. Today, however, there are clear indicators such as “Search Lift,” which measures the degree to which the number of organic searches for a target keyword

increases after the broadcast. Furthermore, by utilizing the company's own database, we can see the cost-effectiveness of the commercial slots offered by each TV station and the difference in acquisition costs between TV and digital. Once all these data are gathered, decisions can be made to shift inefficient TV commercial placements to digital advertising. In other words, if, for example, the goal is to sell 100,000 units per year, the amount of exposure required can be calculated in reverse based on unit conversion cost and costs, etc., and the amount of annual TV commercial placements required to achieve the goal can also be calculated. Unlike in the days driven by ratings, advertisers can now conduct data-driven media buying, which makes TV stations and ad agencies feel a sense of urgency that “if the numbers are bad, they will not buy the commercial space.” And I feel that this data-driven advertising operation is supported by Novasell.

Shimizu: TV industry is an industry with a great deal of information asymmetry. This is also connected to the issue of short-term job rotations in large companies mentioned by Mr. Yasumuro. While the people in charge at TV stations and ad agencies work in the industry as professionals for a long time, the people in charge at the advertiser companies tend to change from time to time. As a result of this, it is difficult for the advertisers to judge whether the agency's proposals are good or bad.

This is where Novasell, a marketing support company, comes in as a “third agency” between advertisers, agencies and TV stations, helping to build meaningful relationships for all parties. We see ourselves in a position to help advertisers and agencies work as one team.

Yasumuro: Although we have been conducting AB testing and other creative testing in the past, collaboration with Novasell made it possible to compare the effectiveness of creative with other companies' commercials. As a result of being able to quantitatively compare creative evaluations, including those of other companies, Search Lift has increased 14.5 times. (see image) Until now, SUBARU had a strong image for male audience, but based on data, we targeted females and launched commercials focusing on safety, which proved to be successful. In addition, we brought the concept of digital marketing into TV commercials, and created 3 different versions of the same commercial and aired the version with the best results. As a result, SUBARU's domestic sales of registered vehicles in the calendar year 2023 increased by 10.3% YoY, which was the first increase in six years.

Data-driven becomes the catalyst to break corporate vicious cycle

Did you face any challenges in supporting the marketing strategy and execution of advertisements?

Shimizu: The targets Mr. Yasumuro was aiming for were high and, to be honest, difficult to execute. However, we were confident that we could make improvements, so we defined the variables to maximize the number of website visits, and we went all out in terms of proceeding with the measures one by one.

In the end, what led to the results was the excellent response from each agency and TV station, as well as the close cooperation with the staff from SUBARU, who were able to implement and improve the program based on SUBARU's goals. We are very thankful to everyone involved.

Yasumuro: I feel that our staff members have become more confident as they worked together with the Novasell team on marketing initiatives. This is because the results of their efforts were being “visualized” in easy-to-understand figures. The direct link between their work and business indicators naturally led to greater confidence.

We must foster not only the confidence of those in charge but also their awareness of evaluation metrics and the environment. Large Japanese companies in particular have the bad habit of simply implementing measures and not looking back. On top of that, short-term job rotations do not foster expertise, and corporate knowledge does not accumulate at all - it is a vicious cycle. However, it is important for a company to prepare an environment in which PDCA cycles can be performed at high speed based on set indicators, even if the person in charge changes jobs.

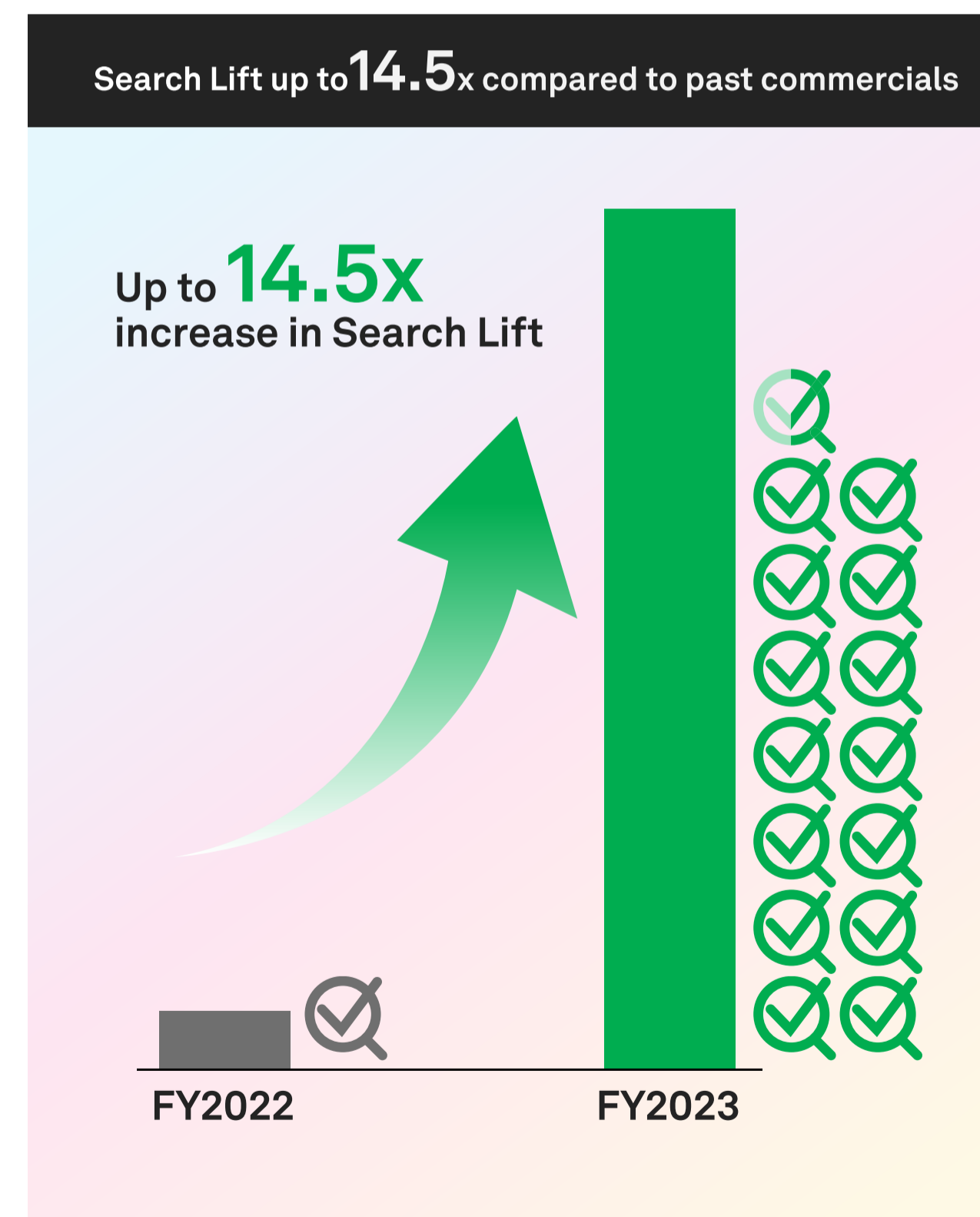
Instilling the message of “SUBARU = Safety”

Finally, what are the future prospects for collaboration between SUBARU and Novasell?

Yasumuro: SUBARU's current goal is to achieve “Zero fatal traffic accidents by 2030.” Our commitment to safety has been handed down since the company was founded as Nakajima Aircraft. We want as many customers as possible to purchase SUBARU vehicles, and we want to reduce the number of fatal traffic accidents in the world. We will continue striving towards our ultimate goal of “SUBARU = Safety.”

Shimizu: In terms of marketing as a whole, there is still room to further strengthen the association of SUBARU with safety. TV is a medium with a large reach, so we would like to continue to support the optimization and efficiency of the buying process. On the other hand, achieving sales volume targets cannot be solved by media buying alone. There must be more areas where we can assist in the upstream marketing process, such as target selection, axis of appeal and medium planning. In order to approach the targets set by SUBARU, I would like to combine not only TV but also other media and work with people in various departments to achieve our goals.

Yasumuro: Looking at the results to date, I think we have the right direction for the marketing strategy after the reform. Nevertheless, there is still a lot of room for improvement; this will not happen overnight, or rather, it will require steady and tenacious effort. Now that we have confirmed the correctness of our direction, we have no choice but to accelerate this while continuing to make improvements one by one.





Technology Dialogue

CPO / SVP of Product

CTO / SVP of Technology

Sota Mizushima × Toshiharu Takeuchi

Challenge to Create Inter-Group Synergies by Developing Infrastructure System that Leverages Assets

Advancing an engineering culture that does not fear failure

Toshiharu Takeuchi, who has concurrently been responsible for the development of several businesses and data utilization at Rakuten Group and served as CTO of Wealth Navi, was appointed CTO of RAKSUL in February 2024. He sat down with Sota Mizushima, who has been leading the technology organization as CPO, to discuss the state of technology to date at RAKSUL Group, which started its new structure in the summer of 2023, and the new value creation to focus on in the future.

Toshiharu Takeuchi
Since 2011, he has been responsible for the development and data utilization of multiple businesses in Japan and abroad at Rakuten Group. In 2022, he joined Wealth Navi as CTO to strengthen the foundation and structure of the growing venture. In February 2024, he joined RAKSUL as CTO.

It is a company that takes on the challenge of fundamental changes by entering a variety of industries and domains, and indeed, that impression has not changed since I joined the company.



**Successfully automated 80% of manual work in 6 years
Contributing to improving human productivity**

Looking back on the journey of RAKSUL, what values do you think it has created in terms of technology?

Sota Mizushima (“Mizushima”): At RAKSUL Group, we have been working “quick and dirty” to create a better world by introducing IT systems to industries where digitalization has not progressed and transactions are still too personal and complex. In industries such as printing, logistics and TV commercials, we have been optimizing transactions and costs using the power of technology. For example, there are two major technological strengths of RaksulRAKSUL in the printing industry. One is the E-commerce website design that is among the best in the world in ease of ordering. This came as a result of our deep understanding of users through close observation. Another is the automation of “print data check” at the time of ordering and “print assignment” algorithms to the supplier network. When I joined the company in 2017, all the data check and allocation of printing materials to the printers, who are our suppliers, were done by humans. However, we have now automated almost 80% of this, resulting in a fivefold increase in productivity per employee. For the logistics industry, Hacobell has achieved structuring transaction data by building a transaction database for the industry, which used to be mainly dependent on communication via paper

and LINE messages. This increases the scope of what can be automated by AI, leading to increased human productivity.

Continuing to be a company that takes on challenges to fundamentally transform various industries

Mr. Takeuchi, you just joined as CTO in February. How do you see RAKSUL's tech structure and culture?

Toshiharu Takeuchi (“Takeuchi”): From the outside looking in, RAKSUL was the company that was realizing the very definition of “digital transformation (DX)” before the term became popular, using digital technology to change the matching system and order placement process for printing companies. It is also a company that takes on the challenge of fundamental changes by entering a variety of industries and domains, and indeed, that impression has not changed since I joined the company. I feel that RAKSUL is a group that is good at “0 to 1” to realize concepts, and that it is made possible by the attitude of pursuing “reality (granular understanding).” When you deepen the understanding of one industry, the knowledge and know-how gained there can be applied in another industry. Through such horizontal expansion, RAKSUL has achieved DX in various industries we have newly-entered. I sense a strong mindset of the company as a tech venture in that its commitment to granular understanding has been polished. In addition to this strength, I believe that it is my mission to create a

technology organization that can efficiently execute “1 to 10.” I also think that RAKSUL is good at crossing borders. One is industry borders. There must be only a handful of Japanese companies that can transcend so many different industrial domains. The second is the borders of locations. We established a development base in Vietnam in 2020 and have been actively investing in development. We have also focused on leadership development of local employees and have grown to an organization of 80 employees (as of March 2024).

Mizushima: RAKSUL has grown by using the power of digital technology to change and improve the structure of existing industries in response to their problems and dysfunctions. In other words, we have grown by executing digital transformation (DX). DX is the foundation of our business, and not just at the project level. We believe that changing the existing industry structures in this way will contribute to Japanese society and have a social impact.

Refining technologies to integrate & connect with partner companies and systems while utilizing strengths

In July 2023, Mr Yo Nagami was appointed CEO and the company started under a new structure. What are the policies in the technology area under this new organization?

Mizushima: Up until now, RAKSUL's strength has been in transforming existing industries by creating many “zero to one” by ourselves.



I believe it is good for engineers to fail many times.
If you are afraid of failure, nothing will get done.

Sota Mizushima
After working for IBM and DeNA, he joined RAKSUL in October 2017. As CPO, he leads product development for Raksul and launched the Design Promotion Office in November 2020 to lead branding design. He is also a board member of the Japan CPO Association and CPO of the Digital Agency.

However, today, RAKSUL Group continues to expand in capital and scale through M&As and is now transitioning into a phase of accelerating our vision together with external partners. In the future, we will need technology to integrate and connect various partner companies and systems while utilizing our strengths. Furthermore, by multiplying each of these, we must deliver values that multiply rather than simply adding up.

For example, if we make progress with account integrations between Raksul and group company services, it could lead to a service that delivers Raksul's printed materials to customers of other services, leading to many ideas for creating synergy within the group. In particular, since Raksul has a customer base of various business categories, there are many things that can be set in motion. However, as the group expands, the infrastructure, technology level, and corporate culture will be different from those of our colleagues from outside. The big challenge for the future is how to unite the entire group in this situation. Going from doing things in the ways we are used to, to coordinating with external peers, technologies such as infrastructure and application infrastructure will be important.

Takeuchi: We have already started a project to develop a common infrastructure system for the group, but the key will be how many different varieties of partner companies and industry domains we can involve.

For example, the payment and ID infrastructures that Raksul currently operates are assets that we have cultivated over the years. If this payment system and user customer information can be utilized, there must be companies that would love to integrate with our company.

Amazon's AWS is a good example of how valuable an underlying system can be. As a result of thoroughly refining AWS, their own infrastructure, Amazon realized that they have competitive advantage in the market and developed it as a cloud service business. This service has freed customers from the process of building servers and installing operating systems and is still highly popular today.

Not limited to this, the development of infrastructure that is common to the entire group will be a major strength of the company. However, this is a challenge of a different dimension from the creation of "zero to one." How quickly and properly can we build the infrastructure systems? I believe that this is our next challenge.

Creating value in the market with RAKSUL's strength of "high-resolution understanding"

With tech investments being part of the focus of the new organization, what is the current status of R&D and what is the outlook for the future?

Takeuchi: We see areas that can create value in the medium to long term as targets for R&D, and we have two main directions at this moment.

One is the data infrastructure development project I mentioned earlier. As RAKSUL Group spans over multiple industries, the system infrastructure that should be shared and the infrastructure that the

other hand, if a common infrastructure for the group is established, for example, the possibility of new marketing measures utilizing data across multiple services may be considered. In addition to the development of the infrastructure, research on data utilization in each industry using the infrastructure as a starting point will also be included in the area of R&D.

The other direction is to create value in the market through R&D based on the "high-granular understanding of things," which is one of RAKSUL's strengths. For example, in a society where generative AI has become widespread and many tasks have been replaced by AI, the role of R&D is to delve deeper into RAKSUL's market advantage, the role we should play, and the value we can create.

Mizushima: We have been hosting hackathons with our engineers once a year, and a generative AI project by a dedicated R&D team that was born out of this has already started working. We also released an algorithmic design generation function called "Rakuraku Design (easy design)" in 2018, although it does not use LLM (Large Language Model) technology. This project originally started with the problem that the design work for printed materials was burdensome, but we had the mindset since then to take on challenges with new technologies. In that sense, the management also expects new and interesting things to come out of the tech team, and is willing to invest in them.

GO BEYOND—

Building an engineering culture that is not afraid of failure

What kind of technology organization and culture is RAKSUL Group aiming for in the future?

Mizushima: We have set "GO BEYOND" as part of the engineering culture at RAKSUL. We want our engineers to always have a high-granular (high resolution) understanding of not only our business and customers, but also of technology. If our understanding of rapidly evolving technology improves, we should be able to see the future that we are aiming for, and I do not want us to become an engineering organization that merely caters to customers. In that sense, I believe it is good for engineers to fail many times. If you are afraid of failure, nothing will get done. When I took on the challenge of automating the print data check consisting of multiple sheets of paper at Raksul in the past, I was able to accomplish the task even though many people said it was "technically impossible." If you take on a challenge after having a high-granular understanding and then fail, there is always something to be gained. I would like for people to take on challenges without fear.

Next-Generation Leaders / Global Leadership

RAKSUL established a development base in Vietnam in 2020, and we have been actively strengthening our global talents. We also focused on developing local leadership, and now it has grown into an organization of around 80 people, providing technology solutions tailored to various businesses and services.

Focused Initiatives driving Business Growth

Development with product ownership

RAKSUL Vietnam focuses on strong ownership while working on printing e-commerce Raksul business and other projects. In addition to developing and operating products for several businesses (custom merchandise, apparel, etc.), we are currently taking over in stages from the Japanese team for enterprise service operations, as well as building a new e-commerce platform.

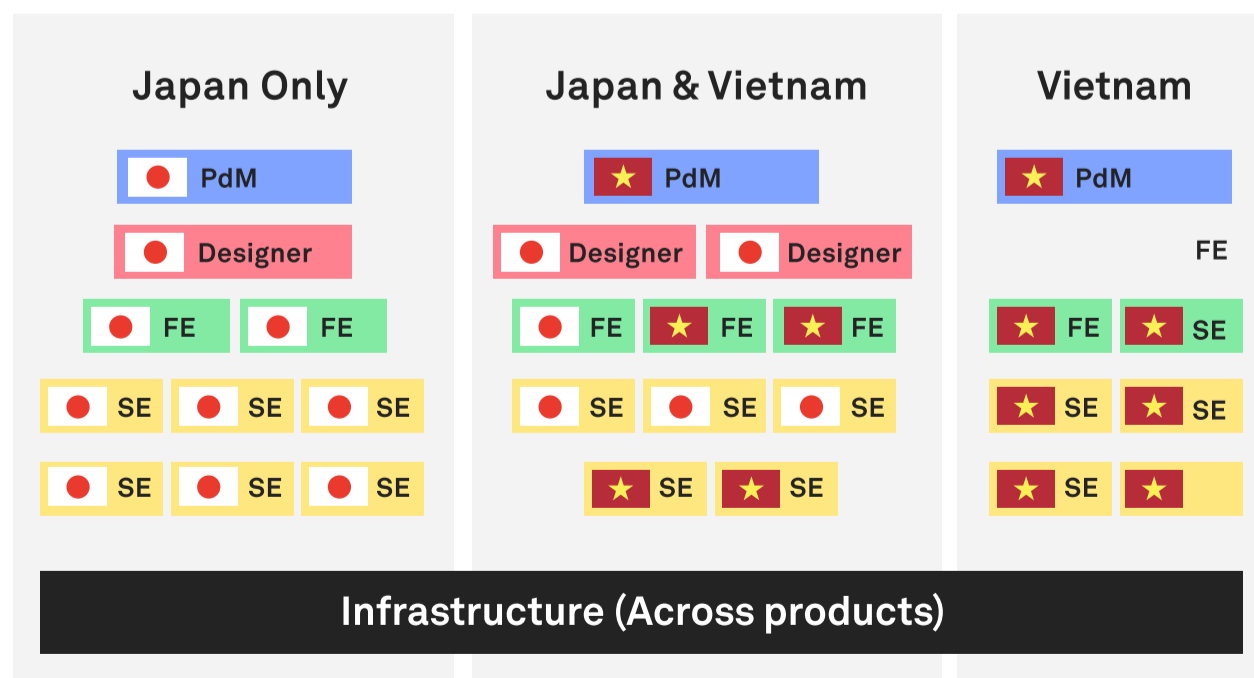


Creation of growth opportunities and environment conducive to thriving leadership

To support the rapid growth and expansion of the business, we have accepted talented new graduates and internship students. By formulating and implementing a training program, we have been able to establish a new development team of 30 people in the most recent year, separately from Printing E-commerce. Furthermore, the company contributes to the globalisation of its products by collaborating with development teams at other locations.

In addition, the company's efforts to create a workplace environment where employees are highly satisfied and can work for a long time have been highly evaluated, and it was selected in the SME category of "Vietnam Best IT Companies 2024*" as one of the best companies with in Vietnam with a great work environment for software developers.

*An award that selects the top 30 IT companies in Vietnam (15 large companies & 15 SMEs) with excellent organizational climate, benefits, working environment, management structure, and human resources development, based on over 21,500 reviews (January 1, 2023 - December 31, 2023) submitted by employees working in IT companies in Vietnam. Organized by ITVIEC JOINT STOCK COMPANY, which operates "itviec," a recruitment website specializing in IT engineers in Vietnam.



Vice President of RAKSUL Vietnam

Nhan Nguyen Thanh Ho

Since 2020, I have held a wide range of responsibilities in software development at RAKSUL Vietnam, including architect and engineering organization development. RAKSUL Vietnam will provide technical solutions and resources to meet the conditions and requirements of each business and product in the context of continuous M&As. We will rapidly integrate and improve the legacy systems of merged companies to increase customer value, realize business growth, and contribute to the technical PMI process.

The development team will continue to expand while strengthening organizational capabilities through the recruitment and development of management-level staff to increase productivity in the Group. On the development side, existing products will be integrated into the new platform strategy to create new customer value and achieve business growth.



CSO / VP of Strategy, Corporate

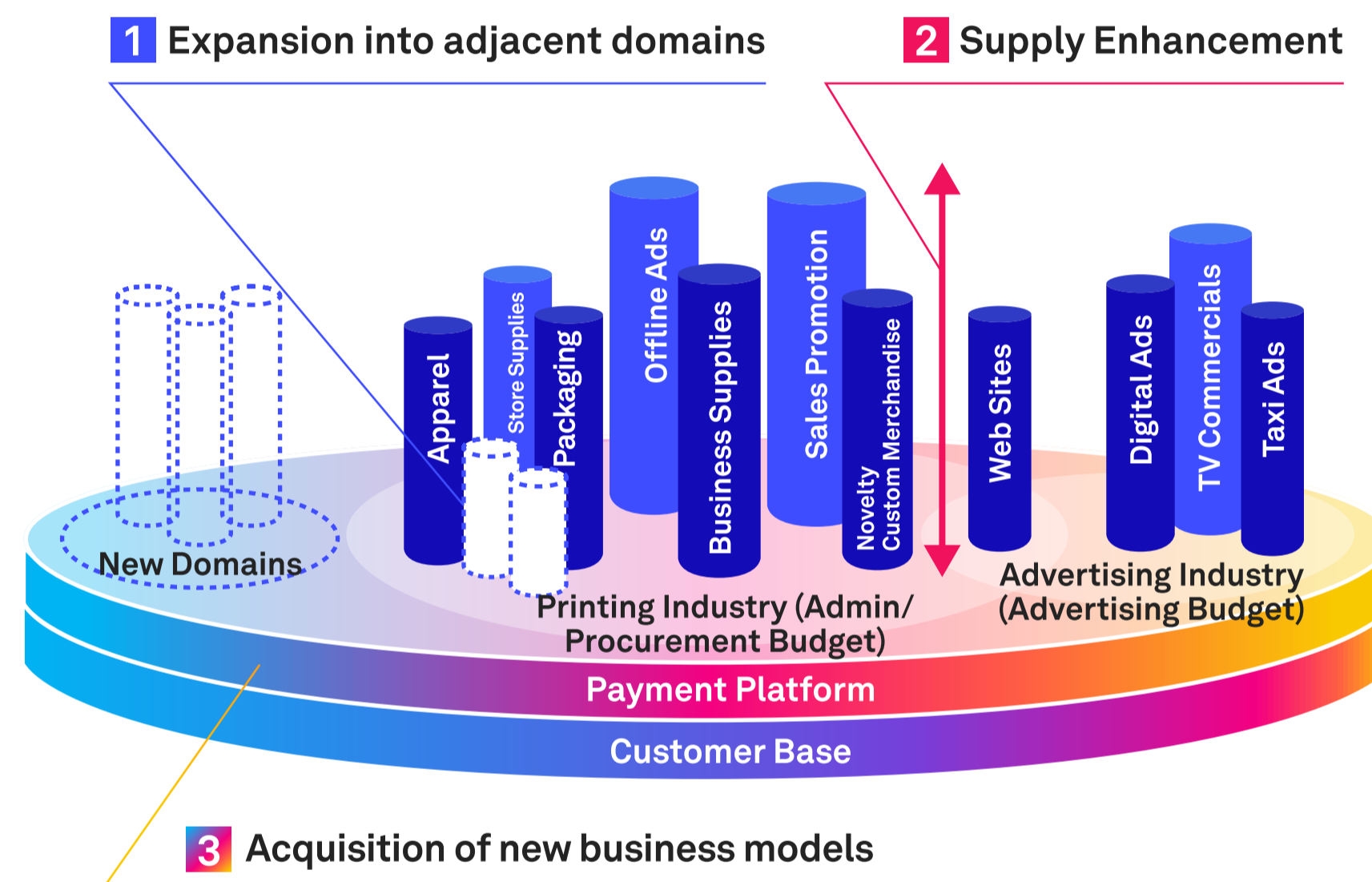
Yuichiro Tanakamaru

In line with Quality Growth, M&A is one of our key strategies in addition to organic growth. We have made steady progress in strengthening our sourcing and forming an M&A team to carry out continuous M&A. At the same time, investment rules have been formulated and an investment committee has been set in order to maintain investment discipline.

In domains where there are synergies, we will carry out M&A in a flexible manner, for the growth of customer value and business.

Medium-term Direction of Our Expansion

RAKSUL has created various BtoB services, such as Raksul, Hacobell, Novasell, and Josys, under the policy of "Quality Growth" to expand business with profit/CF. The growth of existing businesses has further strengthened our financial base, and in the future, we will not only launch in-house businesses but also actively utilize M&As to pursue further expansion of customer value.



Track Record of Continuous M&A	
2024	<ul style="list-style-type: none"> ◀ Mar. 2024: Our subsidiary acquired 100% shares of Wild Side Inc. and made it its wholly owned subsidiary ◀ Oct. 2023: Acquired 100% shares of AmidA Holdings Co., Ltd. and made it a wholly owned subsidiary
2023	<ul style="list-style-type: none"> ◀ Aug. 2023: Merged DANBALL ONE Inc. Acquired 100% shares of RAKSUL FACTORY INC. and made it a wholly owned subsidiary. Made Peraichi Inc. a consolidated subsidiary
2022	<ul style="list-style-type: none"> ◀ Feb. 2022: Acquired 100% shares of DANBALL ONE, Inc. and made it a wholly owned subsidiary ◀ Sep. 2021: Acquired shares of Net Square Co., Ltd. and made it an affiliate company
2021	<ul style="list-style-type: none"> ◀ Dec. 2020: Acquired shares of DANBALL ONE Inc. and made it an affiliate company
2020	<ul style="list-style-type: none"> ◀ Oct. 2020: Acquired shares of Peraichi Inc., and made it an affiliate company

1 Expansion into adjacent domains

Widening target markets and product offerings

- Examples: Custom merchandise and apparel
- Acquired of AmidA Holdings Co., Ltd. (→p25)

2 Supply Enhancement

Deeper penetration into each domain to increase the customer values we provide

- Examples: Acquired of RAKSUL FACTORY INC. (→p22-p24)

3 Acquisition of new business models

Evolving into a B2B procurement platform through adding layers of infrastructure

- Examples: Raksul Enterprise (→p21)
- Novasell's expansion into SaaS business
- Investment in Peraichi

03 Capital





Capital
Moving capital efficiency forward



CFO Message

Together with stakeholders, we are pushing Quality Growth forward to increase shareholder's value

Results for the Fiscal Year Ending July 31, 2023: Achieving and Sustaining Quality Growth

In June 2022, we adopted the Quality Growth policy. In FY2023, its first financial year, revenue grew by +20.7% YoY, gross profit by +25.4% YoY, and EBITDA by JPY 3.14 billion. (excluding the impact of deconsolidation of Hacobell, revenue grew by +34.5% YoY, gross profit by +31.7% YoY).

For FY 2024, the second year of Quality Growth, we forecast revenue of JPY 50.7 billion (+23.6% YoY), gross profit of +38.3% YoY, and EBITDA growth of JPY 4.3 billion.

Quality Growth will continue with Amida Holdings, RAKSUL FACTORY, and Peraichi in the consolidated group while continuing to grow organically through customer value creation.



CFO SVP of Finance
**Masaru
Sugiyama**



Contributing to a sustainable society through business activities

With the vision of "BETTER SYSTEMS, BETTER WORLD," RAKSUL Group continues to propose new systems to existing industries while providing high customer value. Our main market, Japan, is facing a pressing issue of labor shortage due to population decline, and we will contribute to industrial efficiency and optimal use of resources by helping to improve utilization rates and production processes at production sites in the supply chain. In terms of sustainability-related ratings, we have maintained an ESG rating of A from MSCI and have been selected in the "FTSE Blossom Japan Sector Relative Index," which is made up of Japanese companies with outstanding ESG initiatives.

We are pleased that our efforts and disclosures have been recognized, but we will not rest on our current efforts and disclosures and will accelerate our effective sustainability initiatives.

MSCI
ESG RATINGS



CCC B BB BBB **A** AA AAA

THE USE BY RAKSUL INC. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF RAKSUL INC. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.



**FTSE Blossom
Japan Index**

"FTSE Russell confirms that RAKSUL INC. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE BlossomJapan Index. Created by the global index and data provider FTSE Russell, the FTSE BlossomJapan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE BlossomJapan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products."



**FTSE Blossom
Japan Sector
Relative Index**

"FTSE Russell confirms that RAKSUL INC. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products."

Commitment to dialogue, transparency, and optimized capital efficiency

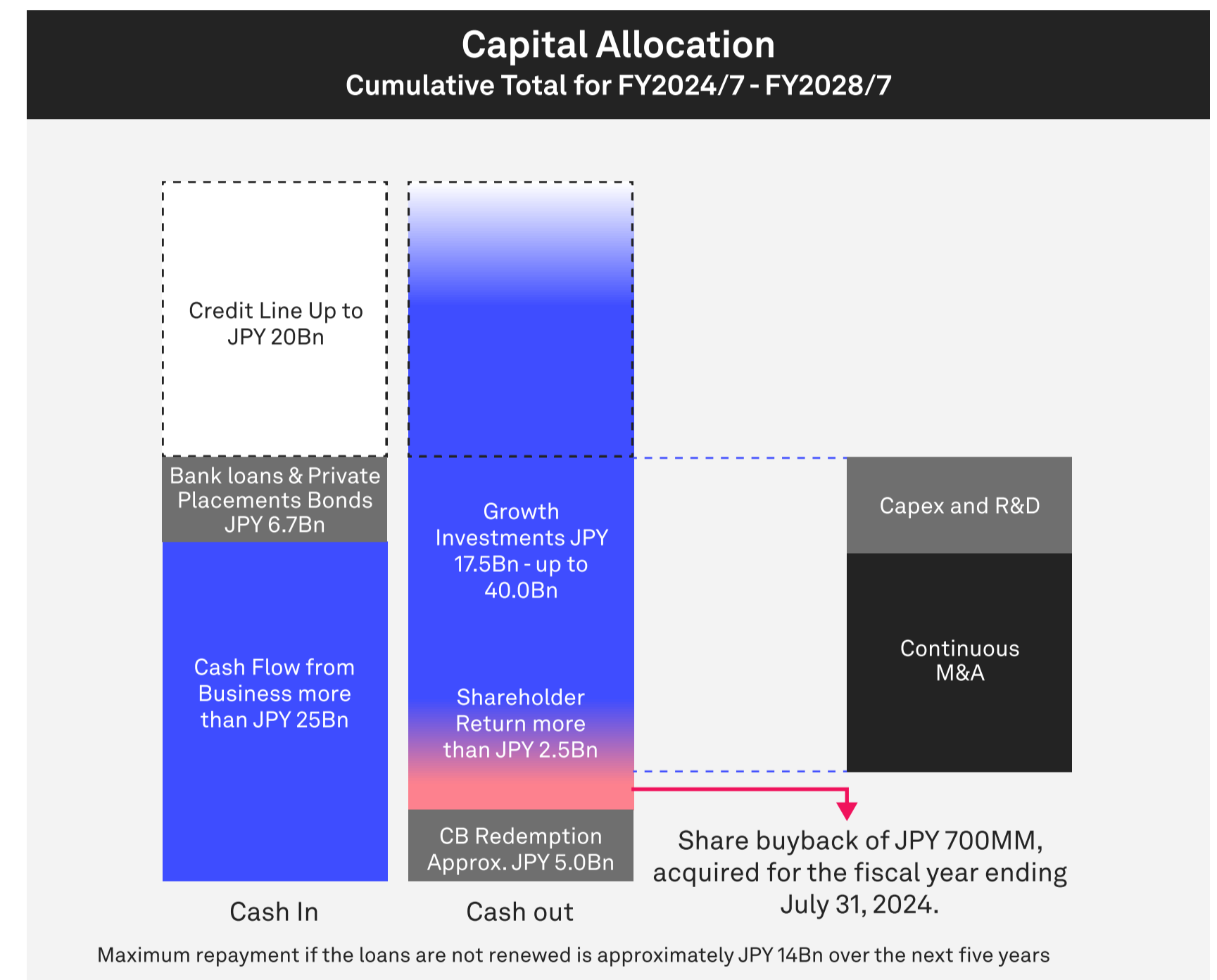
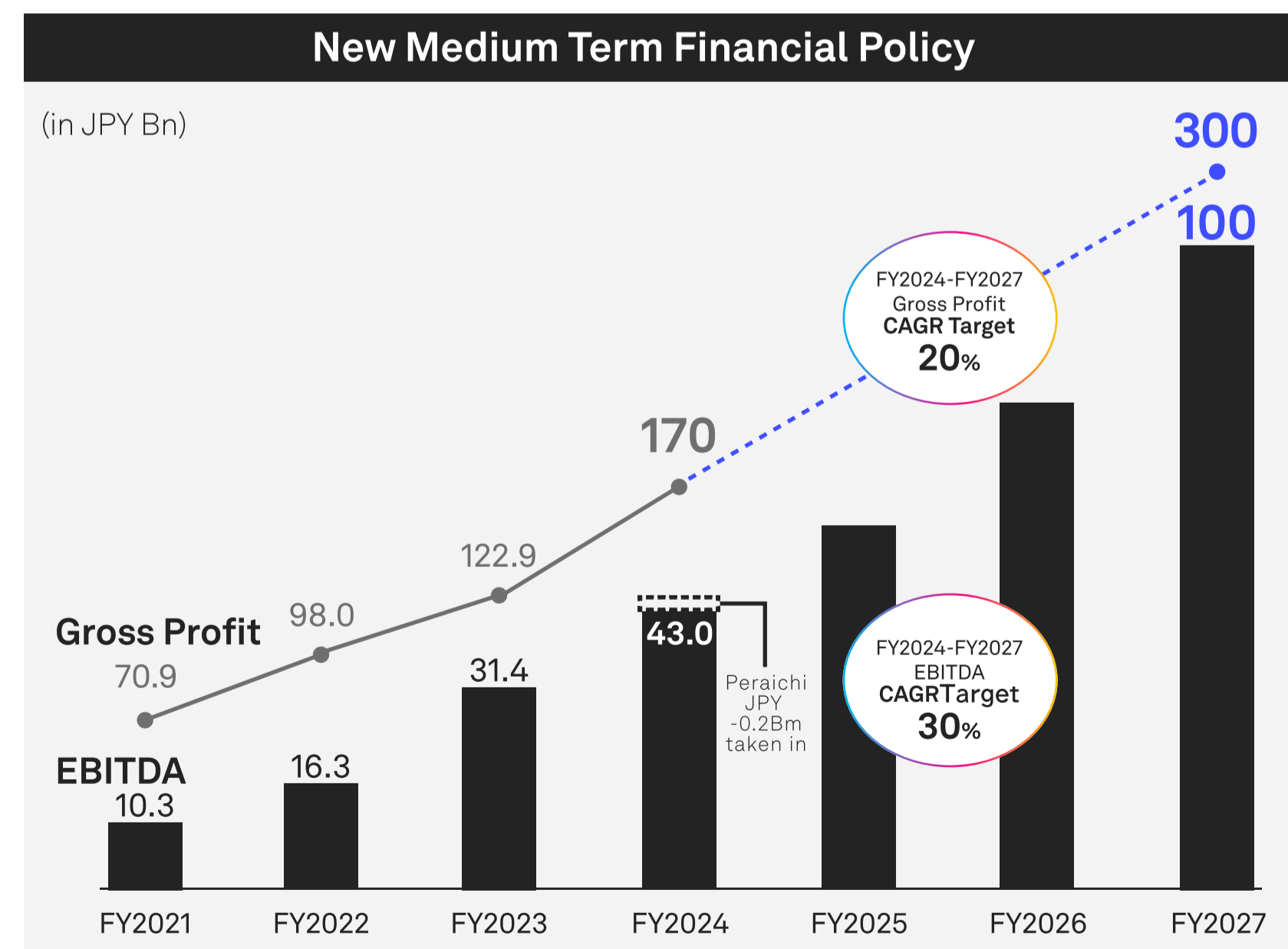
At RAKSUL, we regard investors who hold or are considering holding shares in our company as "partners" in increasing our corporate value. In order to maximize corporate and shareholder values together with our investors, we make 3 promises.

The first step is "dialogue." We are convinced of the positive impact on the management that comes from continuous dialogue with investors and a loop in which investor feedback is utilized in management. Suggestions from our daily dialogues are shared at the SVP and other meetings and are utilized in our next strategies, measures, and thinking.

Next is transparency. For those who have chosen RAKSUL shares among various assets around the world in a world with an uncertain future, we are committed to disclosing in a timely and highly transparent manner the various events occurring in and around our business and our own corporate actions, including the background and thinking behind it. We are always looking for ways to improve transparency in the disclosure of our business results so that the status and direction of our business can be easily understood.

Our final commitment is "optimization of capital efficiency." Although it is of the utmost importance to invest the generated cash in the growth of the business in a reasonable

manner, we will also utilize debt financing, share buyback, dividends, and other means to optimize capital efficiency in order to invest the capital entrusted to us by our shareholders in the most efficient manner.

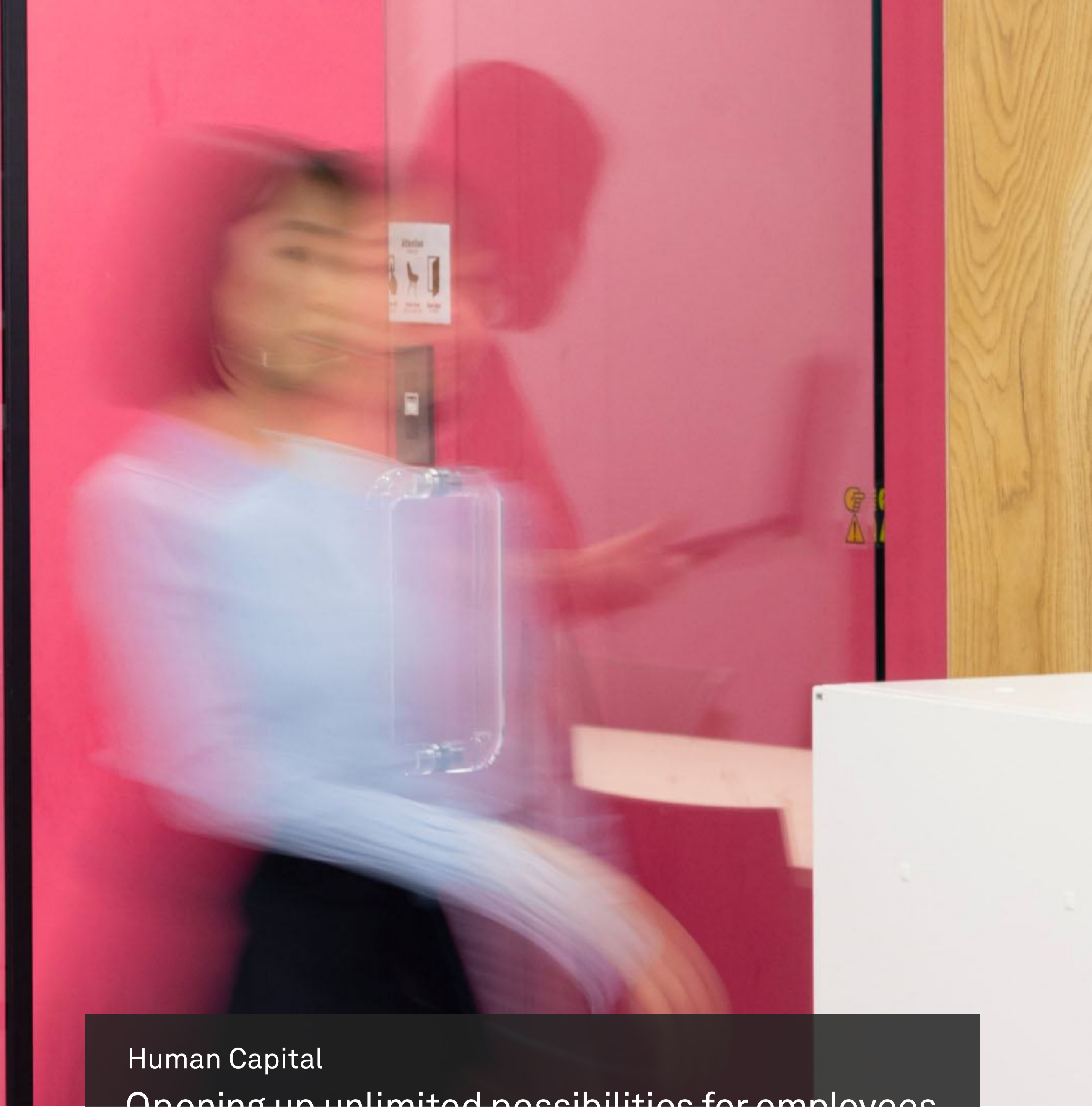


In March 2024, we announced our New Medium-Term Financial Policy, which aims for a gross profit of JPY 30 billion and EBITDA of JPY 10 billion in FY2027. We also announced the Medium-Term Capital Allocation, which allocates the cash flow generated by our business and the funds raised through debt over the next five years to business growth and shareholder returns. While steadily continuing the Quality Growth, in FY2027, we will increase EBITDA by more than double the current level and continue to optimize capital efficiency.

Through these promises and business activities, we aim to maximize RAKSUL's corporate and shareholder values together with our stakeholders while realizing a sustainable society. We look forward to your continued support.



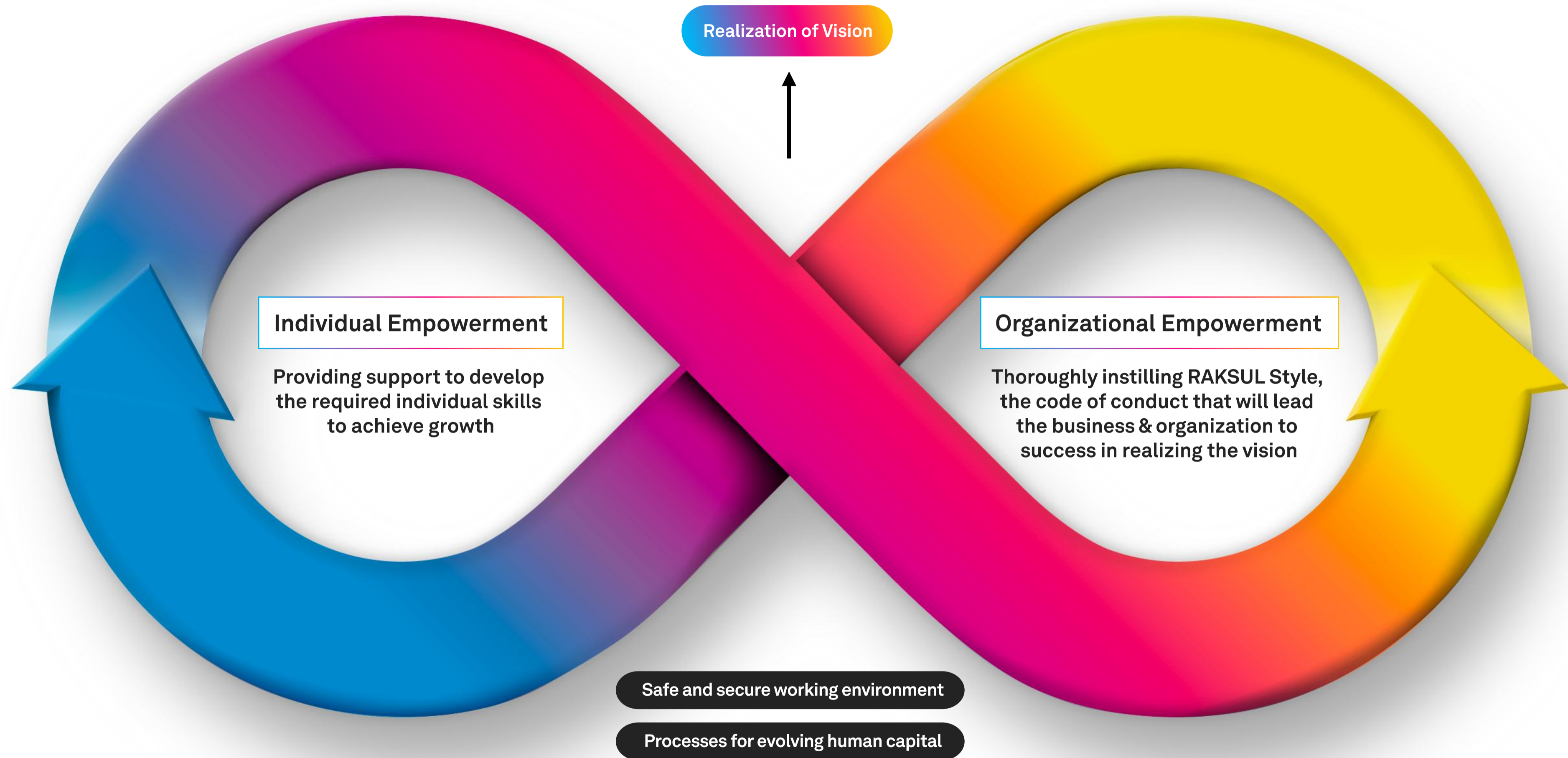
04 **Human Capital**



Human Capital
Opening up unlimited possibilities for employees

Infinity Talent Growth

Unlocking the infinite potential of our people



Since our founding, we have grown our business and organization to realize our vision: 'BETTER SYSTEMS, BETTER WORLD'. Our customer value is generated through a collaboration of three teams - Biz, business side teams that identifies industrial issues with good clarity and sets a path for transformation; Product & Tech, which solves complex and intricate industrial issues with the power of technology and design; and Operations, faces users and leads them to utilize and operate efficient mechanisms. The source of our value is People and Organization. At RAKSUL, we are building a corporate culture where we prioritize empowering each of our employee, accumulate the diverse values each will create and convert into the power of the organization.

For RAKSUL, all employees are our greatest asset, our "human capital," and we will continue to grow together with them, believing in their unlimited potential.

In addition to the major dynamics in the external environment, RAKSUL has also entered a major transition period within the company with the appointment of a new president and the acceleration of M&As. While upholding the vision that RAKSUL has cherished since its foundation, and the RAKSUL Style, the code of conduct that has shaped RAKSUL to date, we must also evolve the way we are as employees and organizations. To further realize our vision, we will chart the evolution of individuals and organizations as "Infinity Talent Growth," so that individual and organizational growth becomes the engine of business growth.

I believe that healthy and meaningful growth as a company can be achieved by working on two fronts: "individual empowerment," which focuses on the growth and strengths of each employee, and "organizational empowerment," which enables diverse human resources to thrive through the dissemination of a vision and code of conduct.. For RAKSUL, all employees are our greatest assets, our "human capital," and we will continue to grow together with them, believing in their unlimited potential.

Infinity Talent Growth Initiatives

	Current Issues	Initiatives / KPI	Our goal
Individual Empowerment	<ul style="list-style-type: none"> Unplanned human resource development and individual career paths due to being in the early phase 	<p>Initiatives Providing support for developing individual skills</p> <ul style="list-style-type: none"> Defining individual power at RAKSUL Development of the Learning Program <p>KPI</p> <ul style="list-style-type: none"> Self-growth indicator Attendance records of various training programs <p>Human Capital Data → p74</p>	<ul style="list-style-type: none"> Facing each employee's career and achieving overwhelming growth by making the most of their individuality Creating an impact through teamwork by forming a team that can maximize the strengths of each employee
Organizational Empowerment	<ul style="list-style-type: none"> Gaps in common understanding and shared perceptions as the organization expands Self-responsible style where individuals, not teams, produce results 	<p>Initiatives Thoroughly instilling RAKSUL Style, the code of conduct that will lead the business & organization to success in realizing the vision</p> <ul style="list-style-type: none"> Renewal of RAKSUL Style, fostering shared organizational values Redesigning semi-annual evaluation process including assessment framework, Enforcing the performance factor on semi-annual variable bonus Monitoring of organizational status through employee surveys Implementation of management training <p>KPI</p> <ul style="list-style-type: none"> RAKSUL Style Penetration Index through Vision Survey Attendance record of management training Percentage of of female managers <p>Human Capital Data → p74</p>	<ul style="list-style-type: none"> An organization where vision-based strategies and codes of conduct permeate every corner of the organization and create synergies An organization that continues to create diverse values by creating an environment in which diverse human capital and roles can flourish

Processes for evolving human capital

[Initiatives]

- Creation of a dedicated division for talent and organizational development
- Launch of "Talent Discussion," a program for developing next-generation leaders

[KPI]

- Track record of producing company and business executives

Safe and secure working environment

[Initiatives]

- "KanaL" - employee benefit package

CHRO / SVP of HR

Yukiko Shiozaki

Renewal of RAKSUL Style

Building good teams and enabling them to maximize their potential

RAKSUL Style (Code of Conduct), which was renewed in 2022, is the basis for the diverse employees for decision-making towards realizing the vision, and the goal is to create a state of mutual trust in all teams.

The RAKUSL Style is embodied in our hiring and evaluation practices that emphasize empathy by introducing an organizational axis (Transparency/Team First). We strive to share these thoughts and practices within the company through periodic internal awards.

Monitoring of organizational status through employee surveys

RAKSUL conducts a semi-annual employee survey in the form of a questionnaire with 50 questions. Based on the results of the survey (quantitative survey), interviews are conducted with selected employees (qualitative survey), and the results of the analysis are reported to the SVP meeting. After that, action plans are drawn up based on the issues facing the company and each division, and efforts are made to improve the workplace environment.

Satisfaction with the Top 3 Most Important Things about Working at RAKSUL (December 2023) Percentage of 4 and 5 out of 5 grades

Personal Growth/ Rewarding

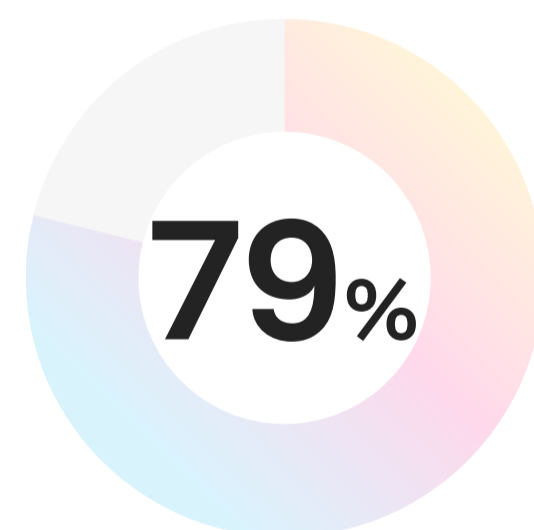
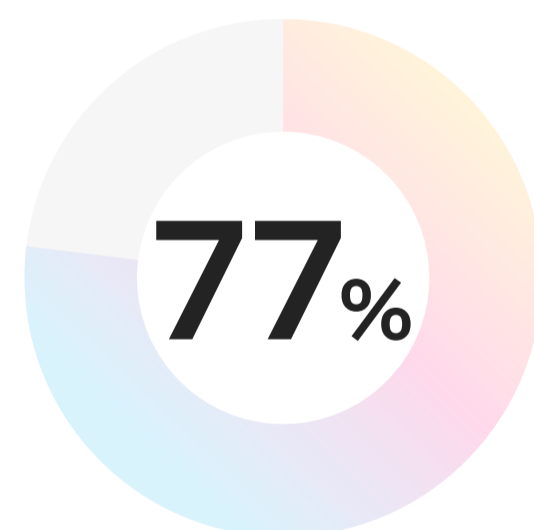
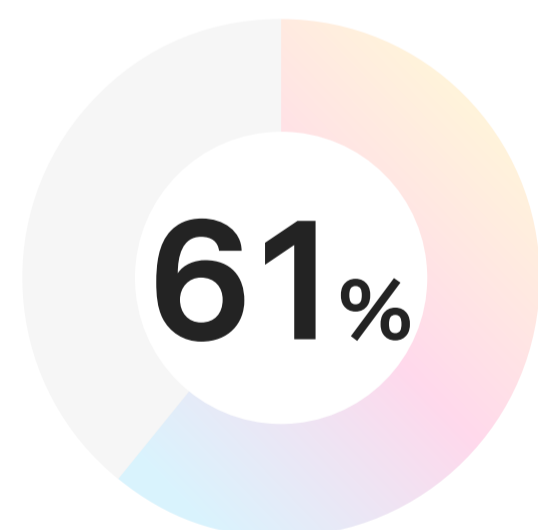
- Rewarding job and growth
- System to support self-growth

Human Resources

- Attractive and respectable human capital
- Managers and teams that respect each other

Philosophy and Strategy

- Empathy with philosophy and vision
- Penetration of RAKSUL Style



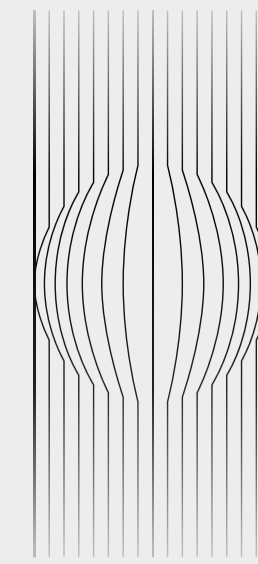
By prioritizing the items that employees feel are important in working at RAKSUL, we aim to create an organization where the realization of the company's vision and the self-realization of employees can coexist, and where employees can thrive for a long time.

In terms of "Personal Growth/ Rewarding," in addition to the introduction of the Learning Program, we will support each individual's career growth through management training.

As for "Human Capital and Philosophy Strategy," we will work together with the newly joined management team to create workshops and other opportunities for two-way communication so that the members can once again understand the direction the company is heading.

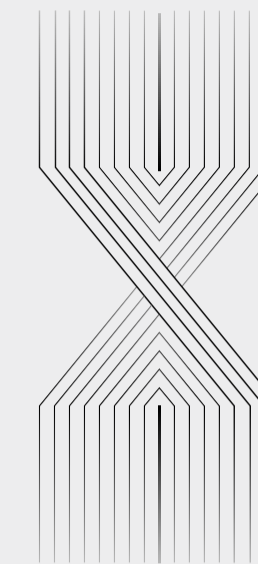
RAKSUL Style

RAKSUL's Code of Conduct



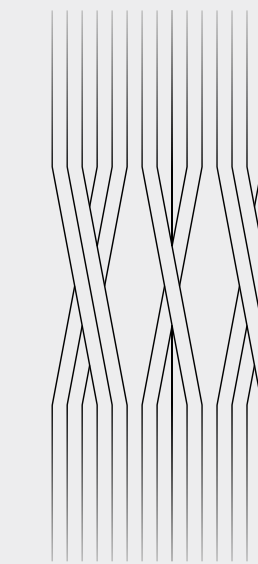
Reality

To see the actual situation on the ground with one's own eyes, and to set issues based on the information experienced and grasped. To go through a process of trial and error, which could be called "small experiments," to turn uncertainties into certainties. To properly prioritize the issues after working on the above.



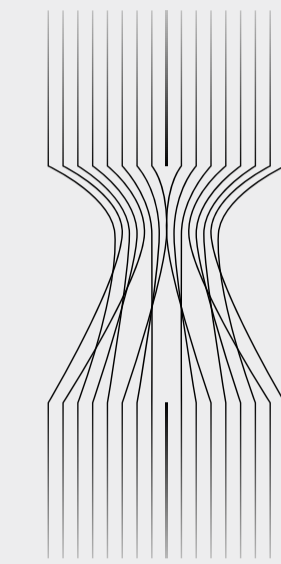
System

To lead to the solution of problems through advanced technologies and systematization. To eliminate inefficiencies and improve productivity. To propose effective approaches with original ideas and ingenuity.



Transparency

To create an environment where information asymmetry does not exist. To disclose the background and contexts of decision-making to ensure transparency in information sharing. To clarify each member's mission and area of responsibility and create teams that delegate tasks to each other.



Team first

To build a strong team that is responsible for recruitment and promotion, and maximizes member performance. To ensure the team's success by onboarding of members, providing appropriate feedback, and maintaining motivation.

Penetration Index of RAKSUL Style

Percentage of evaluation 4 and 5 out of 5 grades

		Level of penetration as a company ("organization is implementing it")	Employees' self-perception ("I am implementing it")	Gap
Penetration Index of RAKSUL Style	Reality	83%	76%	+7pt
	System	79%	72%	+7pt
	Transparency	67%	75%	-8pt
	Team First	68%	82%	-14pt

Issues and Improvement Policies

- The penetration as a company is high for "Reality" and "System," but weak for "Transparency" and "Team First."
- There is a gap between the level of achievement of "Transparency" and "Team First" by employees. They consider that they are aware and have been able to execute them, but the people around them and the company feel otherwise. With the focus on the penetration rate of "Transparency" and "Team First," we will be executing continuous actions such as thorough penetration into the leadership level through management training, revision of company-wide communication design, etc.

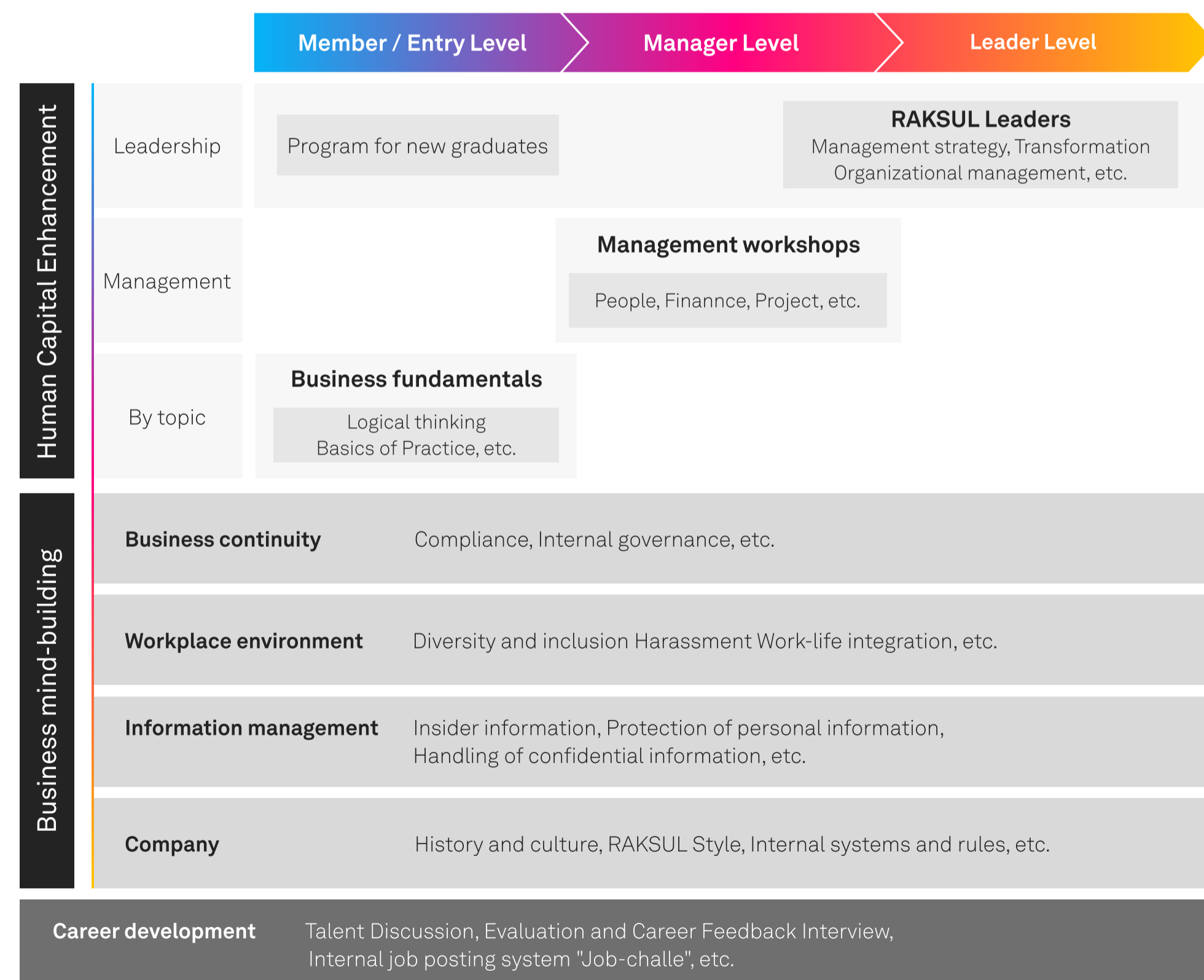
A system that supports the growth of employees and accompanies them in their careers

In order to promote the autonomy of each and every employee and increase their potential, we have defined the "individual skills" required at RAKSUL. We have also established a "Learning Program" to systematically learn individual skills, and by continuously developing these skills, we will strengthen our organizational capabilities. In addition, from FY2024, a dedicated team for talent and organizational development will be newly established within the HR department; we will strengthen support to face the "Will" of our employees and accompany them in their medium to long-term career development.

Skills required for the implementation of RAKSUL style

Reality: "Problem-identifying/setting skills" to create a roadmap to the ideal state
 System: "Structuring skills" to lead the team to the goal
 Transparency: "Interpersonal skills" to enhance information transparency
 Team First: "Organizational management skills" to maximize team strength

Learning Program



Strategic Development of RAKSUL Leaders Supporting Sustainable Growth

"Talent Discussion" has been launched for the sustainable creation of next-generation leaders. Recognizing employees as the Company's greatest asset, we will strengthen the Company-wide cross-training system through strategic rotations and proactive provision of opportunities. We will work with our customers and partners to secure human capital that can create sustainable business value linked to social issues.

Talent Discussion Discussions at the SVP meeting

Retention & Enhancement of SVP Human Capital

Cultivation of Next-Generation Leader Candidates

- Deciding on the candidates of next-generation leaders selected from each department
- Developing individual "Career Development Plans" for each candidate and monitoring their actions
- Monitoring of recent achievements as well as potential abilities and future prospects, and confirming & building consensus on future career plans and rotations across the company

Management Workshop for Organizational Capabilities to Drive Future Growth

In order to achieve organizational growth that goes beyond business growth, a management workshop was held to clarify the concept of "management" at RAKSUL and to unify the company's intentions. Participants: 85 employees at managerial level (93.4% participation rate)

Main topics of discussion

- "Goal setting and management" to achieve results as teams
- "Cultivation" to support employee growth and career development
- "Recruitment" of employees with the work motivation and abilities required by RAKSUL
- "Labor Management" linked to sustainable employee performance



"Career" is a result of a path taken facing "Values" and taking "Actions" If you sincerely address the "value," the road ahead will naturally open up

Reasons for Joining RAKSUL as a New Graduate

At university, I studied semiconductors and other technologies as a graduate student in the science field. At that time, I had a yearning for the world's first research, partly due to the influence of my father, who was a researcher at a major manufacturer, but I had a suspicion that I was not suited to be a researcher. I vaguely thought that it would be better to create a business together with researchers rather than create an impact through my own research.

I thought that I would go into strategy consulting like everyone else when I was looking for a job, but I was interested in a management career in an area that would become an infrastructure that will last for decades, and I was struck by RAKSUL's vision of "updating the industry with technology." In addition, when I thought about where and how to provide my value as a businessman, I decided to compete in a start-up company to differentiate myself from those around me.

Turning Point in My Career

After joining RAKSUL, I was assigned to customer support in Raksul business. I was given various opportunities depending on my stage, such as project/business development, business/organizational management of subsidiaries, etc. Among them, my first success experience was as a category manager (a person in charge of a specific category) in the direct marketing business. A category manager focuses on a specific category (products) and deeply dives into customer needs, product issues, and building of competitive advantage, so I got to experience supplier development, product development to pricing. Although schedule delays caused a lot of trouble for the business division, with the support from others around me, we were able to increase monthly revenue by fourfold in 6 months to a year. To be honest, since I joined the company, I have not been able to produce any remarkable results, and the company even had a discussion on whether to continue the new graduate recruitment. I am relieved knowing that this success case has led to our current new graduates.

On the other hand, my most unsuccessful experience was when I was entrusted to be the project leader. Even though I declared that I would proceed with various actions, I did not clearly define

the hypothesis or target, so I was confused; as a result, the project stalled for 6 months to a year. I think the definition of failure at our company is a situation where we can not make a judgment on whether it is going well or not. Especially in a startup, there is no correct answer, so I think that "no progress" is the biggest failure.

Influences on My Career

First is an environment in which delegation of authority is widespread. I think that our company's culture is rooted in which superiors and managements delegate current duties and roles to team members and take on new challenges together. This may seem obvious, but it is difficult to put into practice, and I have been helped by the environment. The second is the relationship with the management. I can understand now that my superiors have cut out what I needed according to my own stage and handed them over as opportunities.

During my secondment at DANBALL ONE, which was a subsidiary at the time, I expanded my business area from business operations to organization and finance through the PMI process, and evolved, with a strong sense of ownership, as I closely observed my boss making decisions. My management experience at the subsidiary and the creation of an organization to implement growth strategies have led to the present.

Human Resource Development and Culture

At the company, we have a culture of handing over the issues and tasks that are one step ahead of the members when assigning jobs. At the human resource portfolio meeting within the division, we consider placing the right person in the right position based on the strategy, and at the same time, we address the issues of individual career support and the company's human resources. We are mindful of the need to promote both business expansion and human resource development. I believe that providing opportunities is the key to the growth of people, so I would like to create opportunities on my own and hand them over as a set with the environment, in accordance with each individual's strengths and phases just like the experience I was given.



VP of Marketing & Business Supply , Raksul

Haruki Kinoshita

Apr. 2016 Joined the Company as part of the first group of new graduate recruitment, assigned to Raksul Business Unit
Aug. 2019 Manager at Direct Marketing Division, Raksul Business Unit
Dec. 2020 Seconded to DANBALL ONE INC.
Aug. 2022 Assumed office as a director & COO of DANBALL ONE INC.
Aug. 2023 Appointed as Executive Officer

Issues and Future Challenges

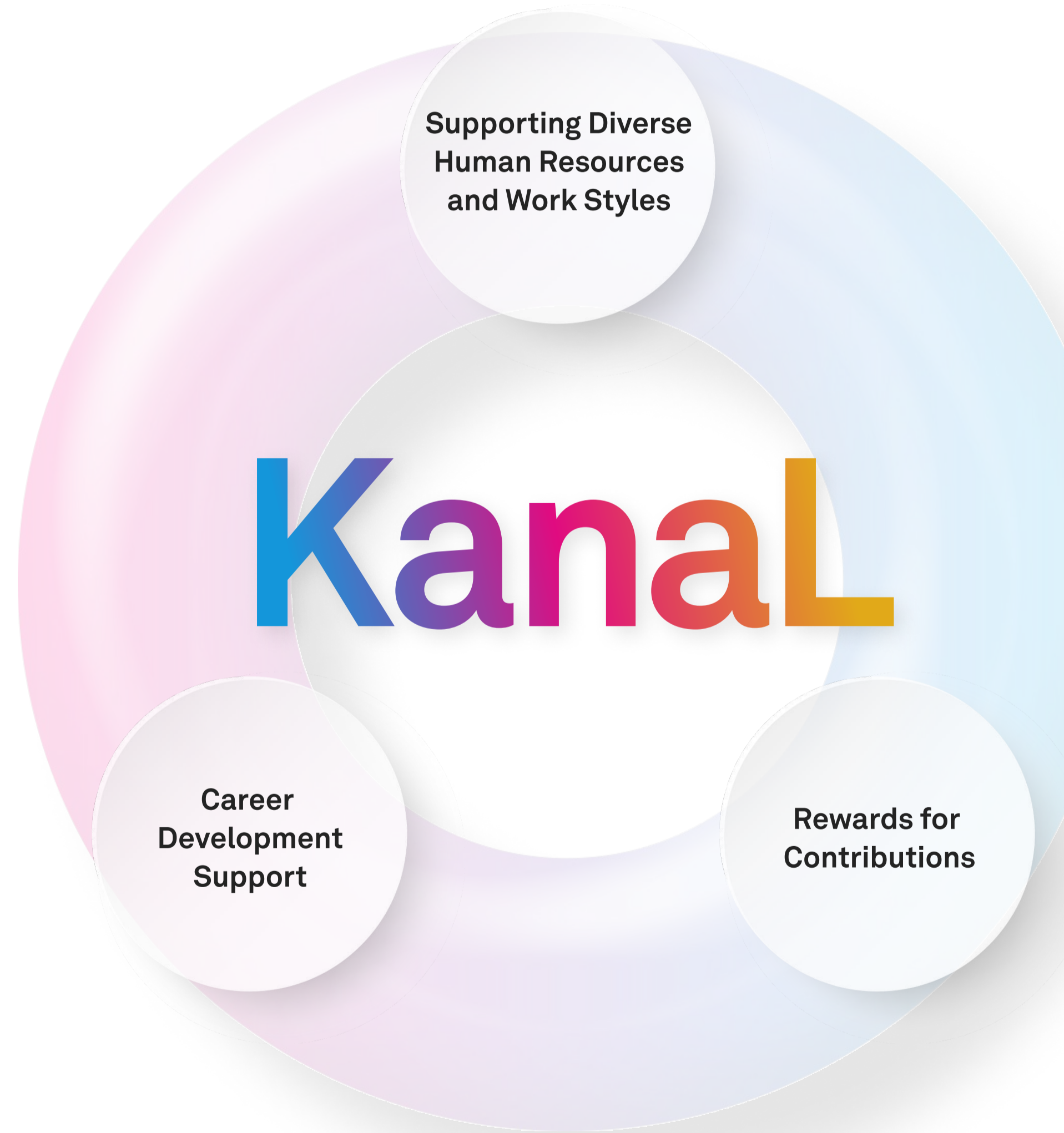
Over the past 10 years, Raksul Business has grown from the position as a follower, following the pioneers in online printing industry in Japan and overseas. As a result of continuing to pursue value for customers and suppliers, we achieved the No.1 position in the number of user in 2023. Under Quality Growth (growth mode with profits and cash flow), we are now in the phase which we can invest from the profits generated. Over the next 10 years, I strongly believe that we must lead the industry as a leader in online printing industry and create new values. In the future, we will further refine the universal value of Raksul and challenge to create discontinuous value as a top player in online printing.

*Tokyo Shoko Research (Major Online Printing Services, as of Decembr 2022)

Realization of an environment where employees can work with peace of mind

Benefit program: "KanaL"

We are expanding our benefits programs from three perspectives in order to create a workplace where diverse employees can work with peace of mind and long-term under fair opportunities.



Supporting Diverse Human Resources and Work Styles

Flextime	This system allows employees to freely set their arrival and departure times. It enables flexible working styles.
Rental housing provided by the company	It is a system in which the company rents properties and leases them out to the employees. Since the rent is deducted from the salary, the amount of income decreases, which leads to tax savings.
Childcare and family care leave	A system that allows employees to take childcare leave and nursing care leave regardless of gender, position, age, or length of service. This system allows employees to take leave as soon as they wish and has been used by many employees.
Allowance for returning to work after maternity leave	Under this system, the Company pays an allowance according to the length of maternity leave or childcare leave. The allowance is paid when an employee returns to work from maternity leave or childcare leave.
Congratulatory/ condolence payment system	A system in which the company pays employees a certain amount of money on auspicious or condolatory occasions for employees and their families. Employees with same-sex partners can also use this system.
Company-Led Nursery School System	Employees with children from 0 to 2 years old can use this system by making a contract directly with a nursery school without going through the local government.
Cabinet Office Babysitter Discount Coupon System	It is a system in which the baby-sitter fee is discounted 2,200 yen per time per child.

Career Development Support

Upskilling support system	Under this system, if approved by the Company, the Company will pay up to 15,000 yen (tax excluded) per person per year for expenses associated with attending external seminars, training, a language school, taking certification examinations, and purchasing textbooks for these purposes. *Depends on the course
Language learning support	This system allows employees to take English lessons taught by an in-house English instructor. These lessons can be taken on a one-on-one basis or as a group, free of charge, during working hours. *Applicable only to certain employees
Unlimited purchase of technical books	If approved by the company, eligible employees can purchase technical books. They can improve their skills on their own initiative. * For engineers / designers / PdM

Rewards for Contributions

Thanks holiday system	According to the length of service, employees are granted Thanks Holiday leave (paid leave) for the purpose of refreshing, maintaining health, and self-development.
Reward system for long-term service	This system rewards employees who have been with the Company for five or ten years.



Kyoto Office, Raksul Industry Unit,
Operations / Customer Support

Ayaka Kaneko Joined RAKSUL
in September 2018
Maternity and childcare leave for 1.5 years from July 2020

KanaL/Returning from childcare leave

One of the reasons for changing from the customer service job I liked was that my previous job tended to have irregular holidays and working hours due to shift work, and I was looking ahead to changes in my life stage, such as marriage and childbirth. In addition, I joined RAKSUL because I thought I could use my customer-facing experience I had gained for customer support work.

During the maternity and childcare leave period for my first child, I was able to easily contact members via Slack.

When returning to work, there was a follow-up training session, and by confirming the changes to the organizational structure and duties in advance, I was able to return to work with peace of mind even if I had been away from work for a long period of time. Currently, I only have to come into the office about once a week and work from home on other days.

Even when working remotely, I can immediately consult and ask questions on Slack, and there is no problem with daily work. It is a reassuring workplace as even when there are child related emergencies, the team members are willing to follow up. I believe that the warm working environment is the reason I am able to work without any major concerns at the moment. In providing e-commerce services that can be completed on the internet, only customer support can talk directly with customers. In the future, I would like to grow as a team so that I can increase the number of fans of Raksul from a CS perspective, and because I am always supported by the team members, I want to contribute to the team as much as anyone else. I want to accumulate various improvements and innovations every day to create an enjoyable and comfortable working environment for all team members.

Majored in tourism and culture at university and aspired to work in tourism. Worked in customer service for four years at a long-established pickles shop in Kyoto, popular among tourists. After joining RAKSUL, Ayaka works in a team that manages the quality of operator responses. As section leader, she is in charge of team meeting progress and follow-ups of members.

KanaL/Long Service Award

Looking back over the last 10 years

I experienced various roles as the DTP organization grew. From being in charge of checking print data, I gradually took on the role of managing the members. As an operator, I had gone from dealing with "things" such as print quality, delivery, and quick correction, to dealing with "people" mainly as a supervisor. At first, I was worried because I had almost no experience in management work, but in hindsight it was a great experience as being a manager and seeing how people work, building a better environment for them gave me fresh perspectives. Today, I spend my days facing "services" such as business design of new services and progress management until release. Even now, after 10 years, I continue to work with a fresh feeling.

What drives me

To be honest, I have thought about quitting countless times (lol). Why have I been able to continue... firstly, I love my colleagues. Even when I have problems, I naturally return to my positive self as I talk to the calm members. And then, at the root, I love printing and DTP... The environment surrounding DTP is evolving day by day and I enjoy being in the middle of the changes. In the process of creating new things while being involved in the printing and DTP I love, I learn a lot when I have conversations with members of each department, listen to their opinions and come into contact with new ways of thinking and ideas. I am even happier when I am able to make use of this learning to contribute to our services and link it to customer value... This feeling has not changed since I joined the company, and I think it's because of this "fun" that I can not leave.

In July 2012, Nozomi started to work at RAKSUL as temporary employee for CS/DTP. In November same year she became a permanent employee. Later she was promoted to supervisor of DTP then onto senior supervisor of DTP, eventually becoming responsible for managing members, other supervisors and connecting to new services to DTP. Today, Nozomi is the Printing DTP Planning Group/Operational Designer, in charge of designing operations to connect new services to DTP and managing the progress until release.



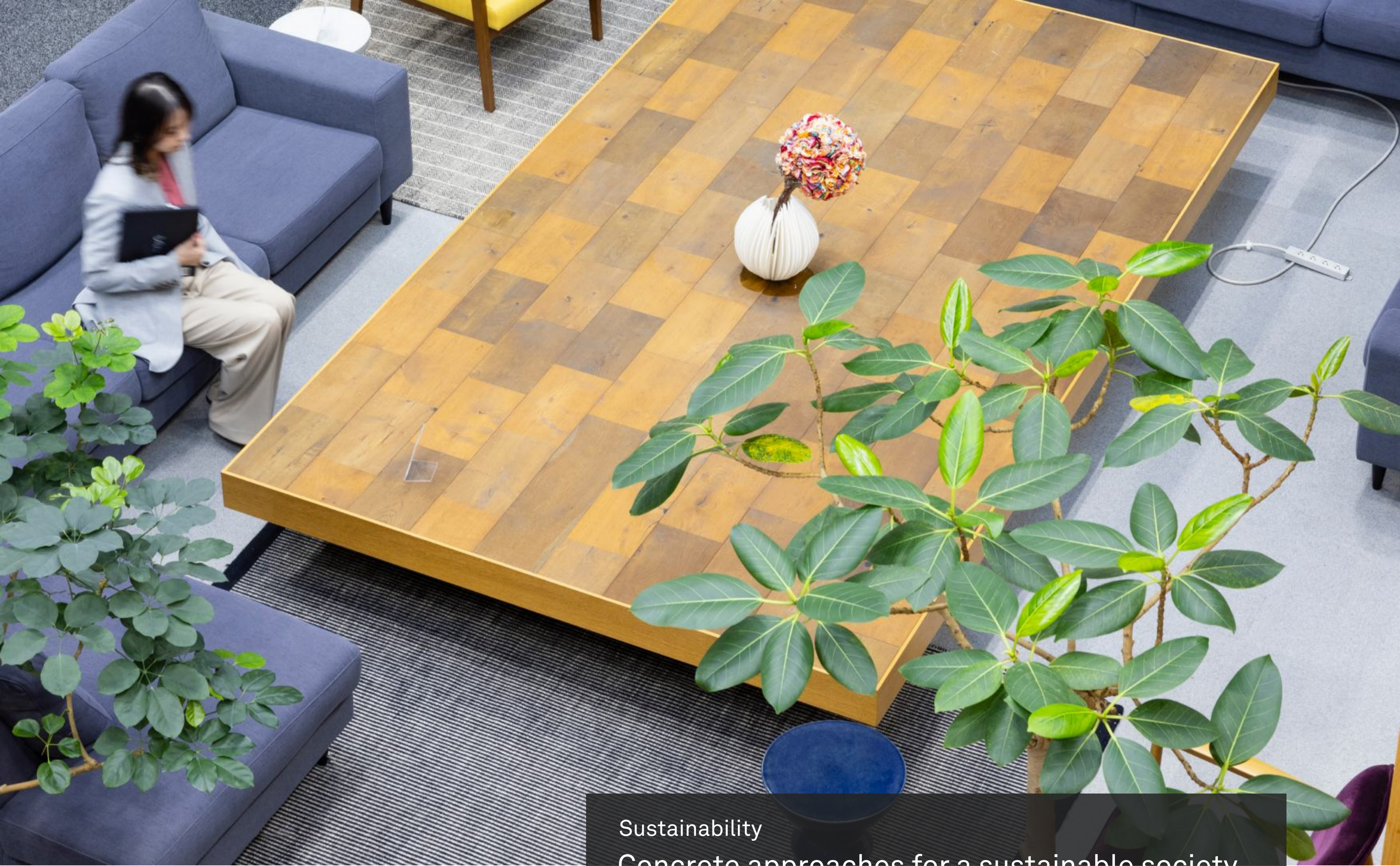
Raksul Industry Unit, Operations / DTP

Nozomi Ogawa

Joined the Company
in November 2012
(11 yrs 7 mo)

05 Sustainability





Sustainability

Concrete approaches for a sustainable society



Outside Director

Yumiko Murakami

CFO

Masaru Sugiyama

**Connecting sustainability to long term
value of business**

Importance of concrete actions alongside transformations

With the aim of strengthening the management structure as well as financial and ESG perspectives, RAKSUL welcomed Ms. Yumiko Murakami, General Partner at MPower Partners Fund L.P. as an outside director in 2021. She sat down with Mr. Masaru Sugiyama, who was appointed CFO in 2023, to discuss the current phase of RAKSUL's sustainability efforts, which have been actively promoted, with the participation of Ms. Murakami.


**There is enough basic mindset
Now we need an approach to "achieve" sustainability**

RAKSUL has been actively engaged in sustainability activities since around 2021 when you were appointed as an outside director. How do you evaluate this approach?

Yumiko Murakami ("Murakami"): From the time I joined RAKSUL, I have felt that RAKSUL has an environment that is highly aware of basic ideas and issues related to sustainability. On the other hand, a systematic approach is also important to realize sustainability. For this reason, ever since I joined RAKSUL, we have been promoting systematic approaches, such as the establishment of a Sustainability Committee and the development of a structure.

Particularly in the last couple of years, there has been a noticeable trend towards unifying sustainability and ESG as a common global language and value, with ESG assessment agencies defining evaluation axes. In this context, RAKSUL has been highly rated by international institutions. In other words, RAKSUL's corporate values have been widely communicated to a wide variety of stakeholders through the common language of ESG.

Sustainability and ESG are seemingly abstract concepts to begin with, so it is true that many companies simply pretend to follow the trend without understanding its significance. However, RAKSUL has set materiality (key issues) in the context of sustainability and ESG and how they can be incorporated into its own business. It is important for a company to take concrete actions to enhance its corporate value, rather than ending up simply discussing "pie in the sky."



RAKSUL's corporate values have been widely communicated to a wide variety of stakeholders through the common language of ESG.

Yumiko Murakami
Engaged in international operations at the United Nations, after that, she worked for a long time at a major US securities firm. Became the head of OECD (Organization for Economic Co-operation and Development) Tokyo Centre in 2013. She makes recommendations on the promotion of diversity based on her experience in international organizations and global companies.

Three actions RAKSUL has been working on

Considering the points raised by Ms. Murakami, what specific actions has RAKSUL been taking?

Masaru Sugiyama ("Sugiyama"): Progress on Sustainability and DEI (Diversity, Equity, and Inclusion) is important as a common language to measure a company's social impact and corporate value. As a result of our various efforts and disclosures, we have been included in several sustainability-related indexes (market index), but this is by no means the goal.

To be specific, there are three major actions. The first is to disclose all possible indicators and initiatives within the company, thereby increasing transparency and creating a cycle of improvement. As more sophisticated information disclosure is required every year, by enhancing the disclosure of not only financial information but also non-financial information, we will be able to present objective evaluation indicators to ESG assessment agencies in addition to implementing the PDCA cycle.

Secondly, we have established a Sustainability Committee. By incorporating a variety of opinions from within and outside the company, we have been able to link them to our next initiatives.

The third is human capital-related disclosure. This was pointed out by Ms. Murakami at the Sustainability Committee meeting, and we, the management team, also consider it particularly important. It was important for us to keep a close eye on whether we were actually realizing our initiatives at the field level, rather than superficially focusing on high ratings from an evaluation body. In considering the actual situation on the ground, the management continuously monitors indicators such as DEI and turnover rate so that our initiatives do not end up being mere gestures.

**Changing the systems by understanding the root cause —
And business strategies that can face the new challenges**

Murakami: RAKSUL has two main strengths. First is a strong viewpoint on where the most inefficiencies and pains lie, looking at the issues of social and economical structures. I feel that this ability to identify the root causes of problems is a major engine for growth. Another strength is that RAKSUL provides radical solutions to these deep-rooted problems by changing the existing systems. In some ways, it is the toughest challenge of all, to create and change the system itself, rather than providing makeshift solutions and improvements.



We want to learn from good practices and create a happy workplace that can support growth.

Masaru Sugiyama
After joining Goldman Sachs, he spent 10 years as an analyst in the Investment Research Division, and has been Vice President of the Investment Research Department at Goldman Sachs since 2016. After working as CFO of Saica Corporation, he joined RAKSUL as CFO in November 2023. He leads the company's efforts to increase corporate value, focusing on financial strategy and investor relations.

On the other hand, the deeper the roots of existing social and economic problems, the greater the economic opportunity. RAKSUL started out as a printing intermediary, had success as a printing E-commerce, and has expanded its business through M&A as well, at the same time, the company has been consistent in its approach to finding big business opportunities by identifying fundamental problems in various industries and sectors.

However, it is a given that transforming existing systems can also lead to problems that have never existed before. When new problems surface, it is the company's responsibility to present its stance and solutions and we need a business strategy that takes all of these factors into account.

Sugiyama: The fact that new issues that need to be solved emerge as we change the structures of existing industries is exactly what we have faced in our various businesses. In particular, looking at Japan as a whole, there is a serious problem of "labor shortage." We must take this issue seriously, not only from the perspective of sustainability but also because many of our partner companies are actually suffering from a shortage of human resources. Our management team recognizes that "human capital" is an issue that needs to be resolved.

And in terms of working styles, we must create a state where we have the freedom to take temporary breaks and return to work again

depending on the life stage. Many of our partner companies are taking forward-thinking initiatives to secure human resources, by offering in-house daycare centers and a good environment for foreign workers. We want to learn from those good practices and create a happy workplace that can support growth.

Murakami: I like that. We often use fancy words like "human capital," but at the end of the day, what we need is a happy workplace.

Why does diversity lead to competitive advantage and corporate value?

Murakami: Even globally, it is a fact that there is still room for improvement in terms of gender diversity. Diversity cannot be realized unless the top management of a company understands "why diversity leads to competitive advantage and corporate value" to begin with. At RAKSUL, I feel that Mr. Matsumoto, the chairman, while establishing his own global business, came to the realization that "unless you create a culture that accepts people who are different from you, you will not be able to hire highly qualified talents."

Having worked with a variety of companies, I feel that tech companies in particular tend to lack a real understanding of how

women work, but we are probably one of the few companies that are aware of the underlying issues. Looking at the current management team and personnel structure, I can appreciate that they are well aware of the problems and are looking for ways to address them, even if it is not a perfect solution.

Sugiyama: When we look at the entire company, the ratio of male to female employees is 50/50, but there is still a high percentage of men in management positions and above. It will not be possible to solve this with a single measure, and it will take time. However, if we, as service providers, do not have diversity, I do not think we will be able to understand the customers we face. I would like to propose a drastic countermeasure.

Most recently, under the leadership of our CHRO Shiozaki, we are updating every possible training and evaluation system. We are updating our human resources (OS) by emphasizing dialogue between supervisors and subordinates, staying close to the environment and life stages of our employees, and considering their individual careers.

We still have a long way to go, but we want to create an environment and atmosphere where people can thrive regardless of their gender and background and can progress in the careers they want for themselves.

Pursuing sustainability needed to enhance corporate value and move forward

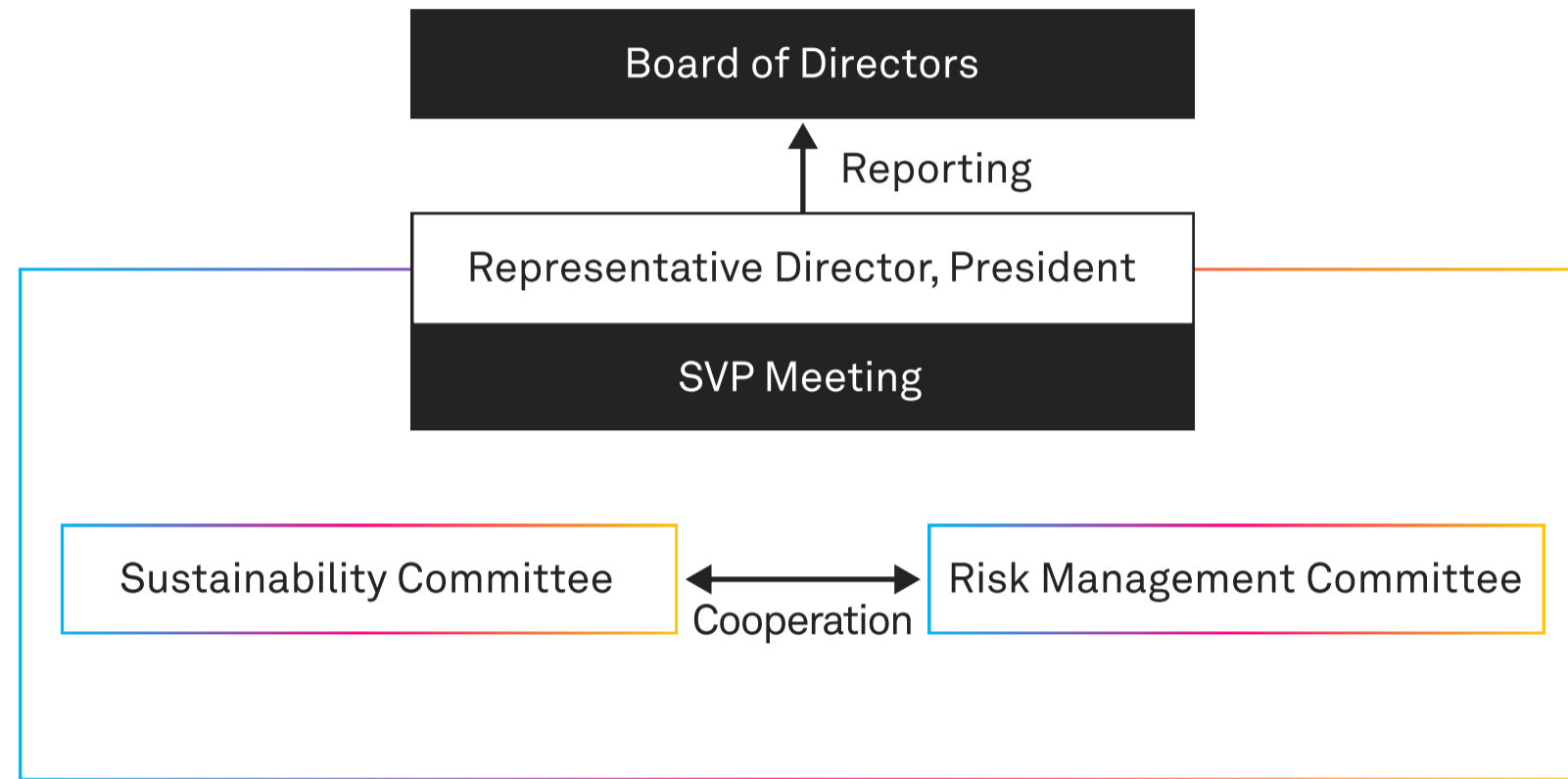
Murakami: There are currently global headwinds around sustainability and ESG, such as the massive anti-ESG movement in the US, including institutional investors. It is precisely at this juncture that we need to rethink and deepen our awareness of how angles such as sustainability and ESG can contribute to increasing corporate value.

We must then be able to not only recognize but also communicate externally that our various ESG initiatives are valuable to our stakeholders and ultimately enhance RAKSUL's corporate value. In the current climate of increasing ESG headwinds, the ability to communicate the significance of ESG to the outside world is crucial.

Sugiyama: One thing that was consistent throughout today's dialogue was the basic premise that we must link our focus on sustainability to the intrinsic value of our business. We must then confront issues of data security, compliance, diversity, and environmental impact, such as our carbon footprint. We believe that all of these are materialities that will help us move forward.

Sustainability Promotion Structure

In order to further promote sustainability initiatives, RAKSUL has established a Sustainability Committee chaired by Representative Director and President. The committee meets on a quarterly basis. The Sustainability Committee develops policies and plans and promotes initiatives to achieve sustainability. Particularly important matters are reported to the Board of Directors and the SVP Meeting. Important social issues are integrated into company-wide risks in cooperation with the Risk Management Committee to strengthen the management foundation.



Activities of the Sustainability Committee

Time	Main topics of discussion
November 2022	<ul style="list-style-type: none"> Explanation of the purpose of establishing the Sustainability Committee Progress report on initiatives for important issues (overall) Report on ESG improvement activities and external evaluation results TCFD analysis report
February 2023	<ul style="list-style-type: none"> Progress report on key issues (Report on organizational conditions and factors) Report on stakeholder engagement Review and consideration of materialities (key issues)
May 2023	<ul style="list-style-type: none"> Report on the issuance of Integrated Report 2023 Progress report on key issues (Factors contributing to the gender wage gap)
November 2023	<ul style="list-style-type: none"> Progress report on key issues (Information security initiatives) Report on ESG improvement activities and external evaluation results Latest trends in Sustainability / ESG

Stakeholders Engagement

We value our daily communication with our stakeholders. We strive to improve our corporate value by reflecting their valuable opinions in our business activities while promoting sustainability.

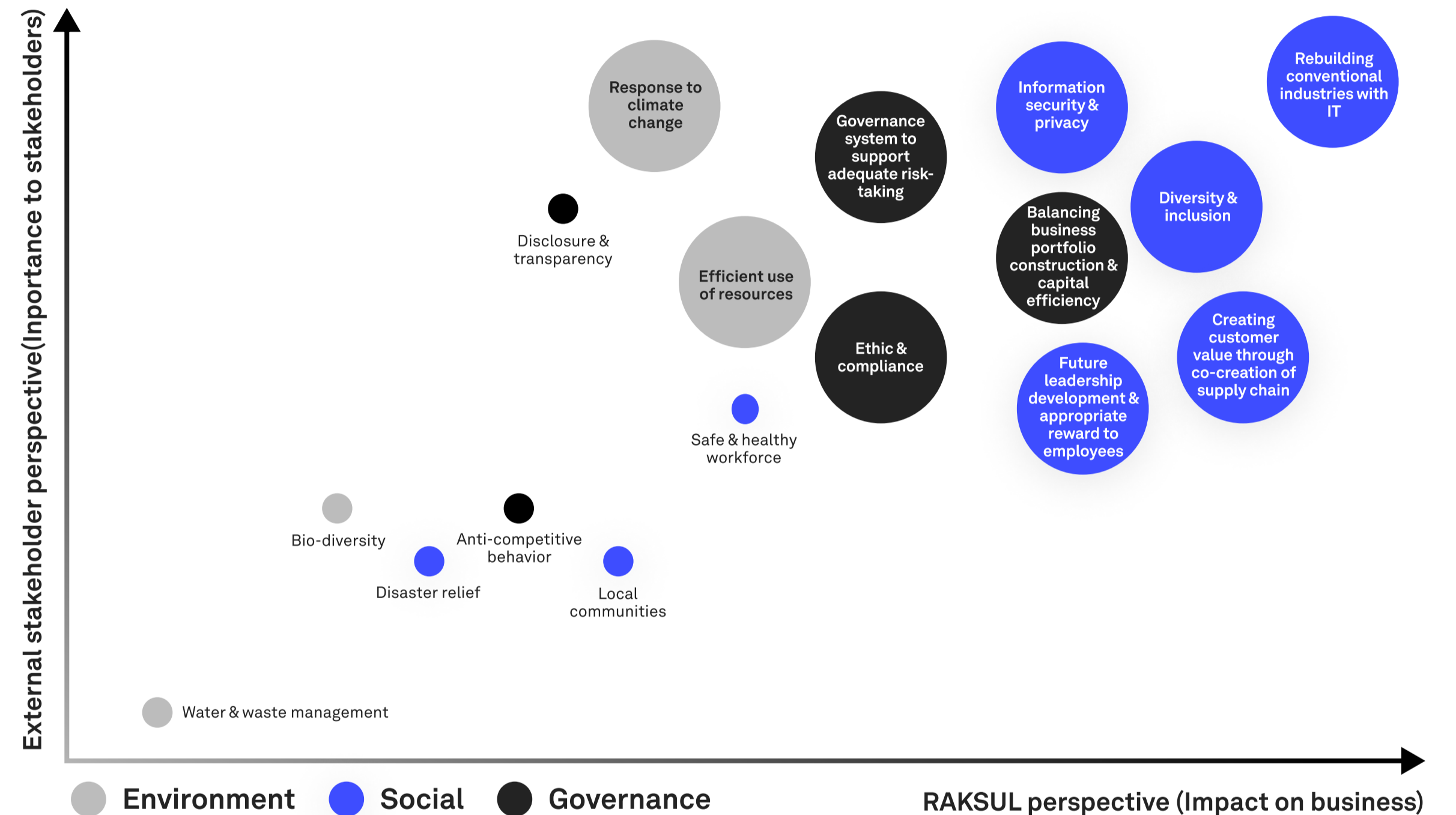
Stakeholders	Main dialogue opportunities/methods
Customers	<p>We will provide valuable products and services by establishing a system to respond to customers' opinions and requests and reflect them in product development and improvement of business activities.</p> <ul style="list-style-type: none"> Customer Success, corporate support contact via phone and email Online interviews, regular visits, various exhibitions/seminars Website, newsletters Sustainability-related survey questionnaires Product review meetings to reflect customer feedback (every other week)
Suppliers	<p>By facilitating smooth decision-making and problem-solving through two-way communication with suppliers, we aim to build a sustainable supply chain and enhance mutual corporate value.</p> <ul style="list-style-type: none"> Regular monthly meetings with suppliers Regular monthly quality meetings with suppliers Supplier briefings (once a half year) ESG interview, top management visits (once a year)
Employees	<p>We aim to nurture employee self-realization and sustainable corporate growth by building a workplace environment in which employees feel fulfilled and are able to demonstrate their diverse abilities. We strive to create a corporate culture that encourages employees to take on the challenge of creating new values.</p> <ul style="list-style-type: none"> Regular 1-on-1, intranet/internal newsletters Group morning meetings (weekly), "Vision Day" (once a year) Employee surveys (once a year), internal reporting system Skill development through various training programs and seminars Employee awards, employee stock ownership program
Shareholders and Investors	<p>We will disseminate information to shareholders and investors in a timely and fair manner. Through constructive dialogue, we strive to reflect this information in management and disclose information in a highly transparent manner.</p> <ul style="list-style-type: none"> General Meeting of Shareholders, Financial Results Briefings IR meetings • Individual Interviews for ESG Activities Integrated report, IR website

Materiality

Once a year, we hold dialogues with shareholders and investors, interview key suppliers and conduct an employee survey to understand their expectations of our company. We evaluate the relevance of identified social issues to our management strategy, and review materialities (important issues) through discussions at the Sustainability Committee and the Board of Directors meetings. We will promote the creation of a foundation for sustainable growth by defining focus areas within the materiality and promoting focused initiatives.

FY2024 Priority Focus and Countermeasures

Materiality	Countermeasures
<ul style="list-style-type: none"> Diversity & Inclusion Future leadership development & appropriate reward to employees 	<ul style="list-style-type: none"> Refining objectives in diversity promotion Promotion of Learning Programs Implementation of next-generation leader development program Strengthening organizational capabilities through management training
<ul style="list-style-type: none"> Information security & privacy 	<ul style="list-style-type: none"> Review of Information Security Committee operations, etc. Formulation of security white papers and disclosure of initiatives
<ul style="list-style-type: none"> Ethics & compliance 	<ul style="list-style-type: none"> Continuous compliance training
<ul style="list-style-type: none"> Balancing business portfolio construction & capital efficiency 	<ul style="list-style-type: none"> Discussion of medium-term capital allocation and communication with investors
<ul style="list-style-type: none"> Efficient use of resources 	<ul style="list-style-type: none"> Reducing environmental impact through digital printing production processes Exploration and study into the creation of a system for selling recycled products



FY2023 Priority Focus and Progress

Materiality	Indicators	Progress
<ul style="list-style-type: none"> Diversity & Inclusion 	<ul style="list-style-type: none"> Percentage of female employees above a certain grade 	16.3% (+2.9pt)
<ul style="list-style-type: none"> Future leadership development & appropriate reward to employees 	<ul style="list-style-type: none"> Continuous creation of company and business managers 	8 in the last three fiscal years
<ul style="list-style-type: none"> Creating customer value through co-creation of supply chain 	<ul style="list-style-type: none"> Improve customer value by revamping the value chain 	Acquired 100% shares of RAKSUL FACTORY INC. (wholly owned subsidiary)

*In order to realize the promotion of female advancement, we aim to increase the ratio of female employees above a certain grade in our salary system to at least 20% by FY2025.

*Continuous creation of company and business managers refers to the number of executive officers with decision-making authority at management meetings of RAKSUL and its group companies in addition to the number of applicable directors at group companies.

Risks and Opportunities

Under our corporate governance system, we have established a Risk Management Committee to share, deliberate, and make improvements across the group in order to appropriately and promptly respond to risks that could have significant impact on management. Chaired by the President and CEO, the committee is held quarterly, with SVP and CLO taking part in it. In particular, major incidents are reported to the Board of Directors and the SVP meetings to ensure that the system can fulfill its supervisory function.

		Risks	Countermeasures	Opportunities	Materiality
Business Environment	External Environment and Markets	<ul style="list-style-type: none"> Increase of the cost of raising funds and weakening of fund-raising capabilities due to changes in interest rates and stock prices, which can adversely impact the company's earnings and financial situation Increase of raw materials costs due to changes in global economic and political trends 	<ul style="list-style-type: none"> Diversifying financing methods to build a financial base with sufficient funds Focusing on improving the results of the company, which can be controlled Reviewing sales prices to stabilize earnings <p>CFO Message → p37-p39</p>	<ul style="list-style-type: none"> Fables management which makes flexible cost control possible and ensures the generation and increase of cash flows 	<p>●</p> <p>Balancing business portfolio construction & capital efficiency</p>
	Competitive trends	<ul style="list-style-type: none"> Intensifying competition due to competitors offering similar products and services or using similar techniques, or new players entering the market Lack of competitiveness if a development or service fails to progress as planned 	<ul style="list-style-type: none"> Continuous differentiation of services by expanding the product lineup in response to a wide range of customer needs, conducting proactive marketing activities and enhancing customer support, expanding the range and improving the quality of services Establishing a business model that is difficult to imitate, building barriers to entry using intellectual property and other means <p>Raksul Business Strategies and Initiatives → p20</p> <p>Domain Expansion and Synergy Creation through M&A → p25</p>	<ul style="list-style-type: none"> Creating new markets and increasing the number of businesses involved, and as a result, enabling the markets to earn greater recognition with the company contributing to the expansion of the markets Seizing growth opportunities through innovative development, creating competitive products 	<p>●</p> <p>Rebuilding conventional industries with IT</p>
	Dependence on the Raksul business (Printing EC)	<ul style="list-style-type: none"> As sales in the Raksul business account for a large percentage of overall sales, the financial condition and results of operations may be affected by a future decrease in sales due to a decline in the number of users or the shrinking of the market 	<ul style="list-style-type: none"> Continuously expanding our platform business to numerous industries Expanding capabilities in each business through ongoing M&A activities <p>CEO Message → p6-p8</p>	<ul style="list-style-type: none"> Creating new social value by creation of new businesses <p>Medium-term direction of our expansion → p34</p>	<p>●</p> <p>Balancing business portfolio construction and capital efficiency</p>
	Production system in the sharing economy model	<ul style="list-style-type: none"> As the Raksul (printing EC) business operates under a sharing economy production system that networks suppliers, changes in the business conditions of each supplier may make it impossible to continue operations, resulting in instability of supply 	<ul style="list-style-type: none"> Establishing central purchasing system which enables competitive pricing toward suppliers for some raw materials, contributing to the earnings of suppliers to create their investment capacity Strengthen relationships with suppliers through regular communication <p>[Roundtable] Co-Creation of Supply Chain → p22-p24</p>	<ul style="list-style-type: none"> Optimizing margins for suppliers through fables management that enables flexible cost control Stabilizing supply, through "the right production at the right place", a production system where products are produced according to the characteristics and conditions of the suppliers <p>[Roundtable] Co-Creation of Supply Chain → p22-p24</p>	<p>●</p> <p>Rebuilding conventional industries using IT</p> <p>Creating customer value through co-creation of supply chain</p>

● Environment ● Social ● Governance

		Risks	Countermeasures	Opportunities	Materiality
Business Operations	Recruitment and development of talent	<ul style="list-style-type: none"> Loss of growth opportunities due to intensifying competition in the hiring and retention of excellent talent 	<ul style="list-style-type: none"> Promoting diversity by employing people from diverse backgrounds Recruitment of CxO personnel to form the core of the organization Establishing development centers overseas and continually working to strengthen development capabilities Designing incentives that keep employees engaged and motivated Creation of opportunities and environments that enable employees to continue to grow and play an active role, including selection and development of future leaders Creating healthy and hygienic working environments for employees <p>Infinity Talent Growth → p42-p48</p>	<ul style="list-style-type: none"> Strengthening competitiveness by recruiting and training of excellent talents 	<p>●</p> <p>Diversity & inclusion</p> <p>Future leadership development & appropriate reward to employees</p> <p>Safe & healthy workforce</p>
	Compliance	<ul style="list-style-type: none"> Damage to the company impacting its corporate value, including a decline in trust, restrictions on business activities, and increased costs due to employees' violations of laws or regulations or infringement on intellectual property rights 	<ul style="list-style-type: none"> Cultivating a corporate culture that ensures compliance based on policies (formulating and implementing annual compliance plans, increasing compliance awareness through training and communication, establishing an internal reporting system etc.) <p>Compliance → p66-p67</p>	—	<p>●</p> <p>Governance system to support adequate risk-taking</p> <p>Ethics & compliance</p>
	Information security	<ul style="list-style-type: none"> Loss of important information assets, damage to these assets or the leakage of information, as well as associated reputational damage, compensation for damages, and loss of public trust 	<ul style="list-style-type: none"> Establishing information risk management systems (establishing internal rules, achieving PrivacyMark and ISMS certifications, providing information security training, carrying out thorough audits and inspections, regular checks and countermeasures by the Information Security Committee) <p>Information Security → p67</p>	—	<p>●</p> <p>Regular checks and countermeasures by the Information Security Committee</p> <p>Information security & privacy</p>
	Investments and loans	<ul style="list-style-type: none"> Failure to achieve the initially expected results from investments, or impairment losses on intangible assets including goodwill 	<ul style="list-style-type: none"> Careful due diligence on the businesses to be acquired Decision-making after adequate evaluation of risks and recoverability at the Investment Committee Careful review of post-acquisition business integration plans & establishment of a regular monitoring system <p>Medium-term direction of our expansion → p34</p>	<ul style="list-style-type: none"> Building a foundation for growth through acquisition by acquiring new management resources <p>Medium-term direction of our expansion → p34</p>	<p>●</p> <p>Balancing business portfolio construction & capital efficiency</p>
Others	Climate change	<ul style="list-style-type: none"> Changes in the business environment, including an increase in costs and a decline in earnings related to the handling of climate change risks Declining reputation among customers and capital markets due to delays in responding to society's expectations and demands for environmental preservation 	<ul style="list-style-type: none"> Pursuing both the efficiency of business activities and the reduction of the greenhouse gas emissions that cause global warming primarily through the efficient use of paper materials <p>Environmental Efforts → p58-p59</p>	<ul style="list-style-type: none"> Providing more products and services that are expected to contribute to addressing climate change, which will result in the increase of market value and earnings <p>Environmental Efforts → p58-p59</p>	<p>●</p> <p>Efficient use of resources</p> <p>Response to climate change</p>

Environmental Efforts

We recognize that addressing climate change is one of the key management issues in improving corporate value over the medium to long term and in realizing a sustainable society. We intend to achieve both reduction of environmental impact and improvement of corporate value.

1 Governance

At RAKSUL, the Sustainability Committee examines policies and responses to important issues related to climate change. The status of responses and particularly important matters are reported to the Board of Directors once a year, and monitoring is conducted under the direction and advice of the Board of Directors.

2 Strategies

Based on the framework proposed by TCFD, we conducted a scenario analysis with the aim of identifying business impacts related to climate change and strengthening the ability to adapt to climate-related risks and opportunities. The analysis is based on forecasts of changes in the external environment as of 2030, with a focus on the 1.5°C scenario which transitions to a low-carbon economy based on the Paris Agreement, and the 4°C scenario, in which climate change measures are not promoted beyond current scenario and expectations. The business risks, opportunities, and measures identified as a result of this analysis are shown in the table below.

Scope of analysis: only Raksul (printing business), our core business, is covered

Risk Assessment and Response Measures (selected high-impact items)

Item		Financial Impact	Impact Assessment for 2030	Impact level*	Our Response
1.5°C Scenario	Risk	Increase in raw material costs	Paper material costs will increase due to an increased global paper demand.	medium	• We will lower the impact of rising paper resource costs by implementing central purchasing
			Raw material costs for aluminum plates for printing will increase.	medium	• We will partially switch from conventional printers to digital printers that do not use aluminum plates
	Opportunities	Decreased demand for products and services due to changing consumer preferences	Revenue will decrease due to losing enterprise customers promoting decarbonization and reducing wastes.	medium	<ul style="list-style-type: none"> • We will capture demand for transitions into digital sales promotion services etc. • we will secure new revenue sources by enriching digital content for customer acquisition and expanding from the paper printing market to the local advertising market and peripheral domains of printing. • By providing flyers that can measure effectiveness, we will provide high-value services to our customers.
			The printing market (especially office printing) will shrink at an accelerated rate and the revenue will decrease.		
Opportunities	Changes in customer behavior	Demand for Eco-Friendly Paper will increase.	medium	• We will capture demand and increase revenue by expanding the Eco-Friendly Paper lineup	
4°C Scenario	Risk	Increase in raw material costs	Paper material costs will increase due to an increased global paper demand.	large	• We will lower the impact of rising paper resource costs by implementing central purchasing
	Opportunities	Changes in customer behavior	Demand for Eco-Friendly Paper will increase.	small	• We will capture demand and increase revenue by expanding the Eco-Friendly Paper lineup

JPY 800MM+: large, JPY 500-700MM: medium, JPY 0-400MM: small

3 Risk Management

Risks and opportunities related to climate change are identified and assessed by the division in charge of sustainability matters with the cooperation of relevant divisions within the company, and reported and proposed to the Sustainability Committee to promote company-wide responses to climate change. Important environmental risks related to climate change and social issues including climate change issues raised by the Sustainability Committee are integrated into company-wide risks in cooperation with the Risk Management Committee.

4 Metrics and Targets

GHG emissions are calculated as an indicator for assessing climate change.

Total CO ₂ emission (t-CO ₂)	FY2021	FY2022	FY2023
Scope1, 2	124	133	162
Scope1, 2 - CO ₂ emissions per unit	0.49	0.39	0.40
Scope3	48,525	56,939	71,491
Total emissions	48,649	57,072	71,653

Disclosure based on TCFD recommendations
<https://corp.raksul.com/en/esg/environment/tcfd/>



Specific Initiatives

Sales of environmentally friendly products

[Measures for TCFD] Expanded handling of environmentally friendly paper Increased revenue by capturing demand

In order to meet customer needs such as the use of sustainable materials and to further promote environmental conservation efforts, we acquired FSC CoC certification under the FSC forest certification system on March 7, 2023. The CoC certification certifies the continuity from procurement of raw materials to production, processing and distribution that enables traceability (tracking of production and distribution history) of the product and indicates that it is a highly reliable product made from properly managed forests.

By offering FSC-certified paper products and allowing our customers to choose products with the FSC® mark, we can protect forests in our daily activities without going out of our way and can also be recognized as a company that is actively engaged in environmental conservation. We sell envelopes and cardboard using FSC-certified paper through our e-commerce. We will continue to address environmental issues through the supply of environmentally conscious products.

*We utilize the forest-certified envelope paper that our partner company has acquired the certification for



Reducing environmental impact through digital printing

RAKSUL FACTORY INC., our subsidiary, operates a digital printing business. Digital printing is suitable for small-lot printing, where the required quantity can be printed at the right time, eliminating the need to keep inventory and reducing wasteful printing. In offset printing, CO2

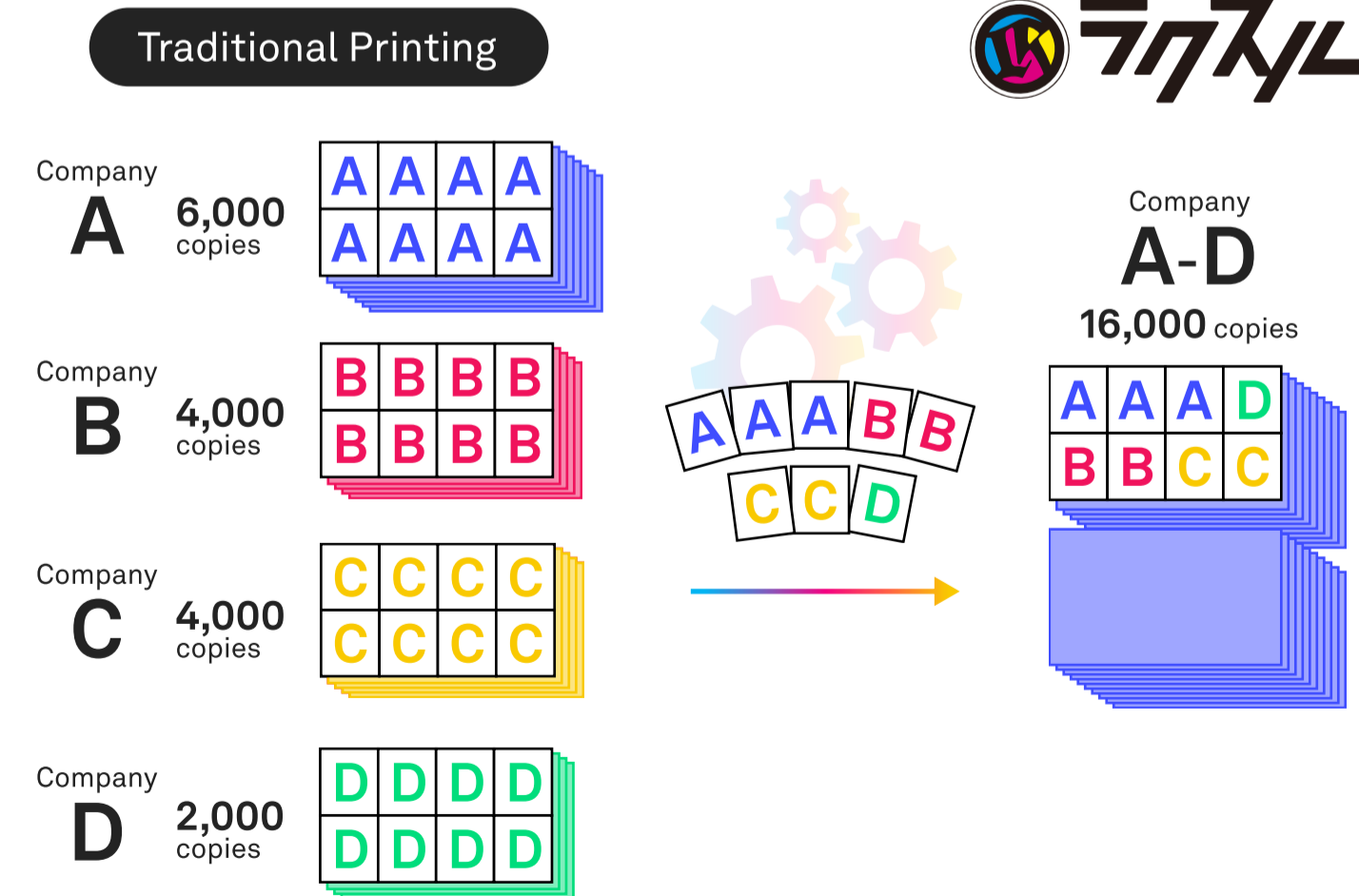
emissions from the plate-making process account for about 4-50%* of the total, and CO2 emissions increase in proportion to the number of plates. Since digital printing does not require printing plates, it not only reduces the initial costs but also reduces CO2 emissions, thereby reducing environmental impact. We will continue our efforts to reduce environmental impact by partially switching to digital printing in response to demand.

*Reference & source: Japan Association of Graphic Arts Technology, "Comparison of CO2 emissions between digital printing and sheet-fed offset printing"

Efficient use of paper resources: Printing multiple images on one sheet (Gang Run)

In normal printing, multiple copies of the same printing data are printed and cut on a sheet of paper that is large enough to print eight A4 sheets. However, at RAKSUL, we create printing data in a form by combining orders received from all over the country on our e-commerce website to minimize waste. This allows us to provide customers with a small number of flyers at a low cost, and our suppliers (printing companies) can reduce the use of paper.

Combining printing plates from various companies with our proprietary technology



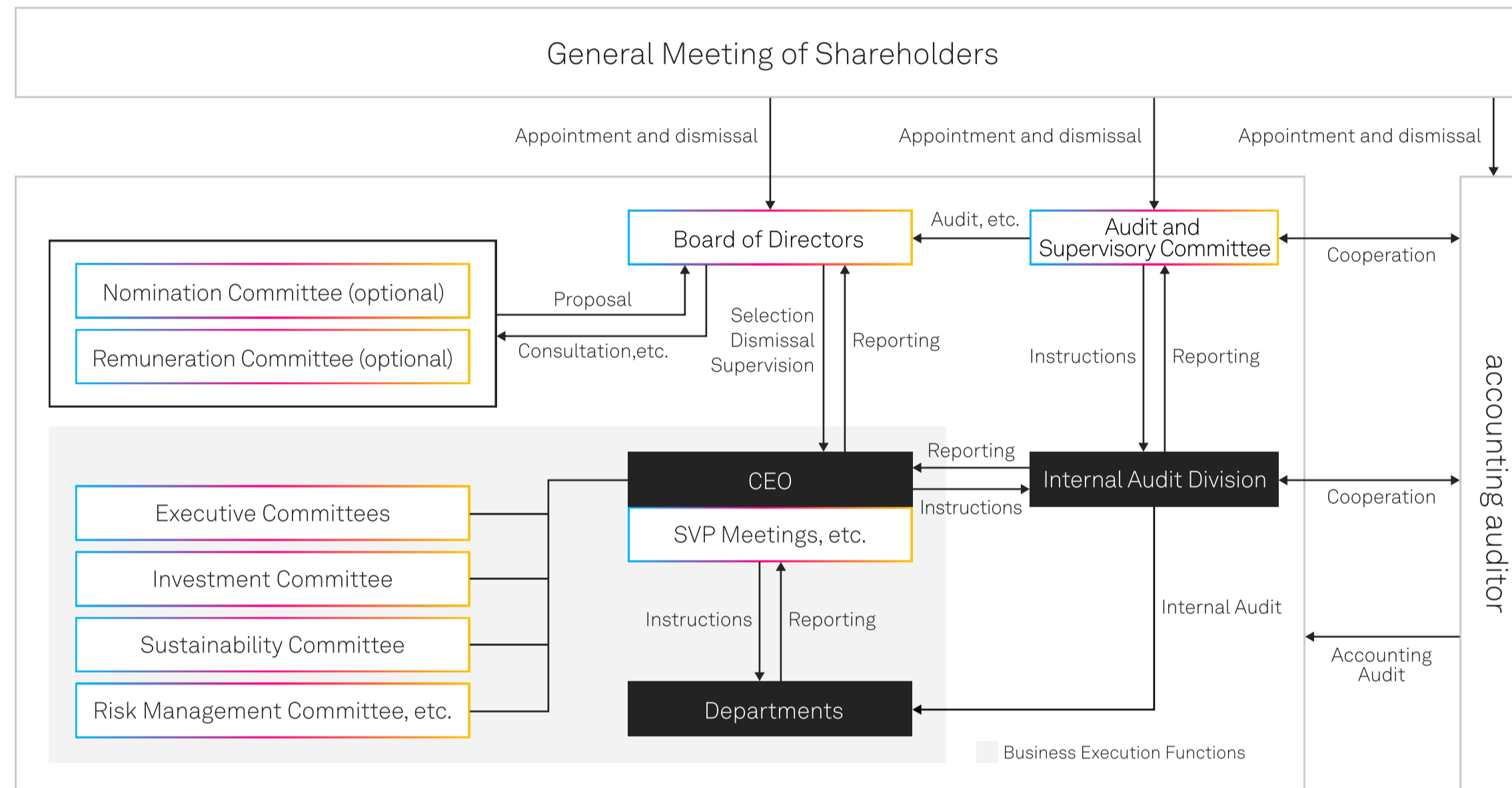
*If four companies print a total of 16,000 copies



Corporate Governance

Based on our vision, we strive to strengthen our corporate governance structure to meet our responsibilities as a public institution and the expectations of our stakeholders, to achieve sustainable growth, and to enhance our corporate value over the medium to long term.

Corporate governance system

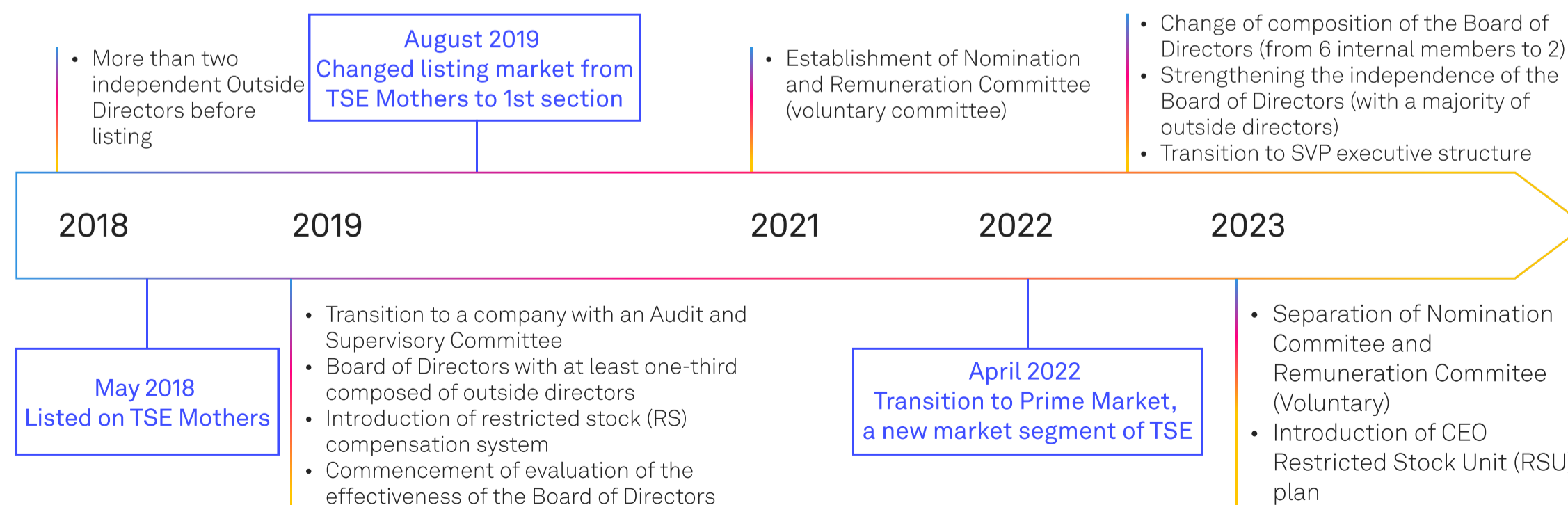


Status of corporate governance system (As of July 31, 2023)

Organizational Structure		Audit & Supervisory Committee
Board of Directors	Chairman	Yasukane Matsumoto
	Number of members	8 (Number of Independent Directors 6)
	Ratio of Outside Directors	75%
	Number of meetings held	13 times
	Attendance	99%
Audit & Supervisory Committee	Number of members	3 (Number of Independent Directors 3)
	Ratio of Outside Directors	100%
	Number of meetings held	14 times
	Attendance	100%
Nomination and Remuneration Committee	Chairman	Kenji Kobayashi (Outside Director)
	Number of members	5
	Ratio of Outside Directors	60%
	Number of meetings held	9 times
	Attendance	100%
Accounting Auditor		Ernst & Young ShinNihon LLC.

*From FY2024, the chairperson of the Board of Directors has been replaced by the current Representative Director, President, and CEO, Yo Nagami.
 *From FY2024, the Nomination and Remuneration Committee has been operated separately as Nomination Committee and Remuneration Committee.
 *The accounting auditor is Deloitte Touche Tohmatsu LLC from FY2024.

Transition of corporate governance system



Recent initiatives

- Separation of Nomination Committee and Remuneration Committee for more focused deliberations
- Reform of the group management structure (change of President & CEO)
- Review of the design of the remuneration system for the President & CEO and SVP
- Establishment of a new Investment Committee for the purpose of agile investment and capital injection
- Establishment of policies for the selection nomination and dismissal of director candidates

Issues, Assessments, and Initiatives for Board Effectiveness Assessment (FY2023)

Our Company's Board of Directors reviews its own overall operations at least once a year. This fiscal year, we conducted a questionnaire (23 questions in total) on the following items for directors (including those who are members of the Audit & Supervisory Committee)

Issues for FY2022

- Deeper discussions on the separation of management oversight and business execution
- Improvement on effective and efficient operation by clarifying the roles of each committee (voluntary)
- Improvement of functions through more sufficient prior disclosure of agenda materials

Survey evaluation category

1. Roles and Responsibilities of the Board of Directors
2. Size and composition of the Board of Directors
3. Deliberations and operations of the Board of Directors
4. Design and operation of Board of Directors
5. Shareholders relations and dialogue

FY2023 Evaluation

- Significant improvement in "size and composition" of the Board of Directors
- Significant improvement in "clarification of roles and appropriate operation" of the Executive Committee and Nomination/ Remuneration Committee, which are voluntary committees
- Improvement in the content and volume of materials submitted to the Board of Directors meetings and the amount of time secured for advance review

Issues and Improvements for FY2023

- Need to deepen discussions at Board of Directors meetings by promoting cooperation with each committee
→ Strengthen information sharing from each committee to the Board of Directors
- "Formulation, implementation and verification of management strategies" was rated slightly lower than the overall
→ Strive to enhance agenda items and discussions that are considered strategically important

Policy and Process for Selection and Dismissal of Director Candidates

In the selection and dismissal of directors, the Company has established a "Policy for the Selection, Nomination and Dismissal of Director Candidates." The Nominating Committee (voluntary), of which the majority of members are outside directors, formulates director candidate proposals in accordance with such policy and in light of the selection and dismissal criteria, and after discussion and approval by the Board of Directors, the candidates are elected at the General Meeting of Shareholders. In addition, the consent of the Audit Committee is obtained prior to submitting a proposal to the Board of Directors for directors who are members of the Audit Committee.

Policy on the Composition of the Board of Directors

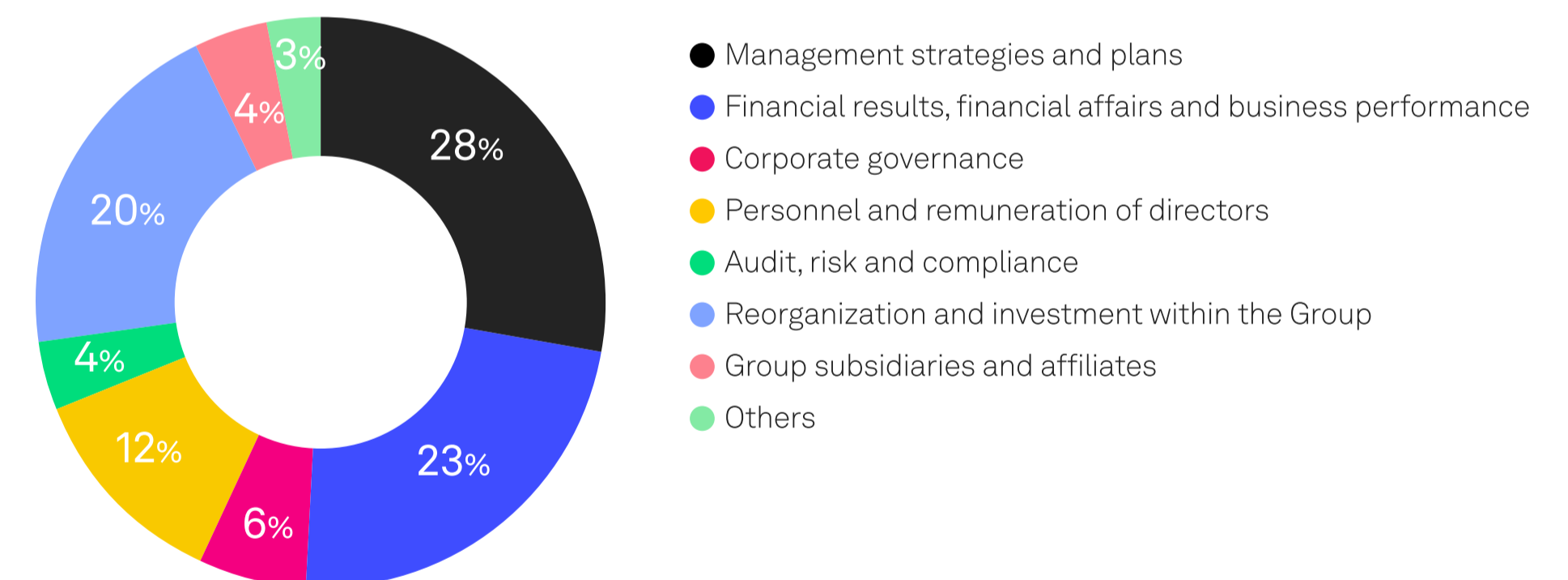
The Company has established the following policy regarding the composition of the Board of Directors by resolution of the Board of Directors, after deliberation by the voluntary Nominating Committee and Compensation Committee.

- The Board of Directors shall consist of no more than 10 members, the maximum number stipulated in the Articles of Incorporation, and shall maintain a size considered appropriate to activate deliberations and ensure accurate and prompt decision-making.
- To ensure transparency of management and objectivity of supervision, the ratio of independent outside directors on the Board of Directors should be a majority.
- To enhance the effectiveness of the board's roles and responsibilities, the board should be composed of a diverse group of directors with a good balance of knowledge, experience, and abilities based on a skills matrix, and taking into account gender, internationality, professional experience, and age factors.

Board of Directors Deliberations for FY2023

Based on the issues and improvement policies in the annual effectiveness evaluation, we consider important topics for deliberation and time allocation, and deliberate based on the changes inside and outside the company.

Time Allocation for Deliberation Topics



Other matters relating to corporate governance are set out in the Corporate Governance Code and the Criteria for the Independence of Outside Directors.

Corporate Governance Report

https://corp.raksul.com/en/wp-content/uploads/sites/4/2023/10/Corporate-Governance-Report_EN_20231027.pdf



Independence Criteria for Outside Directors

<https://corp.raksul.com/wp-content/uploads/2019/04/6a574fc29dad004a1e07914f828e532b.pdf>



Policy and process for determining executive remuneration

The company's Remuneration for directors consists of a fixed monetary remuneration and restricted stock awards, and the level of remuneration is set based on comparisons with other companies in the same industry or of the same size in Japan and overseas, as well as our company's financial situation.

Fixed monetary remuneration is determined by taking into account each director's scope of responsibilities, business performance, and contribution to building corporate value over the medium to long-term. Executive directors are evaluated and determined with emphasis on decision-making and execution to realize discontinuous growth toward the realization of the Company's vision. The emphasis for Non-executive directors is on monitoring to ensure diversified and sound risk-taking from an independent standpoint to realize the Company's vision. Fixed monetary remuneration is paid in a fixed monthly amount.

With respect to non-monetary remuneration, the Representative Director, President, and CEO is granted the Post-Delivery Restricted Stock Unit (RSU) in the expectation of strong leadership and for the purpose of further sharing value with shareholders.

For directors excluding the Representative Director, President, and CEO, Restricted Stock (RS) will be granted annually on an ongoing basis in order to provide them with an incentive to continuously increase the corporate value and to increase their motivation to contribute to the increase of the share price and the corporate value. In calculating the number of Restricted Stock to be granted, the decision is made based on the company's stock price at the time, in addition to the factors considered in the preceding paragraph; the ratio of fixed monetary remuneration to RS shall be approximately 2:1 assuming the monetary valuation based on the company's stock price. The Restricted Stock for each fiscal year is, in principle, considered and determined by the first Board of Directors meeting after the Annual General Meeting of Shareholders, and the transfer restriction period is, in principle, three years.

The remuneration of each individual director is first deliberated at the voluntary Remuneration Committee, comprised of majority of independent outside directors, and then determined by resolution of the Board of Directors. The remuneration of directors who are Audit and Supervisory Committee shall be determined through discussion by the Audit and Supervisory Committee.

Total amount of remuneration for officers (for the fiscal year ended July 31, 2023)

Executive Classification	Total amount of remuneration, etc. (JPY MM)	Total amount of remuneration, etc. by type (JPY MM)			Number of eligible directors/ auditors
		Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (Excluding Audit & Supervisory Committee Members) (Outside Directors)	140 (24)	83 (13)	— (—)	56 (10)	9 (3)
Directors (Audit & Supervisory Committee Members) (Outside Directors)	24 (24)	24 (24)	— (—)	0 (0)	3 (3)
Total (Outside Directors)	165 (48)	107 (37)	— (—)	57 (11)	12 (6)

Composition of Remuneration for Directors (excluding Audit and Supervisory Committee Members) and SVP (Senior Vice-President)

Representative Director, President, and CEO

Mr. Nagami, who was newly appointed as Representative Director, President, and CEO in FY2023, is expected to demonstrate strong leadership in achieving discontinuous growth toward the realization of the company vision. With this expectation, the Company established a long-term incentive package (Outside Director Interview, page 63-65), one of which is to introduce Restricted Stock Units and set the percentage of stock remuneration as high as possible.

Fixed monetary remuneration Base remuneration	Non-monetary remuneration Restricted stock units (RSU)
Approx. 15%	Approx. 85%
JPY 18 MM	Restrictions on the transfer of 87,700 shares are lifted after the end of each financial year if the following conditions are met: <ul style="list-style-type: none"> • Service Conditions: Holding office as CEO until the end of each fiscal year • Performance Conditions: Consolidated gross profit growth of more than 15% YoY

※Upper limit of remuneration under the plan is the total number of shares to be delivered to the Subject Director under the Plan through RSU for the 10 fiscal years between FY2023 and FY2032 shall be 877,000 shares or less.

※At the first Board of Directors' meeting held after the vesting, the Board of Directors will decide to issue new shares or dispose of treasury stock in the number of shares of common stock of the Company equivalent to one share for each unit of RSU for the relevant fiscal year, and deliver such shares to the Subject Director without compensation.

※The Subject Director shall forfeit the right to receive remuneration under the Plan in the event of certain misconduct as determined by the Board of Directors or resignation for certain reasons as determined by the Board of Directors. And in the event of such misconduct, the Company may demand the Subject Director to return the shares already delivered.

Directors excluding the Representative Director, President, and CEO (Excluding Audit & Supervisory Committee Members)

Fixed monetary remuneration Base remuneration	Non-monetary remuneration Restricted stock (RS)
70%	30%

※The remuneration of directors is determined by taking into account the level of remuneration for non-executive or outside directors at listed companies of similar size, the roles and functions expected of each director (e.g. member or chairperson of each committee), and other factors.

SVP (Senior Vice President)

Fixed monetary remuneration (monthly)	Short-term incentive remuneration (Bonus)	Stock-based compensation stock options
60-70%	20%	10-20%
Level according to the grade	<ul style="list-style-type: none"> • Single-year performance evaluation (80%) Gross profit, EBITDA • Organizational qualitative evaluation (20%) Training, diversity, turnover ratio, etc. 	Level according to the grade

For monetary remuneration (medium to long-term incentive remuneration) for the evaluation period of 5 years from FY2024, gross profit and EBITDA are adopted as performance indicators. The targets for each performance indicator are as follows.

Performance Indicators	Condition of Exercise
Gross profit	JPY 30Bn
EBITDA	JPY 10Bn

Intentions behind Groundbreaking CEO Incentive Design Expectations for New RAKSUL

New management structure with the “second founder” for further leap

In August 2023, RAKSUL's Representative Director, President and CEO was handed over from Yasukane Matsumoto to Yo Nagami. At the time of this change, the Nomination and Remuneration Committee was chaired by Kenji Kobayashi, who has served as an outside director since 2020. We interviewed Director Kobayashi about the succession from the founder and his thoughts on the compensation design, which is unprecedented in Japan.

RAKSUL moves to portfolio management for business expansion The baton for the new structure with thoughts aligned

Last year, there was an announcement of the change of Representative Director, President and CEO of RAKSUL, and a transition to a new structure. Could you tell us again how it all came about?

When Mr. Matsumoto told us that he wanted to discuss a change of CEO, the Nomination and Remuneration Committee started considering the new management structure. The committee had no objection to the change, as “JOSYS”, the new business Mr. Matsumoto had launched, was growing steadily and we felt it was the right time to further develop it.

RAKSUL became a large business entity with multiple businesses and the time had come to pass the baton to a business person with appropriate experience and special skills. We decided that Mr. Matsumoto should focus on the new challenge of developing JOSYS, including the global market, and that Mr. Nagami would be the best person to steer the portfolio management, which will be crucial in the future.

Was there any option to invite a new CEO from outside?

Normally, it would be standard practice to include that in the consideration. This time, however, the Nomination and Remuneration Committee could not think of anyone better than Mr. Nagami. Mr. Nagami set an aggressive M&A policy after he became CEO, but

even before that, he had experience with acquisitions such as DANBALL ONE. It was an ideal process for the company to get a feel for its ability to expand through M&A and then pass the baton to the new CEO, who excels in this strategy.

Furthermore, Mr. Matsumoto is a leader who does not like to interfere with the next generation. When I saw him clearly tell Mr. Nagami that he could “change anything in the company after the transition to the new structure,” I knew that the handover would go well.

Activities of the Nomination and Remuneration Committee (Fiscal year ending July 31, 2023)

Time	Main Topics of Discussion
From August 2022	Review and recommendations on nominations for candidates of Directors and Representative Director Examination of the remuneration structure for SVPs (Key Employees), review and recommendations on proposed individual remuneration
January to September 2023	Review and recommendations on nominations for SVP candidates (Key Employees) Examination of the FY2024 Management Leadership Structure Examination of matters for consultation and deliberation by the Nomination and Remuneration Committee Examination of the remuneration structure for Director and President (CEO), review and recommendations on the proposed individual remuneration Review and recommendations on nominations for candidates of Executive Directors and Representative Director Discussion on approach on the Board of Directors Structure and deliberation on Skills Matrix Examination of the remuneration structure for SVPs (Key Employees), review and recommendations on proposed individual remuneration Considerations for the change in the composition of the Nomination and Remuneration Committee



Outside Director,
Members of Nomination Committee
Chairman of Remuneration Committee

Kenji Kobayashi

Aim in designing remuneration appropriate for the “second founder”

I believe this incentive design for the new CEO is a very special case in Japan. Could you tell us about your aims and thoughts on this compensation design?

The core concept in determining remuneration came from Mr. Matsumoto, who wanted Mr. Nagami to become the “second founder” rather than a “hired CEO.” The term “second founder” has a spiritual connotation, of course, but it also implies “having an ownership interest in increasing the value of the company by holding a certain amount of shares.” I thought it was a very good concept. However, although the concept itself was quickly agreed upon by the Nomination and Remuneration Committee, there were twists and turns in the process of determining the detailed design. After all kinds of discussions, we proceeded with the design, referring to examples of large-scale equity compensation in successions of management in the United States.

I believe that “second founders” should also be able to aim for a financial return comparable to that of the original founder. It is very difficult for founders to create a unicorn company and for it to grow into a trillion yen company. There are almost no examples of the latter in Japan, and it is extremely difficult. However, even if the “second founder” were to receive several hundred million yen

per year in compensation, which is high for a “hired CEO,” the compensation he would receive for growing the company to becoming a trillion yen company would be nowhere near the return the founder would receive for creating a unicorn company. In order to avoid such an imbalance, we decided to design remuneration with a large upside for major successes. For Restricted Stock Units (RSUs), the requirement is to exceed a certain level of annual gross profit growth. This is intended to bring “discipline” and align with RAKSUL’s continued expansion of its business size in the future. In addition to the RSUs, we have granted stock acquisition rights (paid stock options) that become exercisable upon the achievement of a breakthrough in both financial performance (EBITDA) and stock price. This embodies our “expectation” for significant growth that goes beyond the “cruising speed.” Furthermore, although it is different from remuneration, we also asked CEO Nagami to personally take out a loan and use it to purchase the shares. This truly demonstrates his “determination” as the “second founder.”

Challenges with a long-term perspective that can only be taken by executives who can take risks

Were there any risks or concerns that you felt as you proceeded with this compensation design?

It was unknown whether the shareholders would approve the plan as there is no precedent for such a large scheme in Japan and the plan also contains content that conflicts with voting guidelines for some of the investors. However, we had high hopes that shareholders would understand this compensation design because we thought it was in line with their viewpoints. The problematic point in exercise of voting rights was the vesting period of RSUs. Compensation design for Japanese start-ups is normally designed with a viewpoint of 3 to 5 years, but there were a certain number of institutional investors who stipulated in their voting guidelines that “2 (or 3) years from the grant should be set aside as the vesting period.” On the other hand, the new compensation design envisions a very long period of “10 years.” The number of years in the compensation design will have a significant impact on how executives take risks. We thought that if we made this a 2 to 3 year period, the executive would only be able to take risks that could produce results in a short period of time, whereas a 10-year period would allow him to take on a major challenge that takes risks from a long term perspective. As a result, the design of “annual vesting over a 10-year period” was in partial conflict with the aforementioned guidelines.

It is extremely rare for a fund to include a compensation design based on a 10-year term in its voting guidelines. As a result, it is true that some of the funds did not approve of this.

On the other hand, we received comments, mainly from our foreign investors, that the overall compensation design made sense,

Long-Term Incentive Package for Representative Director, President & CEO

Name	Format	Number of Shares (Dilution %*)	Conditions of Exercise
Monetary Compensation	Monetary Compensation	—	—
Restricted Stock Units (RSU)	Stock-Based Compensation (Service requirement + Single year performance requirement)	Total for 10 years Maximum 877,000 Shares (1.5%)	Removal of restrictions on the transfer of 87,700 shares each after the end of each fiscal year, provided that the following two conditions are met • Remain as CEO until the end of each fiscal year • Consolidated gross profit growth of over 15% YoY
Stock Options (Paid-in SO)	Performance Target Linked (Stock price requirement + Performance requirement)	877,000 Shares (1.5%)	3 tranches setting 1. Share price of 8,500 yen + EBITDA of 10 billion yen: 20% exercisable 2. Share price of 12,000 yen + EBITDA of 15 billion yen: 33% exercisable 3. Share price of 17,000 yen + EBITDA of 20 billion yen: 47% exercisable Performance evaluation after 5 years for a period of 10 years
Negotiated Transaction	Capital Gain	877,000 Shares (-)	Company stocks will be purchased from the founder, Yasukane Matsumoto, and the stock market in a negotiated transaction (We lend part or all of the funds)

*Based on 58,476,092 shares (581,858 voting rights), that total number of outstanding shares of the Company as of July 31, 2023

although it was in conflict with some of the guidelines. The high level of transparency of disclosure was also highly appreciated. The fact that many of our foreign shareholders are already accustomed to seeing bold equity compensation designs was also a tailwind, resulting in 87% of shareholders approving the proposal.

It must be hard to find a successor who could take on this much risk.

True. It is not something we would easily recommend to other companies.

This compensation is designed to put strong pressure on the CEO during periods of declining stock prices.

In fact, RAKSUL's stock price performance has been lackluster as of late, despite the company's steady growth in earnings. Several factors can be assumed, but one factor has been the significant impact of market conditions, which negatively affected the multiple of PSR, a widely used indicator for evaluating growth companies at the time, which collapsed significantly. However, in recent years, the company has improved profitability and grown into a corporate entity capable of generating solid profits (EBITDA). As a result, there has been a gradual shift toward evaluation based on EV/EBITDA.

EBITDA is an indicator that can be increased with a high degree of certainty if the company is growing profitably, and if EBITDA increases, the share price is likely to turn around even if the multiple does not soar. The strategy that Mr. Nagami set forth at the time of his appointment is consistent with this direction, and also from the standpoint of taking on risk, I believe that Mr. Nagami is the right person to be the new CEO.

“Extreme events” RAKSUL has caused that could transform Japan

Could this remuneration design be another step forward for Japanese start-ups as they take a leap?

Without a doubt, this compensation design will be a turning point in the world of Japanese venture companies.

I believe that Japan as a country changes boldly when one extreme event occurs - take IPOs as an example. Since the listing of RAKSUL and Mercari, the style of IPOs has changed dramatically, including the attitude towards offerings for foreign investors, even though

there have been no systemic changes. This is because companies seeking an IPO followed the examples saying, “Let's adopt that company's excellent example ourselves.”

RAKSUL is a company that has made those “extreme events” happen. I think we are a group of people who like to think zero-based and creatively about how things should be, rather than making decisions after seeing what other companies are doing. What inspires me most about being an outside director at RAKSUL is the expectation for mutations to occur.

New executive members in line with the new strategy and Expectations for RAKSUL to take on serious social challenge

How do you evaluate the new management structure under CEO Nagami?

I think it has been a good start. The three new executives (CFO, CTO and CSO) Mr. Nagami has recruited fit in well with the new strategy. The CFO must have the basic financial strength to carry out M&A, and the CTO is needed to build an efficient management system as the number of group companies increases. And a CSO is also indispensable to ensure the execution of the strategy. We have assembled experienced personnel in each of these areas.

CFO needs basic financial skills to carry out M&As, and CTO is needed to build an efficient management system as the number of group companies increases. CSO is also essential in ensuring that the strategies are executed. We have a team of experienced people in each of these areas.

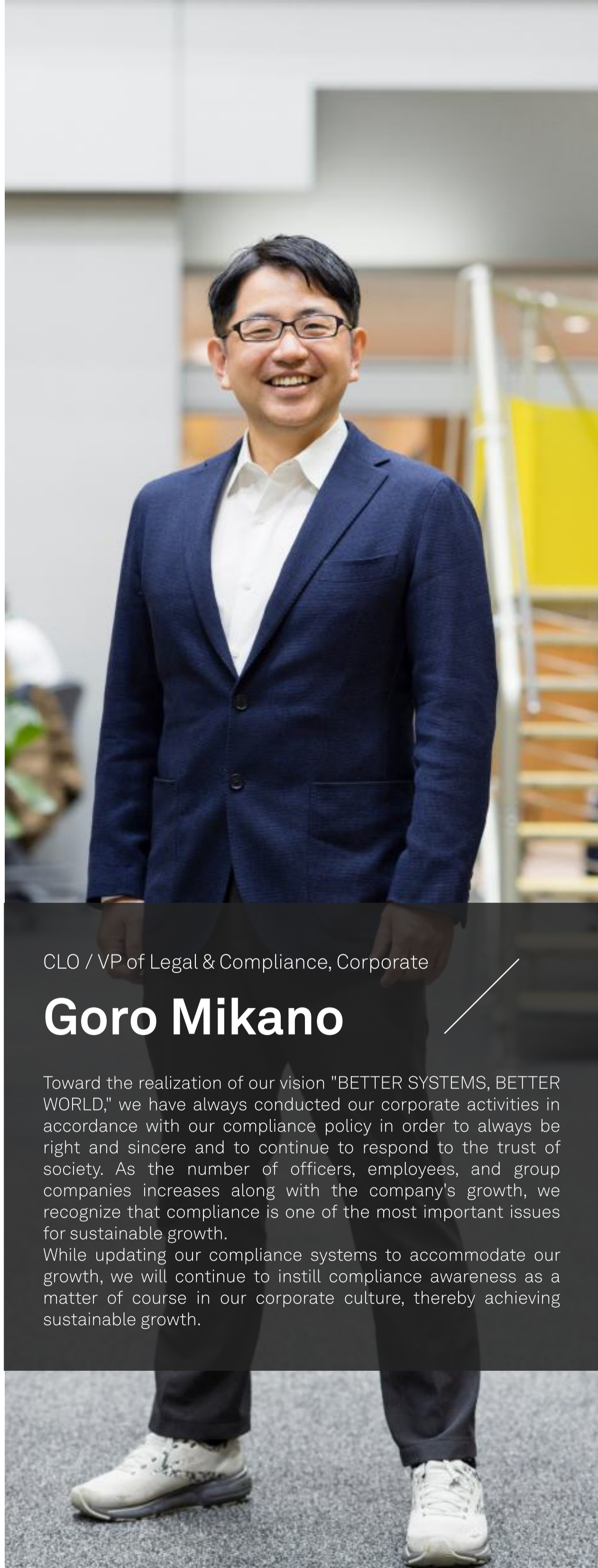
What are your expectations for the future of RAKSUL?

A serious social challenge facing Japan is the decline in the working population. This is not a challenge that will manifest itself in the distant future, but is already affecting our lives. Getting a taxi is not easy, and buildings are not being completed due to a lack of construction workers. Restaurants cannot increase the number of outlets because they cannot secure staff. Regardless of industries, this is an unavoidable challenge for players competing in the Japanese market.

People who can work hard to “create systems” as stated in the vision of RAKSUL, will be at the heart of the solution to this

challenge. In particular, solving the shortage of human resources in local areas is an area where RAKSUL, which aims to improve industrial efficiency through the creation of systems, can demonstrate added value. We believe that the more successful RAKSUL is, the more positive impact we can have on society.





CLO / VP of Legal & Compliance, Corporate

Goro Mikano

Toward the realization of our vision "BETTER SYSTEMS, BETTER WORLD," we have always conducted our corporate activities in accordance with our compliance policy in order to always be right and sincere and to continue to respond to the trust of society. As the number of officers, employees, and group companies increases along with the company's growth, we recognize that compliance is one of the most important issues for sustainable growth.

While updating our compliance systems to accommodate our growth, we will continue to instill compliance awareness as a matter of course in our corporate culture, thereby achieving sustainable growth.

Compliance

Compliance Promotion Structure

We strive to promote compliance in accordance with our compliance regulation, which stipulates the compliance practice system and operations, as well as our compliance policy, which sets out a code of conduct for officers and employees. Compliance is promoted under the leadership of the Legal and Compliance Department of the CLO organization, which is responsible for overseeing compliance, in cooperation with each business division. The Risk Management Committee, chaired by the Representative Director, President, and CEO, meets quarterly with the participation of the SVP and CLO; the committee discusses and makes policy decisions on important matters related to compliance and anti-corruption. The committee reports not only on issues related to actual events, but also on near-miss events, and holds preventive discussions based on changes in social conditions and the business environment, thereby strengthening efforts to address compliance issues that have a significant impact on corporate value and stakeholders.

Educational and Awareness Raising Activities

In accordance with the annual compliance plan, we conduct training and officers and employees education programs on legal compliance and anti-corruption. In addition, based on the business environment and service content of each division, we also conduct individual training as needed on specific themes faced in daily operations to acquire the necessary compliance knowledge and raise awareness of compliance in the course of business.

Internal training themes of FY2023

- Overall compliance policy (RAKSUL Group's Code of Conduct)
(in particular, good working conditions, prevention of bribery and corruption, fair competition, intellectual property rights, etc.)
- Act on the Protection of Personal Information
- Insider trading
- Subcontract Act

As the scale of the Group organization expands, it is important that the officers and employees continuously receive appropriate programs in a timely manner. In February 2024, in addition to our existing compliance training by in-house instructors, we introduced an e-learning compliance training system to expand our educational and awareness-raising activities. By fostering compliance awareness among the officers and employees, we aim to further improve our corporate value so that our stakeholders can engage in business with us with peace of mind.

Results of E-learning Training (as of March 31, 2024)

Theme	Audience	Number of participants	Attendance Rate
Healthy Work Style	All employees (including fixed-term employees)	441	100%
Proper understanding of Labor management	Managers	92	100%

*This training is for RAKSUL INC. and NOVASELL INC.

Internal Reporting System

We have established an internal reporting system for the early detection, correction, and resolution of legal violations and irregularities. We have established three points of contact for whistle-blowing: an internal contact point, a contact point for Audit & Supervisory Committee members, and an external contact point (law firm); we have ensured that all officers and employees are aware of these contact points. In addition, the "Internal Reporting Regulations" explicitly stipulate that no disadvantageous treatment shall be given to any employee for making a report and that anonymous reports shall be accepted and kept confidential. In FY2023, there was one case of consultation regarding harassment and human rights.

Activities to Eliminate Anti-Social Forces

We have established the "Rules for Eliminating Anti-Social Forces" in order to block and eliminate any relationship with anti-social forces. These rules stipulate the basic policy for blocking any relationship with anti-social forces and preventing damage, and also establishing a framework for eliminating anti-social forces. We screen our business partners, officers, and employees with regard to anti-social forces, and introduce anti-social force exclusion clauses in the business terms of our policies and contracts.

Anti-Corruption Activities

We have formulated and published our Anti-Corruption Policy with the aim of clarifying our basic stance on the prevention of bribery and the rules to be observed by officers and officers and employees, and preventing bribery before it occurs.

In addition to developing rules for in-house entertainment and socializing, we have established a contact point to receive compliance-related consultations from suppliers. We recognize that building sound and fair relationships with suppliers is an important issue that directly links to sustainable business growth and the realization of our vision of updating the industry.

Information Security

Information security management structure

We have established the Information Security Committee, which reviews and resolves on measures related to information security and personal information protection, and monitors risks.

In addition, in order to promote company-wide information security governance in an integrated manner, from FY2024, we will establish and strengthen a specialized organization to oversee information security.

Education on Security

We produce e-learning materials and our own comprehension tests and conduct security training twice a year for all officers and employees and employees of partner companies who access our systems through outsourcing. We also raise awareness and disseminate information based on reported security incidents at other companies and trends in safety measures to maintain and improve literacy baselines. (Human Capital Data →P.73)

Technical Measures

- Accounts are allocated to each officers and employees and centrally managed by the user and authorization management system linked to the HR master, to prevent unauthorized access by unauthorized staff and unauthorised access. In addition to general anti-virus, more advanced anti-malware measures, such as behaviour detection, are in place to detect and respond to external cyber-attacks.
- For each service provided, vulnerability diagnosis is conducted at least once a year, and the development team responds to resolve any problems discovered in a short period of time.

Acquisition of third-party certification

- **Certification of the PrivacyMark**

Measures are taken in accordance with the requirements of the Act on the Protection of Personal Information and JIS Q 15001. We receive an external review every two years from the Japan Institute for Promotion of Digital Economy and Community (JIPDEC) and are certified with the PrivacyMark.

- **Information Security Management System (ISMS)**

We have established regulations and standards based on ISO/IEC27001, the international standard for information security management. We strive to maintain the confidentiality, integrity, and availability of information assets by building, operating, and continuously improving an information security management system (ISMS) for information asset loss, falsification, and service suspension. We have received certification from BSI, a third party certification organization, as a company that conforms to ISMS, and our information security management system is recognized to be compliant with international standards.

Information Security Initiatives (Security White Paper)

[https://corp.raksul.com/esg/governance/
security-privacy/](https://corp.raksul.com/esg/governance/security-privacy/)



Executives

Board of Directors (As of October 31, 2023)



① **Yo Nagami**
Representative Director,
President and CEO
Number of board meetings attended:
13 times/13 times (100%)



② **Yasukane Matsumoto**
Director and Chairman
Number of board meetings attended:
13 times/13 times (100%)



③ **Yoshihiko Miyauchi**
Outside Director
Number of board meetings attended:
12 times/13 times (92%)
Independent



④ **Kenji Kobayashi**
Outside Director
Number of board meetings attended:
13 times/13 times (100%)
Independent



⑤ **Yumiko Murakami**
Outside Director
Number of board meetings attended:
13 times/13 times (100%)
Independent



⑥ **Naomi Mori**
Outside Director, Audit & Supervisory
Committee member
Number of board meetings attended:
13 times/13 times (100%)
Independent



⑦ **Masahiro Kotosaka**
Outside Director, Audit & Supervisory
Committee member
Number of board meetings attended:
13 times/13 times (100%)
Independent



⑧ **Junko Utsunomiya**
Outside Director, Audit & Supervisory
Committee member
Number of board meetings attended:
13 times/13 times (100%)
Independent

Career Summary and Activities

Executive Classification		Career Summary	Expected Roles and Activities
Directors	①Yo Nagami	Joined Mizuho Securities Co., Ltd. in 2004. After working at Carlyle Japan LLC and DeNA Co., Ltd., he joined RAKSUL INC. as General Manager of Corporate Planning Department and assumed office as Director, CFO in 2014 and Representative Director, President and CEO in 2023. Earned an MBA at the Wharton School, University of Pennsylvania, USA.	Based on his extensive knowledge of finance, investment, and financial strategies in general, as well as his experience in driving growth as CFO of the Company, he makes decisions on important management matters of the Company and supervises the execution of business. We expect him to demonstrate strong leadership as the second founder and contribute to business growth and long-term corporate value expansion.
	②Yasukane Matsumoto	Joined A.T. Kearney in 2008. Established RAKSUL INC. in 2009 and assumed office as Representative Director, President and CEO. Established a sharing economy business model. Became Director and Chairman in 2023.	As the founder of the Company, based on his experience in creating business models with strong leadership and his knowledge of launching business, he provides advice on the overall management of the Company, makes decisions on important management matters, and supervises the execution of operations. He contributes to management and business strategies to improve corporate value over the medium to long term.
	③Yoshihiko Miyauchi	Joined Nichimen Co., Ltd. (currently Sojitz Corporation) in 1960. Joined Orient Leasing Co., Ltd. (currently ORIX Corporation) in 1964 and successively held positions as Director, Representative Executive Officer, President and Chief Executive Officer, Chairman and Chief Executive Officer. Became a Senior Chairman of ORIX Corporation in 2014. Assumed office as an Outside Director of RAKSUL INC. in 2019. He is also an Outside Director of ACCESS CO., LTD., Calbee, Inc., and Nitori Holdings Co., Ltd.	Based on his experience as a Representative Director of a listed company, he provides advice on overall management matters and supervises the decision-making and execution of important management decisions. He contributes to the overall corporate governance system of the Company, which we aim to evolve and improve.
	④Kenji Kobayashi	Joined Corporate Directions, Inc in 2005. Became an Executive Officer of DeNA Co., Ltd. in 2009 and a Member of the Board of DeNA Co., Ltd. in 2011. Co-Founded Signifiant Inc. and became a Co-Founder in 2017. Assumed office as an Outside Director of RAKSUL INC. in October 2020.	Based on his experience as an executive at a listed company, he provides advice on the overall management of the company, makes decisions on important management matters, and supervises business execution. In portfolio management as a listed company, he contributes to strengthening the governance system with an awareness of both offense and defense aspects.
	⑤Yumiko Murakami	Engaged in international operations since 1989 at the United Nations Development Programme (Barbados), the United Nations Secretariat (New York), and the United Nations Transitional Authority in Cambodia (Phnom Penh). After that, successively held positions of Vice President of Goldman Sachs International (London), Managing Director of Goldman Sachs and Co. (New York), Managing Director of Goldman Sachs Japan Co., Ltd., Managing Director of Credit Suisse Securities (Japan) Limited. Became the head of OECD (Organization for Economic Co-operation and Development) Tokyo Centre in 2013. Established MPower Partners Fund L.P. and assumed office as Founder and General Partner in 2021. Also became an Outside Director of RAKSUL INC. as well as Daiwa Securities Group Inc. in 2021.	Based on her extensive experience in international organizations and global companies, she provides advice on overall management matters and supervises the decision-making and execution of important management decisions. She contributes to the globalization of the organization, an investor's perspective on portfolio management, and the promotion of diversity as a prerequisite for sustainable growth.
Outside Director, Audit & Supervisory Committee member	⑥Naomi Mori	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) in 1997. After working at Asahi & Co. (currently KPMG AZSA LLC) and Makoto Sato Accounting Office, became an Outside Corporate Auditor at RAKSUL INC. in 2014 and an Outside Director (Audit & Supervisory Committee Member) in 2019. Established Naomi Mori CPA Office, and assumed office as Chief in 2016. Became an Auditor at DANBALL ONE. Inc. in 2020.	She is a certified public accountant and performs a necessary role in strengthening the governance system by leveraging such expertise in finance and accounting and her wealth of auditing experience to audit and supervise overall management.
	⑦Masahiro Kotosaka	Joined McKinsey & Company, Inc. in 2004. After working as an Associate Professor of College of Business Administration, Ritsumeikan University, became an Associate Professor at Faculty of Policy Management, Keio University in 2016. Assumed office as an Outside Corporate Auditor at RAKSUL INC. in 2016, and an Outside Director (Audit & Supervisory Committee Member) in 2019. Also became an Outside Director at Appirits Inc. and Euglena Co., Ltd., and an Outside Director, Audit & Supervisory Committee Member at Uzabase, Inc.	Based on his extensive experience in corporate management and consulting work and his professional knowledge of business administration, he performs a necessary role in strengthening the governance system by monitoring overall management and providing effective advice.
	⑧Junko Utsunomiya	In 2000, registered as attorney at law and joined law firm Nagashima Ohno & Tsunematsu. Temporarily transferred to Tokyo Stock Exchange, Inc. in 2007. Established Utsunomiya Law Office in 2011, then a law firm, Utsunomiya Shimizu & Haruki in 2018 and assumed office as Partner. Assumed office as an Outside Corporate Auditor at RAKSUL INC. in 2018, and an Outside Director (Audit & Supervisory Committee Member) in 2019. Also became an Independent Statutory Auditor at START TODAY CO., LTD. (currently ZOZO, Inc.), an Outside Director at Heiwa Real Estate Co., Ltd., and an Outside Director, Audit & Supervisory Committee Member at PeptiDream Inc.	She has extensive expertise and broad insight as an attorney-at-law and is an expert in corporate law. By providing advice and suggestions regarding overall management, she performs a necessary role in reinforcing the company's governance system.

Skills matrix of Directors

Executive Classification		Audit & Supervisory Committee	Nomination Committee (voluntary)	Remuneration Committee (voluntary)	Business Management / Business Strategies	Entrepreneurship	Digital Platform management	M&A Strategy	Sales and marketing	Finance and Accounting	Legal, Compliance, Risk Management	Global Management	Sustainability/ ESG
Directors	①Yo Nagami				○			○		○			○
	②Yasukane Matsumoto		Chairperson		○	○	○		○			○	
	③Yoshihiko Miyauchi				○	○		○		○		○	○
	④Kenji Kobayashi			Chairperson	○		○	○		○			○
	⑤Yumiko Murakami							○		○		○	○
Directors (Audit & Supervisory Committee Member)	⑥Naomi Mori	Chairperson								○	○		
	⑦Masahiro Kotosaka				○						○	○	○
	⑧Junko Utsunomiya										○		○

06 Facts & Data





Financial Information

(JPY MM)

		FY2019	FY2020	FY2021	FY2022	FY2023
Profit and Loss Statement	Revenue	16,503	19,434	25,523	33,980	41,018
	Gross profit	3,859	4,866	7,091	9,803	12,295
	Operating profit	143	-244	220	462	1,765
	EBITDA*	256	1	1,030	1,634	3,145
	Ordinary profit	130	-368	130	-167	1,168
	Net profit	69	-494	160	1,021	1,329

(JPY MM)

		FY2019	FY2020	FY2021	FY2022	FY2023
Balance Sheet	Current assets	7,981	18,023	16,916	19,660	20,589
	Non-current assets	1,264	1,356	4,999	8,973	12,076
	Total assets	9,246	19,379	21,916	28,633	32,665
	Current liabilities	2,332	2,405	5,068	7,774	8,292
	Non-current liabilities	103	10,172	8,851	11,546	10,463
	Net assets	6,809	6,801	7,996	9,312	13,909

(JPY MM)

		FY2019	FY2020	FY2021	FY2022	FY2023
Cash Flow Statement	Cash flows from operating activities	11	-126	1,539	837	2,902
	Cash flows from investing activities	-266	-283	-3,618	-2,808	297
	Cash flows from financing activities	-206	9,956	75	2,206	-2,238
	Cash and cash equivalents at end of period	5,904	15,451	13,447	13,682	14,644

*EBITDA: Operating profit + Amortization of goodwill + Depreciation+ Stock-based compensation expenses

Human Capital Data

	Category	FY2022		FY2023		
		(Persons)	(%)	(Persons)	(%)	
Number of employees	Overall	526	—	533	—	
	Male	306	58.2%	295	55.3%	
	Female	220	41.8%	238	44.7%	
	Non-Japanese	65	12.4%	92	17.3%	
	Engineers and designers	174	33.1%	181	34.0%	
Number of regular employees	Overall	432	—	449	—	
Number of non-regular employees (Number of contractual employees and part-time workers)	Overall	94	—	84	—	
Number of managers	Overall	86	—	82	—	
	Male	70	81.4%	63	76.8%	
	Female	16	18.6%	19	23.2%	
Number of new employees hired (Regular employees)	Overall	163	—	132	—	
		Male	100	61.3%	79	59.8%
		Female	63	38.7%	53	40.2%
	Number of mid-career employees hired	Overall	154	—	114	—
		Male	93	60.4%	64	56.1%
		Female	61	39.6%	50	43.9%
Employee age status (Regular employees)	Under 30 years old	127	29.4%	135	30.1%	
	30 - 39 years old	215	49.8%	225	50.1%	
	40 - 49 years old	85	19.7%	78	17.4%	
	50 - 59 years old	3	0.7%	8	1.8%	
	60 years old or older	2	0.4%	3	0.7%	

	Category	FY2022	FY2023
Average age	Overall	34.0 years old	32.9 years old
	Male	34.1 years old	33.6 years old
	Female	33.1 years old	33.4 years old
Average years of service	Overall	2.4 years	2.5 years
	Male	2.1 years	2.3 years
	Female	3.0 years	3.2 years
Turnover ratio	Overall	15.7%	14.1%
Average annual salary	Overall	JPY 6.3M	JPY 7.0M
Gender pay gap	Overall	52.2%	51.0%
	Regular employees	53.2%	49.8%
	Non-regular employees	122.5%	119.0%
Ratio of employees with disabilities	Overall	1.2%	1.5%
Acquisition rate of childcare leave	Overall	88.5%	77.3%
	Male	72.7%	71.4%
	Female	100.0%	87.5%
Annual paid leave utilization rate	Overall	61.0%	70.6%
Remote work system utilization rate	Overall	100.0%	100.0%

	Eligibility	Number of participants	Attendance rate
Language training	Managerial positions and applicants	84	—
Unconscious bias training	Managerial positions	58	100%
Management training	Managerial positions (nominated)	16	100%
New employee training (mid-career and new graduates)	All new employees	125	100%
Information security training	All employees (including fixed-term employees)	627	100%

*Data covers RAKSUL INC., DANBALL ONE INC., NOVASELL INC., and overseas development centers
 *Data covers RAKSUL INC., DANBALL ONE INC., and NOVASELL INC. for "Number of managers" and "Number of new employees hired (Regular employees)"
 *Data covers RAKSUL INC. for "Turnover rate," "Average annual salary," "Gender pay gap," "Acquisition rate of childcare leave," and "Annual paid leave utilization rate"
 **"Employment rate of persons with disabilities" is a figure from RAKSUL INC.'s Report on Employment Status of Persons with Disabilities
 *Gender pay gap: A ratio of the average salary of female employees to the average salary of male employees, based on the calculation of the average annual salary (total salary divided by headcount) for each employee category
 *The main reasons for wage gaps for regular employees:
 - High proportion of female employees in customer support positions, which have different remuneration structure
 - High proportion of male employees in engineering positions, which have relatively high wage levels

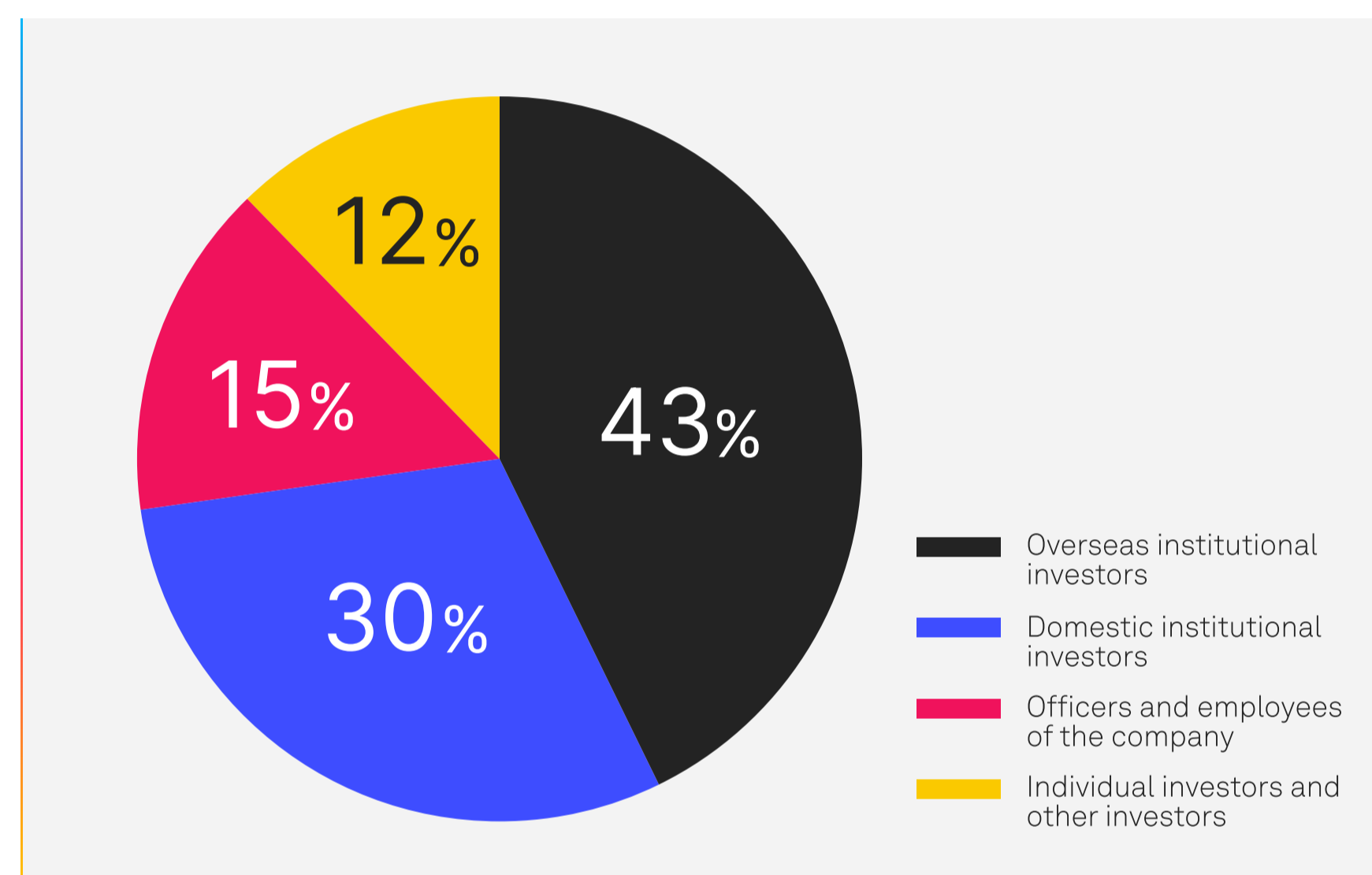
Investor Relations Activities

We are proactive in meeting with domestic and foreign institutional investors to a reasonable extent.

In addition, we actively provide information through our IR website, integrated reports, financial results announcements (including scripts of briefings), and notices of convocation of general meetings of shareholders.

Opinions and requests received during dialogues with shareholders are reported to the Board of Directors combined with the contents of dialogues with other stakeholders.

Shareholder Composition



Major Shareholders

Shareholders	Number of shares (Shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,104,300	17.27
Yasukane Matsumoto	7,569,900	12.94
Custody Bank of Japan, Ltd. (Trust Account)	3,603,700	6.16
MSIP CLIENT SECURITIES	3,252,943	5.56
STATE STREET BANK AND TRUST COMPANY 505303	1,880,000	3.21
GOVERNMENT OF NORWAY	1,580,300	2.70
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	1,437,400	2.45
THE BANK OF NEW YORK 133652	1,364,200	2.33
THE BANK OF NEW YORK 133612	1,198,800	2.05
KIA FUND F149	1,033,200	1.76

FY2023 IR Activities

Financial Results Briefings	4
Individual meetings with institutional investors and analysts (including those from overseas)	237
Details	
Domestic institutional investors	99
Overseas institutional investors	107
Securities company analyst	24
Others	7

For more extensive IR-related information, please refer to our website



Company Information/ Editorial Policy

Company Information/ Stock Information As of January 31, 2024

Company name	RAKSUL INC.
Headquarters	1st Floor, IK Building, 2-24-9 Kami-osaki, Shinagawa-ku, Tokyo, JAPAN
Group companies	NOVASELL INC. DANBALL ONE, Inc. (Merged on August 1, 2023) HACOBELL INC. Peraichi Inc. RAKSUL FACTORY INC. (Established in July 2023 and consolidated in August 2023) AmidA Holdings Co., Ltd. (Consolidated on October 31, 2023) JOSYS INC. RAKSUL VIETNAM COMPANY LIMITED RAKSUL INDIA PRIVATE LIMITED
Established	September 2009
Representative	Yo Nagami
Paid-in capital	JPY 2,768MM
Number of employees	902
Listed exchange/Securities code	Tokyo Stock Exchange Prime Market
Total number of authorized shares	193,376,000
Total number of issued shares	58,756,910
Number of shareholders	11,939
Share trading unit	100

Editorial Policy

In RAKSUL Value Creation Report 2024, by disclosing management policies, financial information, and ESG information, we aim to provide our shareholders, investors, and a wide range of other stakeholders with a multifaceted understanding of our practices for sustainable growth and enhancement of corporate value. In compiling this report, we referenced the "International Integrated Reporting Framework" etc. from the International Integrated Reporting Council (IIRC) and we have included both financial and non-financial information. In addition, we made improvements based on feedback and suggestions from investors and other shareholders obtained through daily engagements.

Reporting Period

August 1, 2022 - July 31, 2023

(Partially includes information on activities after this period)

For more information on financial and sustainability related information, please visit our company website.

<https://corp.raksul.com/ir/>

<https://corp.raksul.com/esg/>

Disclosure Policy

This material includes forward-looking statements. These forward-looking statements were created based on the information available at the time they were created. They do not guarantee our future results and involve certain risks and uncertainties. Please note that actual results may differ materially from those discussed in the forward-looking statements due to changes in environments surrounding RAKSUL or any other factors. The factors which may affect actual results include but are not limited to: Japanese and global economic conditions, and conditions of markets in which RAKSUL operates. RAKSUL is not obligated to update or revise any content of the forward-looking statements within this material, even in cases such as where new information becomes available or future events take place.

Information contained within this material on other topics besides RAKSUL is quoted from published information and other sources. As such, the accuracy, appropriateness, etc. of such information has not been verified, nor do we guarantee them thereof.



RAKSUL