



RAKSUL

Value Creation Report 2025

BETTER SYSTEMS, BETTER WORLD

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



CONTENTS

Editorial Policy

This report aims to disclose information on RAKSUL's mid-to-long-term value creation initiatives and sustainability activities, helping a wide range of stakeholders, including shareholders and investors, understand the company's efforts to enhance corporate value.

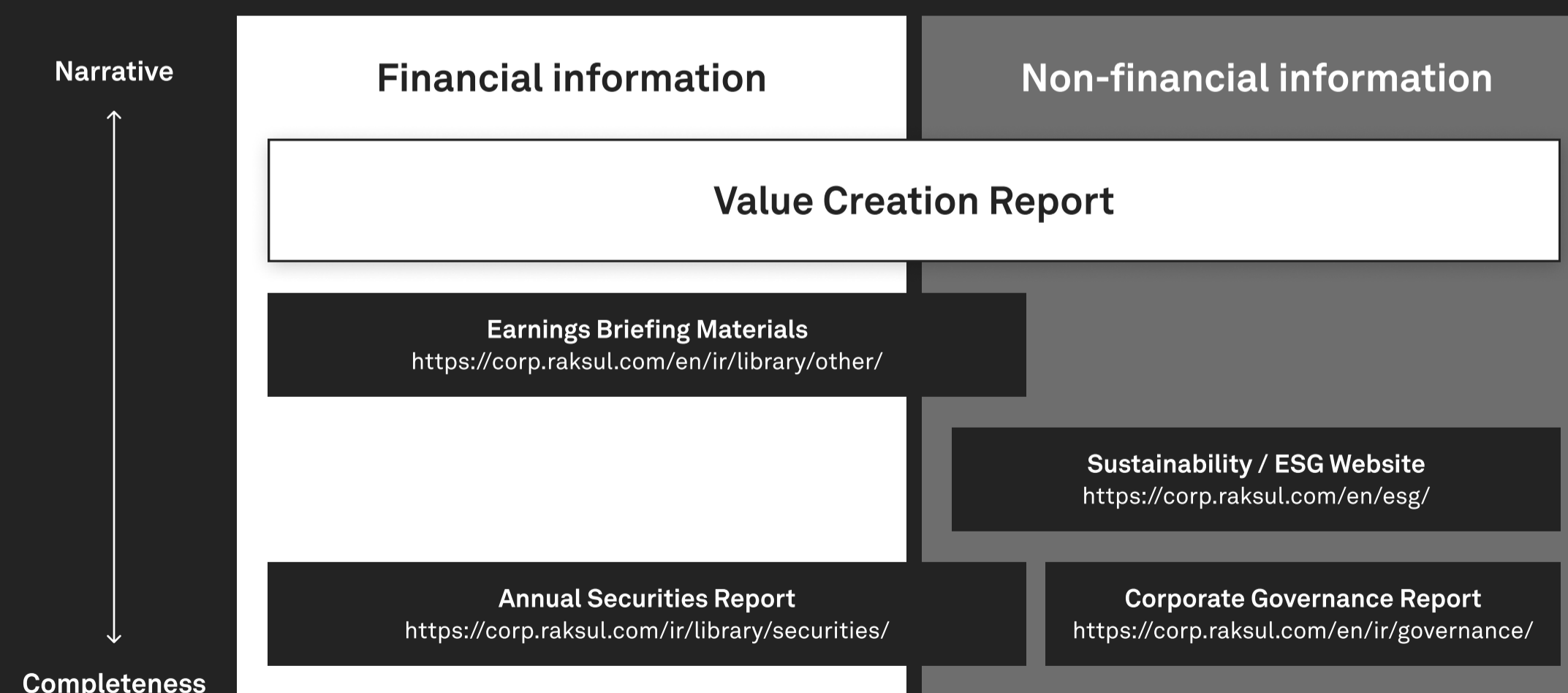
In this year's edition, we have placed even greater emphasis on readability and clarity, and have summarized information that is particularly important to our value creation in a concise manner. Additionally, we focus on deepening the understanding of sustainable corporate value enhancement by balancing "social value creation" and "economic value expansion," based on our materiality. Furthermore, the report outlines our mid-to-long-term direction as we enter a new management phase and conveys our commitment to continuous transformation in pursuit of our vision in a more concrete manner.

In editing this report, we have referred to the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC) and other sources.

Reporting Period August 1, 2023 - July 31, 2024
(Partially includes information on activities after this period)

Disclosure Framework

For more comprehensive content, please refer to other disclosure mediums.



04 **CEO Message**

05 **Value Creation Process**

06 **Materiality**

07 **Transforming Society through Technology Platforms**

- Social Value Created through Business
- End-to-End Technology Platform for SMEs
- Procurement Platform
- Marketing Platform
- M&A/PMI

16 **Environmental and Social Contributions through Business**

- Environmental and Social Initiatives
- Initiatives to Address Climate Change

19 **Empowering Talents to Unlock their Potential**

- Initiatives for Infinity Talent Growth
- Individual Empowerment
- Organizational Empowerment

23 **Governance that Supports Adequate Risk-taking**

- Corporate Governance
- Risk Management and Compliance
- Executives

29 **Achieving Quality Growth**

31 **Data Book**

CEO MESSAGE

Yo Nagami

Representative Director, President and Group CEO

In September 2024, we celebrated our 15th anniversary. We would like to express our sincere gratitude to all of our stakeholders for their support.

In my second year as CEO, I am focusing on how we can achieve long-term growth and transform ourselves into a platformer that contributes to society.

Our business started as a sharing model that leveraged technology to connect the unused capacity of printing companies, logistics providers, and regional TV stations directly with customers, delivering value in small lots at low cost. Supported by many suppliers and customers, including a significant number of small and medium-sized enterprises (SMEs), we have continued to grow.

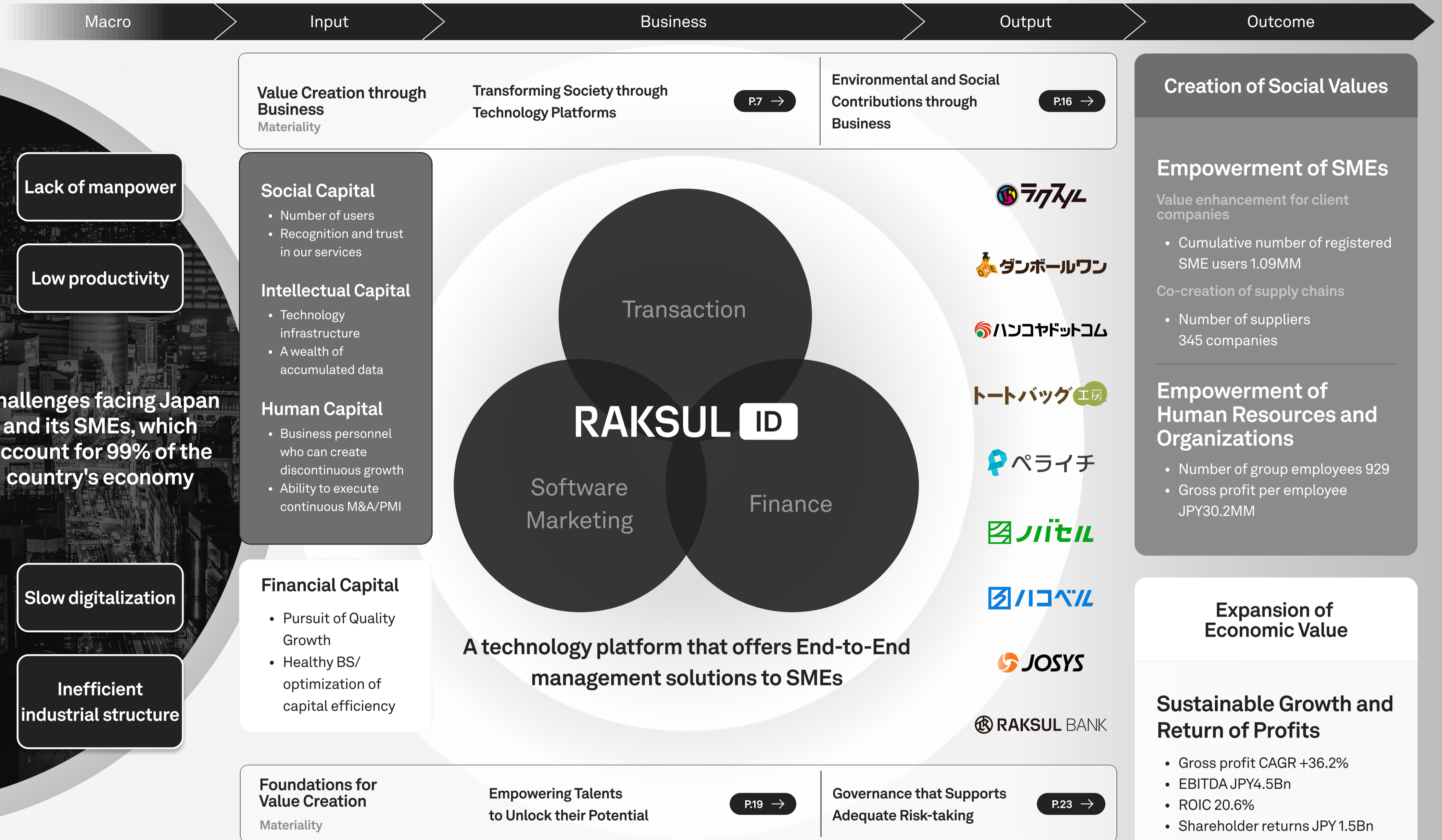
However, SMEs, which account for more than 90% of Japanese companies, still face numerous challenges due to limited resources and are unable to demonstrate their full potential. To address these issues End-to-End, we believe it is essential to create new systems through technology leveraging AI and data, and to explore areas not yet covered by our existing businesses. With a customer base of over one million SMEs, we are uniquely positioned to support business growth and make a lasting impact on society.

The key to RAKSUL's growth lies in our commitment to empowering those facing inefficiencies. This is the true essence of technology and the internet, and our mission has always been to build systems that maximize their potential to empower people. This is what we have done and what we will continue to do.

Our vision, "Better Systems, Better World" remains unchanged. Moving forward, RAKSUL aims to grow as a "A technology platform that offers End-to-End management solutions to SMEs". We appreciate your continued support.



Value Creation Process



BETTER SYSTEMS, BETTER WORLD



Materiality

We have established priority themes (materiality) in four areas in order to realize our vision.

We identified materiality through discussions at the Sustainability Committee and Board of Directors, based on an evaluation map that was extracted and organized along two axes: the expectations of our stakeholders and external perspectives, and the importance of the issue to our Group.

Our vision, "Better Systems, Better World," which encompasses our mission to make the society a better place, is the DNA of our company and the very purpose of our business.

By addressing these important issues, we aim to achieve both continuous contributions to society and the enhancement of our corporate value.



Value Creation through Business

Transforming Society through Technology Platforms

P.7 →

- Empowerment of SMEs
- Rebuilding conventional industries with technology
- Creating customer value through co-creation of supply chain

Environmental and Social Contributions through Business

P.16 →

- Efficient use of resources
- Waste management
- Response to climate change
- Disaster relief



Foundations for Value Creation

Empowering Talents to Unlock their Potential

P.19 →

- Diversity & inclusion
- Future leadership development & appropriate reward to employees
- Safe & healthy workforce

Governance that Supports Adequate Risk-taking

P.23 →

- Information security & privacy
- Balancing business portfolio construction & capital efficiency
- Ethic & compliance
- Disclosure & transparency

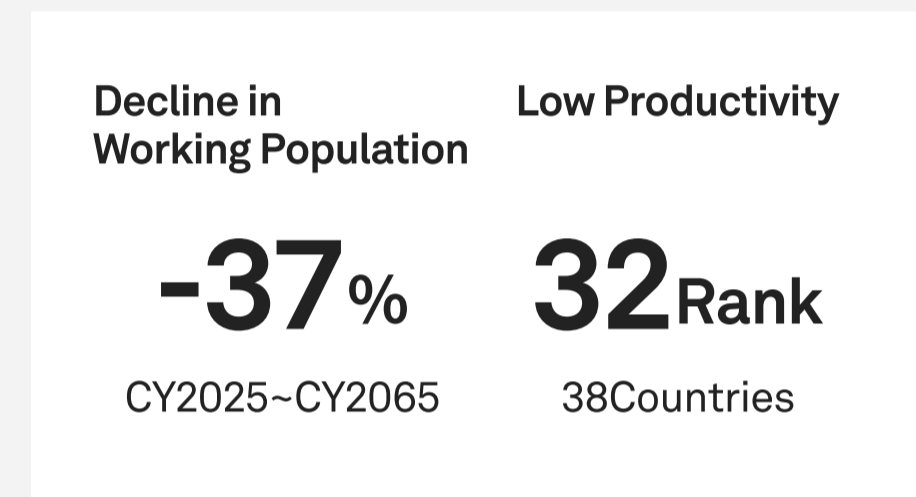
Transforming Society through Technology Platforms



Social Value Created through Business

Challenges Facing Japanese Society

Japan's working-age population is declining year by year and it is predicted that by 2065, it will decrease to 63% of its current level. Furthermore, Japan's labor productivity remains low, ranking 32th among 38 OECD member countries and last among G7 nations.



Business Challenges Facing SMEs

SMEs constitute 99.7% of Japanese businesses and employ approximately 70% of the workforce. While these enterprises are vital to Japan's economy, supporting supply chains for large corporations and providing essential goods and services, they face significant challenges. Labor shortages and low productivity are particularly acute compared to large corporations. Despite progress of digital transformation in large companies and startups, about 70% of SMEs lag in digitalization due to lack of digital and financial resources.

Social Impact Created by RAKSUL

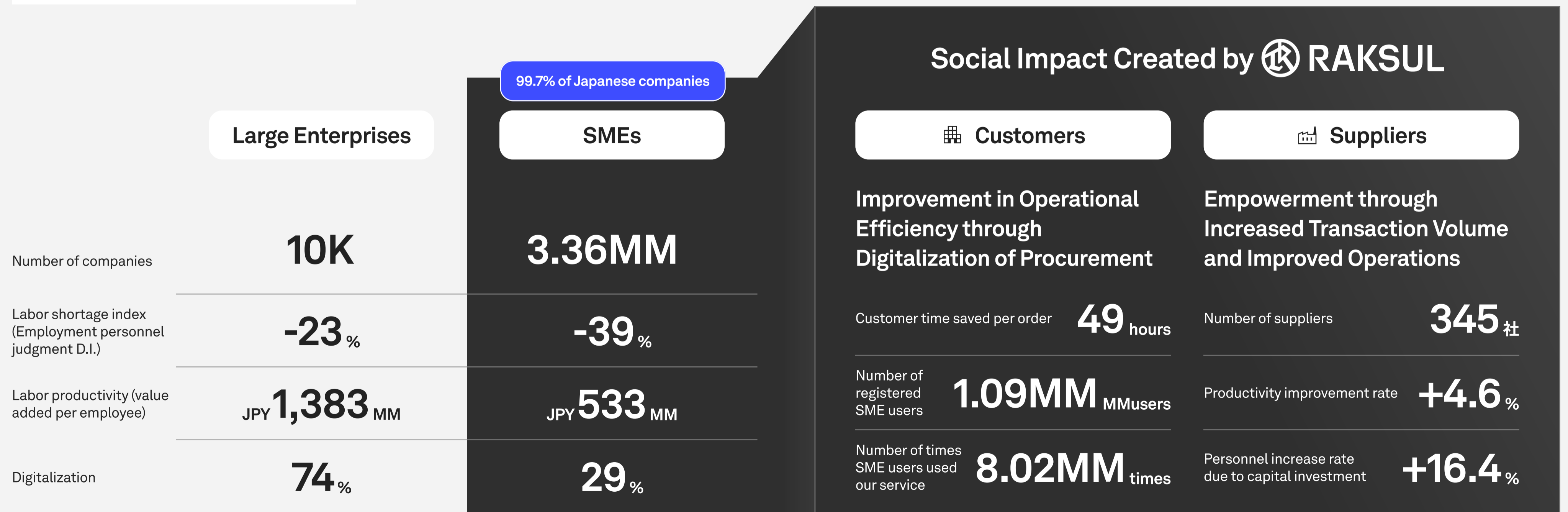
We leverage technology to enhance productivity for our customers, especially SMEs, while empowering suppliers.

By automating and digitalizing previously manual procurement processes, we create more time for SMEs to focus on growth and strengthening their competitiveness.

On the other hand, we also place importance on working with suppliers to bring about change in the areas of materials, production and logistics. These activities ultimately lead to the prices, services and purchasing experiences that customers seek, and they promote supplier profits as well as further employment creation and capital investments, supporting the sustainable growth of supplier companies.

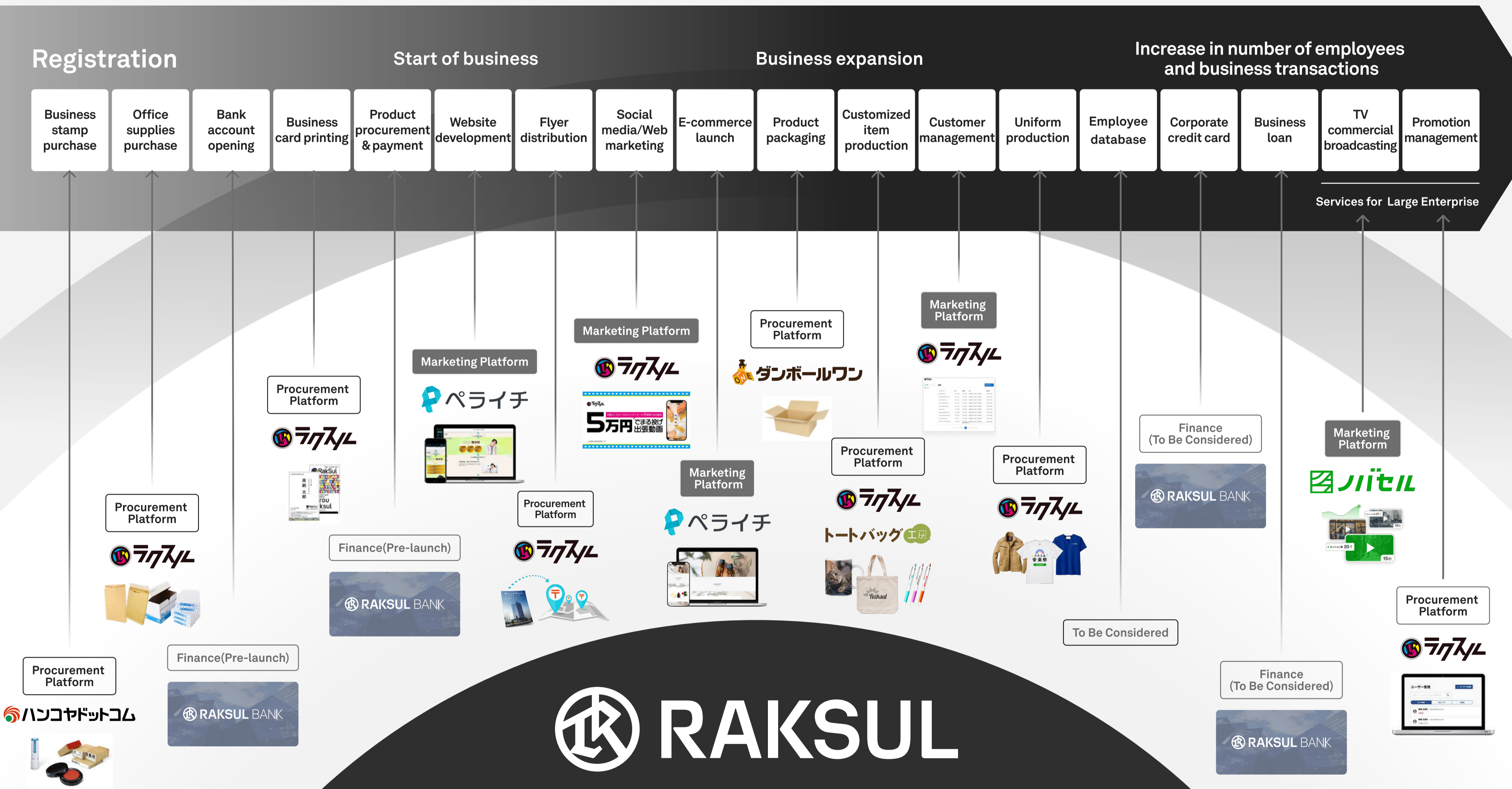
As the number of customers using our platform increases, we are creating a virtuous cycle that leads to the development of the entire ecosystem, by creating more time and improving productivity for more SMEs.

Source Listed at the end



End-to-End Technology Platform for SMEs

We operate a platform that provides customized products essential for various business environments, including offices, retail stores, and e-commerce, as well as marketing services that anyone can easily implement. Moving forward, we will develop our platform to deliver End-to-End solutions for the business challenges faced by our SME customers.



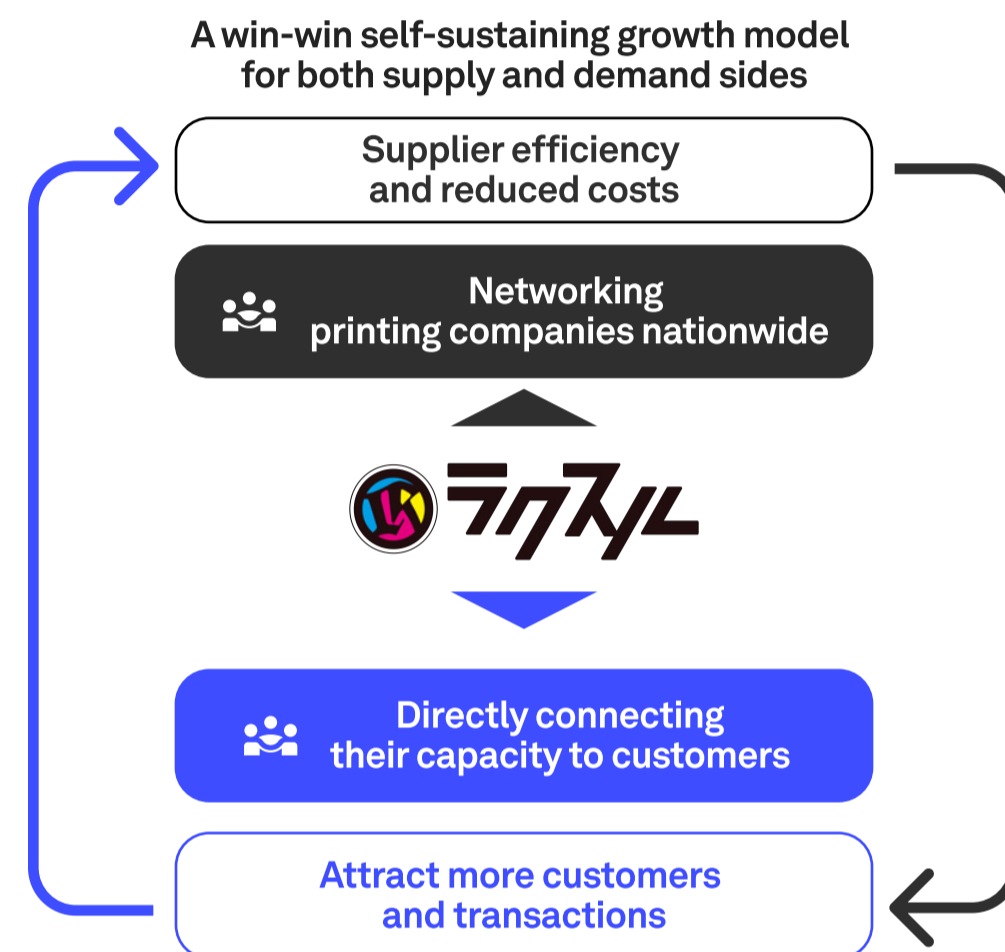
Procurement Platform

Services

Raksul - Platform for Printing, Customer Acquisition, and Customized Products



The traditional printing industry was characterized by a multi-tiered subcontracting structure, where large corporate projects were outsourced to SMEs. Raksul has transformed this model by building a network of printing companies nationwide and directly connecting their capacity to customers, minimizing transaction time and costs. Our distinctive feature is a self-sustaining growth model that benefits both sides; increased customer volume drives supplier productivity improvements, while enhanced supplier efficiency and reduced costs attract more customers and transaction volume.



EC Sites in Peripheral Domains

We are continuously expanding our product lineup to provide a one-stop shopping experience for all our customers' business needs.



DanballOne - Platform for Ordering Cardboard and Packaging Materials



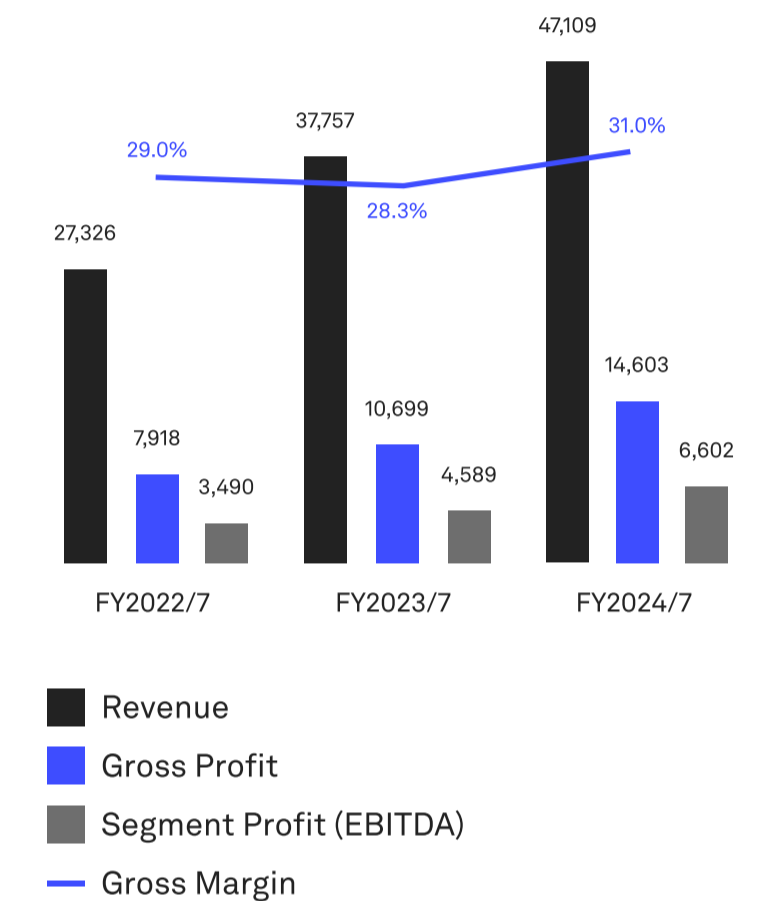
Hankoya - Comprehensive E-commerce Website for Corporate and Personal Seals and Stamps



Totebag Kobo (A-Link Service) - E-commerce Website Specializing in Custom-Printed Tote Bags and Reusable Shopping Bags

Performance

(in JPY MM)

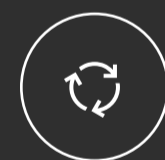


Competitive Advantages



Operations (Customer Support)

Our customer support team of over 60 members provides assistance via phone and email. Customer feedback is regularly shared with our product development and business planning teams, contributing to continuous service quality improvement.



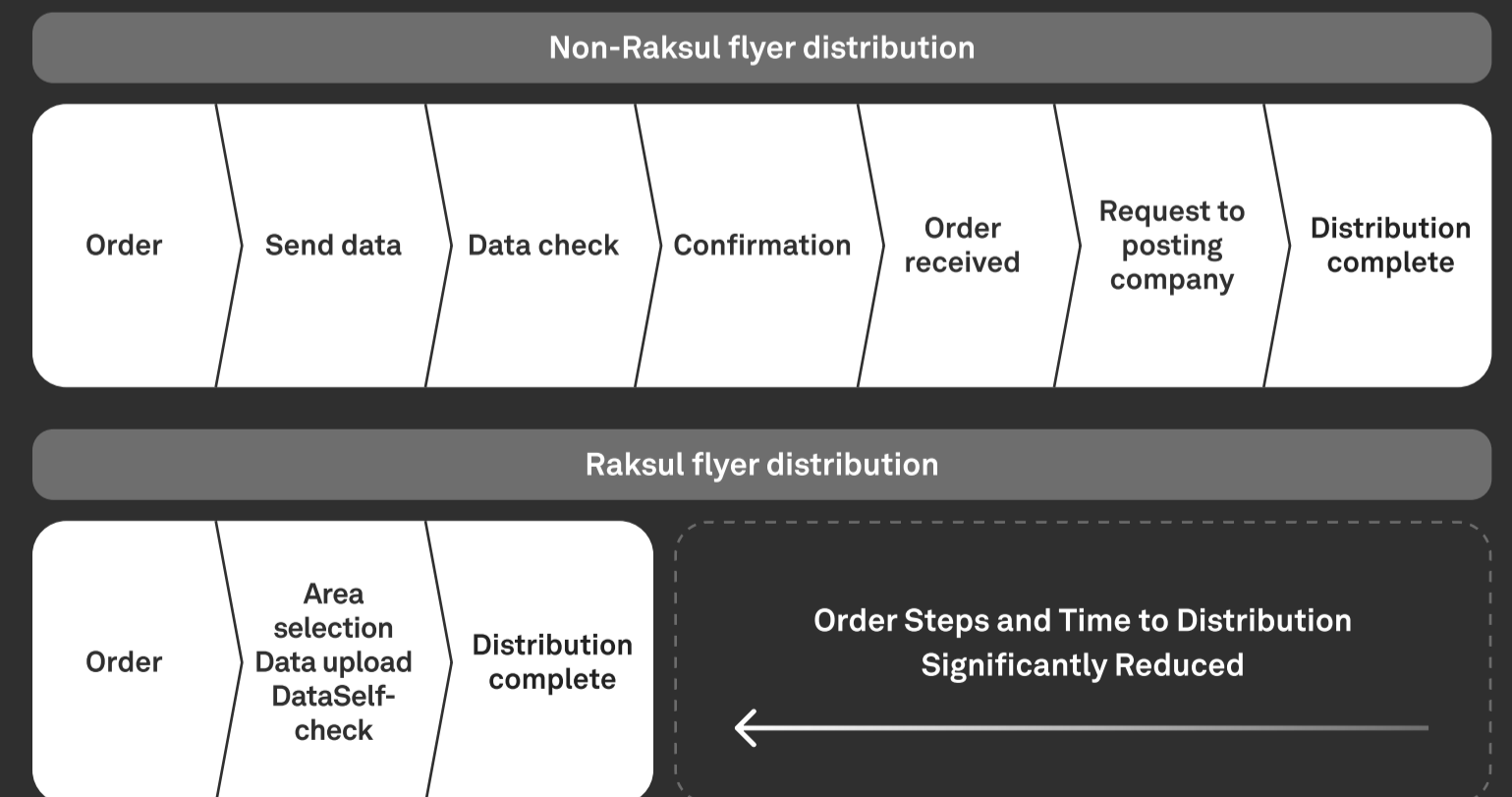
Operations (Supply Chain Management)

Our operations are underpinned by supply chain management based on the "Three Actuals" principle (actual location, actual things, actual situations). By deeply engaging with suppliers' materials, production and logistics operations, we work collaboratively to drive change and achieve sustainable growth.



Technology

Our technological capability to automate traditional business practices reliant on manual work is the cornerstone of our corporate value. Beyond providing an e-commerce platform for orders and sales, we have automated human operations throughout the delivery process. This enables customers to easily order printed materials online without specialized knowledge while ensuring they receive high-quality products quickly and cost-effectively.



Procurement Platform

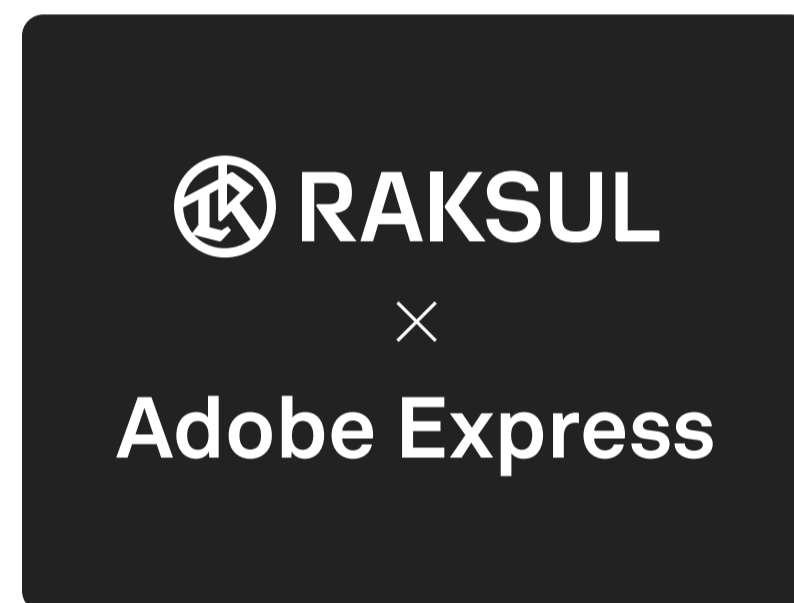
Growth Strategies

Raksul aims to further improve our business value based on four strategies.

1 Core Value
Realization of "Low Price, Fast and Easy"

Functional integration in the design process with Adobe Express powered by generative AI (Pre-launch)

We are preparing for the integration of functions between Raksul platform and Adobe Express, powered by Adobe's generative AI. After the release, our customers can enjoy design creation to printing process that is much easier and more efficient.



3 Portfolio Value
Value integration of multiple domains

User ID and payment infrastructure integration between Raksul and group platforms

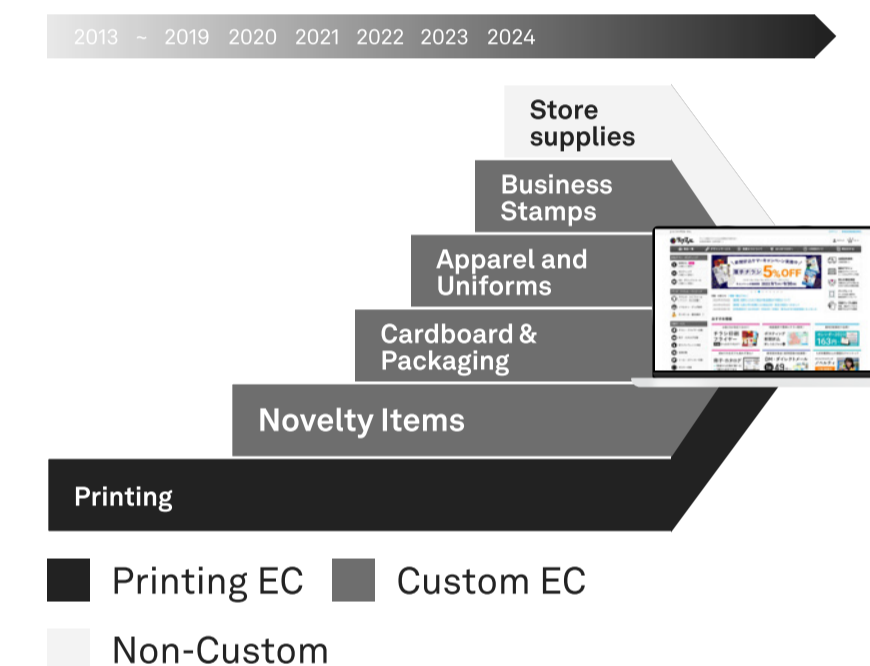
We are currently working on integrating the authentication and payment platforms so that it will be possible to log in and make payments using the same ID on Raksul and all other group E-commerce websites.



2 Market Expansion
Merchandise expansion

Expansion Beyond Printing

We started our business with printing EC and have expanded into customized EC areas including novelty items and apparel. Furthermore, in June 2024, we began expanding into non-customized product sales, continuously broadening our business domains



4 Segment Expansion
Customer base expansion and solution provision

Expansion of Raksul Enterprises

Leveraging the value of "small lot sizes, short lead times, and low costs," we provide services that help large enterprises reduce costs, ease procurement and ordering burdens, maintain brand quality, and minimize printing waste. As of the end of January 2025, the service has been implemented by 3,659 companies, more than doubling compared to the same period in the previous year.



Marketing Platform

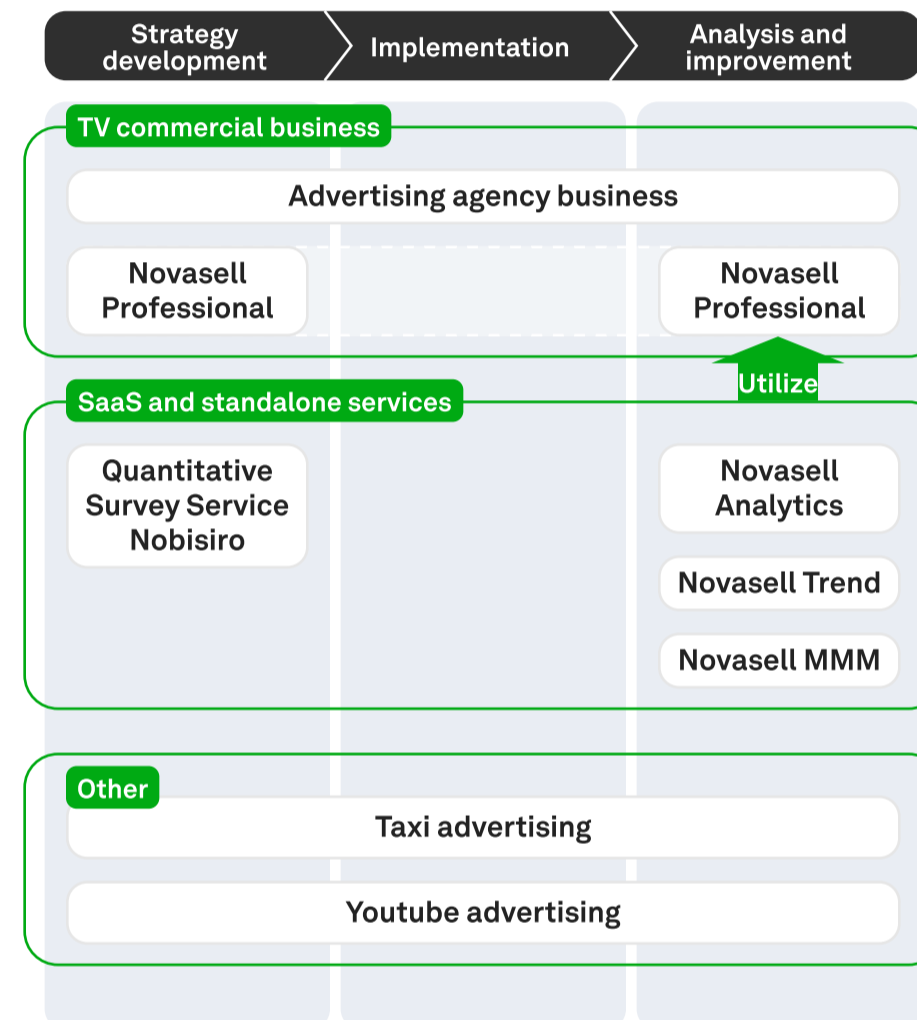
Services

Advertising Agency and Marketing DX Services



While TV commercials have traditionally been an effective way of improving brand image with an extensive reach, they require large investment. Unlike web advertising, it is challenging to effectively utilize them as it is difficult to understand the response in real-time or to measure the effectiveness.

In response to this, Novasell realized the optimization of marketing investment by developing a system that enables the measurement of the effectiveness of TV commercials using the “named search” metric. In addition to our advertising agency business, which provides one-stop support for everything from planning to production, broadcasting and analysis of video contents, we also offer comprehensive measures, including TV commercials and web marketing, as well as proposals for analysis and improvement from a third-party perspective, to help our clients make accurate decisions on proposed prices and how to use their advertising budgets.



Marketing Services for SMEs

While the importance of social media and internet advertising continues to grow, many SMEs face cost and technical barriers that make it difficult to utilize them effectively. To solve these challenges, we provide services that are low-cost, speedy, and easy to use.



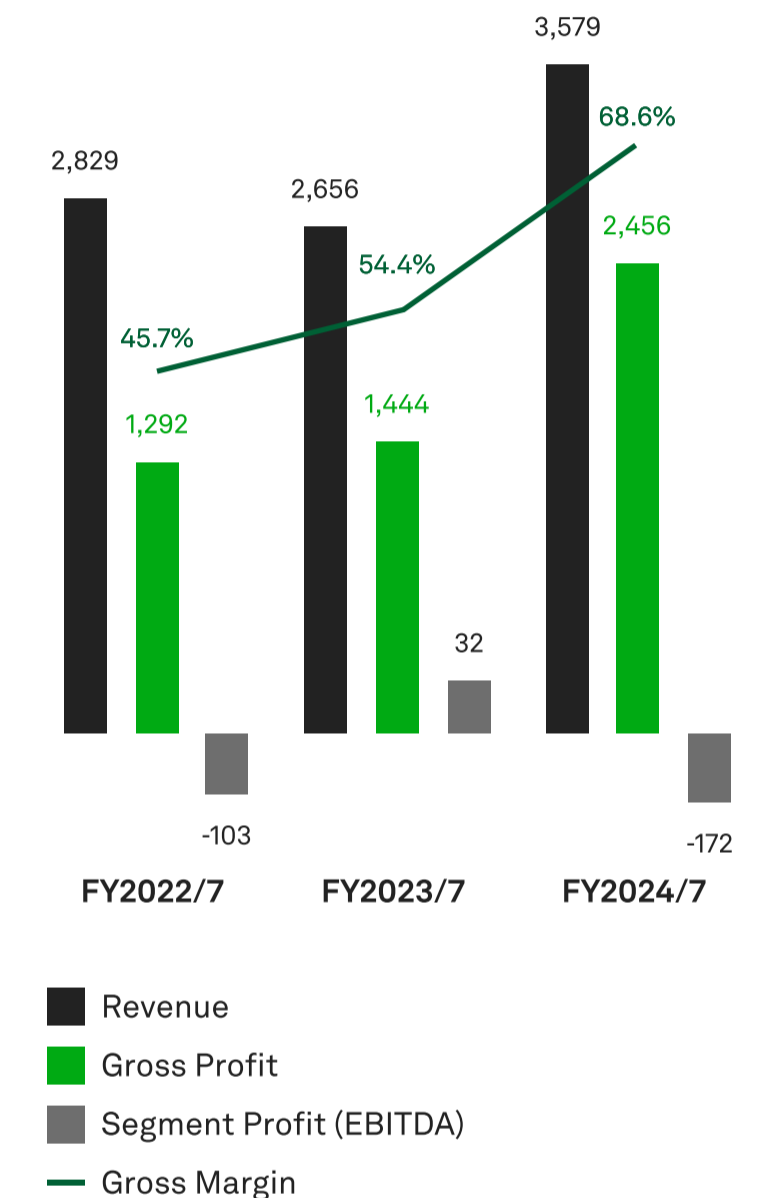
All-inclusive video production service for 50,000 yen: An all-inclusive service where professional creators produce and deliver short-form videos for social media use on the same day



Peraichi: A website creation SaaS that allows anyone to easily build websites with payment functionality

Performance

(in JPY MM)



Competitive Advantages



Marketing Expertise

Novasell started its business by offering services based on the marketing expertise that has driven the growth of Raksul's sales. In addition, as a pioneer in the field of programmatic TV commercials, the know-how that has been accumulated through the process of analyzing, improving, and supporting the implementation of numerous TV commercials has become Novasell's competitive advantage.



Technology

Analyzing TV commercial effectiveness and selecting optimal slots from thousands of weekly broadcasting options traditionally requires enormous human resources and expertise. Novasell has developed proprietary tools that automatically link and analyze this data to help maximize advertising effectiveness.

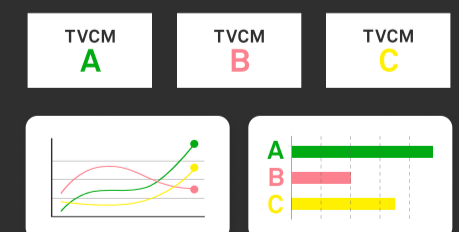
Novasell Analytics

A tool that provides real-time visualization of TV commercial effectiveness by area, program, and creative content - something that was traditionally difficult to achieve



Novasell Trend

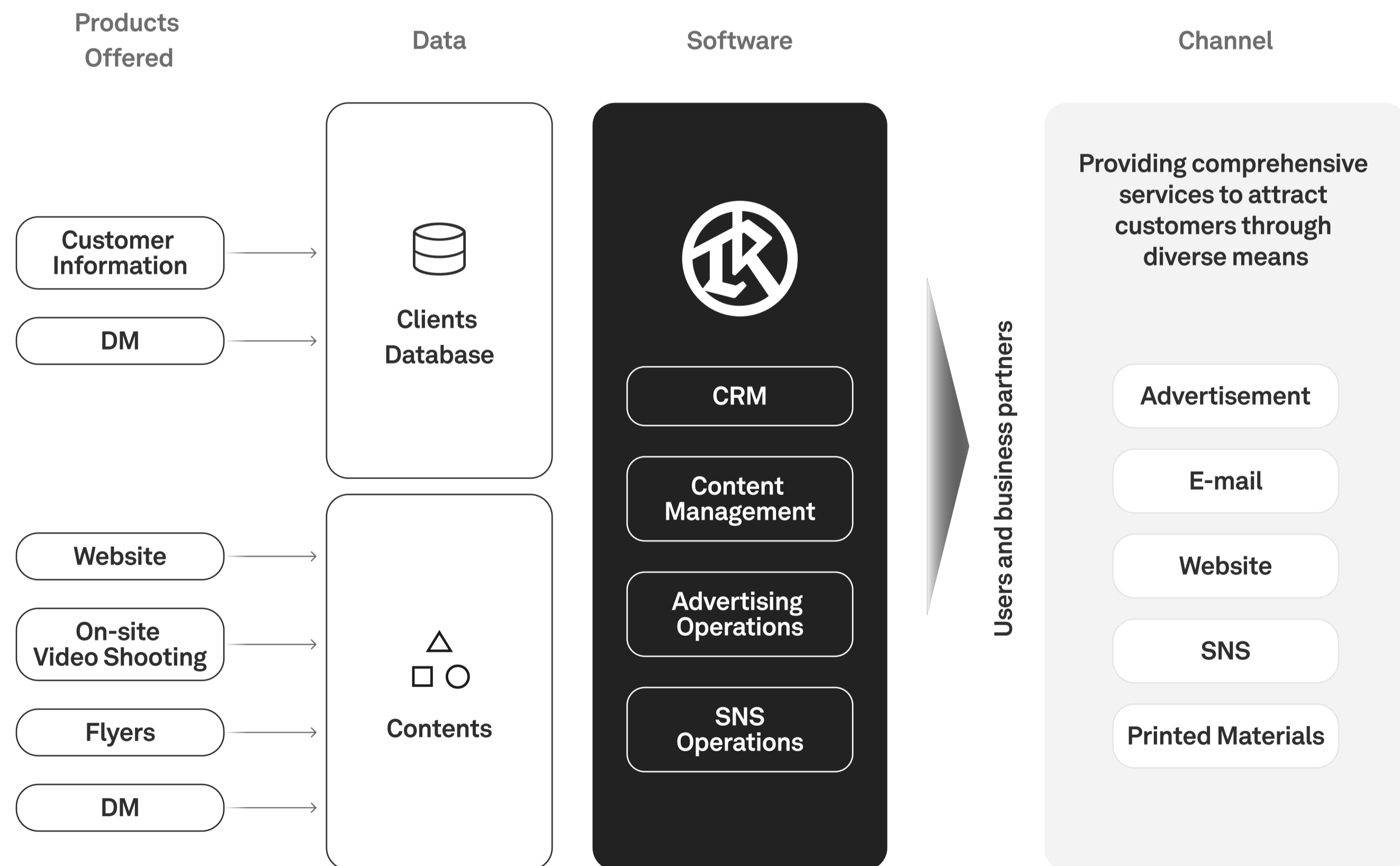
A tool that instantly visualizes not only your own but also competitors' TV commercial placements and their effectiveness



Marketing Platform

Segment Expansion

To support further growth of SMEs, we will begin providing a one-stop marketing support software. In the immediate future, we are preparing to launch software that can comprehensively manage and utilize customer information (customer database), contents (flyers, direct mails, etc.), and market area data entered during Raksul orders.



Finance

Services (scheduled)

One of the main challenges faced by SMEs is related to finance. While many e-commerce sites and retail companies offer banking and credit card services for individuals, there are limited options for financial payment services targeted at SMEs. Our company is working on transforming payment systems and cash flow management, aiming to provide SMEs with a convenient and economically rational universal payment experience, thus improving the efficiency of their financial operations.



Source Listed at the end

M&A

Why RAKSUL promotes M&A

RAKSUL is actively driving M&A based on the concept of materiality.

Creating customer value through co-creation of supply chain

Our goal is to deliver the ideal customer experience where "RAKSUL Group services streamline all procurement and promotional processes." We aim to do more than just provide printed materials by addressing a wide variety of customer needs and delivering a broader range of value. Additionally, while maintaining a fables model, we enhance key areas of our supply chain to improve QCD (Quality, Cost, Delivery) and further strengthen the value we offer to customers.

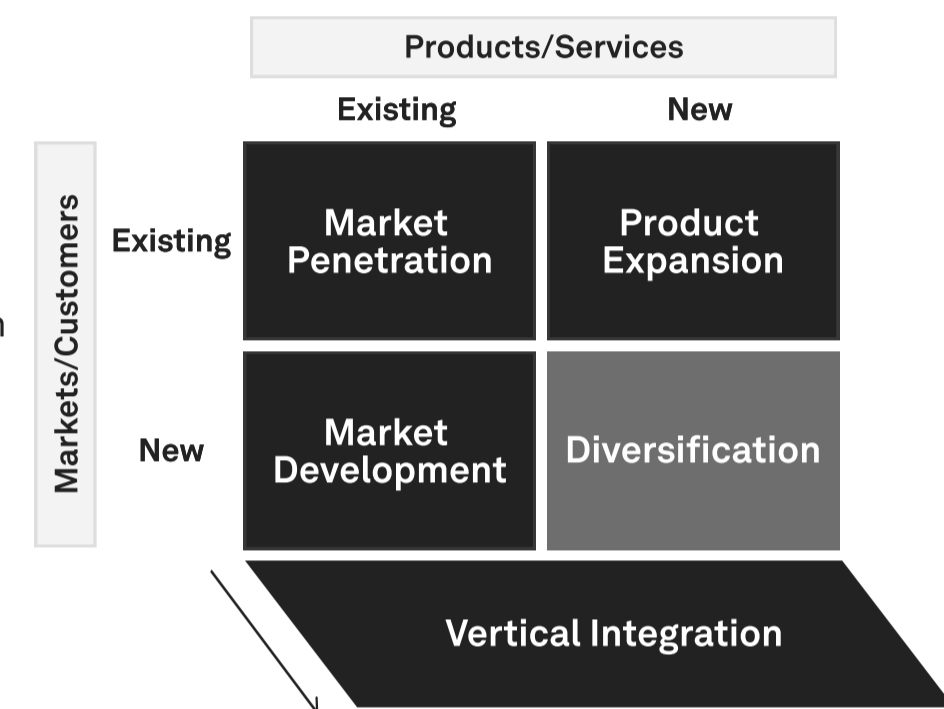
Empowering Diverse Talent and Cultivating Future Leaders

We are fostering the development of next-generation leaders by providing practical management experience through assignments at acquired companies. Furthermore, as part of our growth strategy through M&A, we believe it is crucial to share the expertise and management skills of acquired company executives across the entire group. The diverse insights gained through M&A are reinvested into the group, accelerating the growth of next-generation leaders and contributing to the overall development of the organization.

Execution Policy

We will promote optimal capital allocation and drive corporate growth through continuous M&A activities in the following areas.

- Market Penetration**
Roll-up M&A in B2B customized EC etc.
- Market Development**
Expansion of new customer base
- Diversification (Mid-to-long-term)**
Building and expanding of business platform
- Product Expansion**
Expansion of product lineup leading to cross-selling
- Vertical Integration**
Enhancing value through value chain expansion



Continuous Execution Capability

From FY2024, we have strengthened our structure by forming a dedicated team of experienced M&A professionals. This has enabled us to leverage diverse M&A channels and receive approximately 300 potential deals annually. Our strong financial foundation with a healthy balance sheet, high profitability, and procurement capacity enables continuous execution of M&A. As a result, we completed 6 M&A deals in 2024.



Governance

RAKSUL promotes disciplined M&As and has a policy of not pursuing deals where the return on investment is not justified or lack clear acquisition objectives. This policy is formed through active discussions at the board of directors meetings. The board makes accurate assessments based on the company's phase and industry, identifying critical elements for each business model. Individual observations are made for each target company, and these are incorporated as focus areas in due diligence (DD). The standards are set based on the extensive experience and insights of the outside directors, ensuring cautious and sound investment decisions.

Focus Criteria

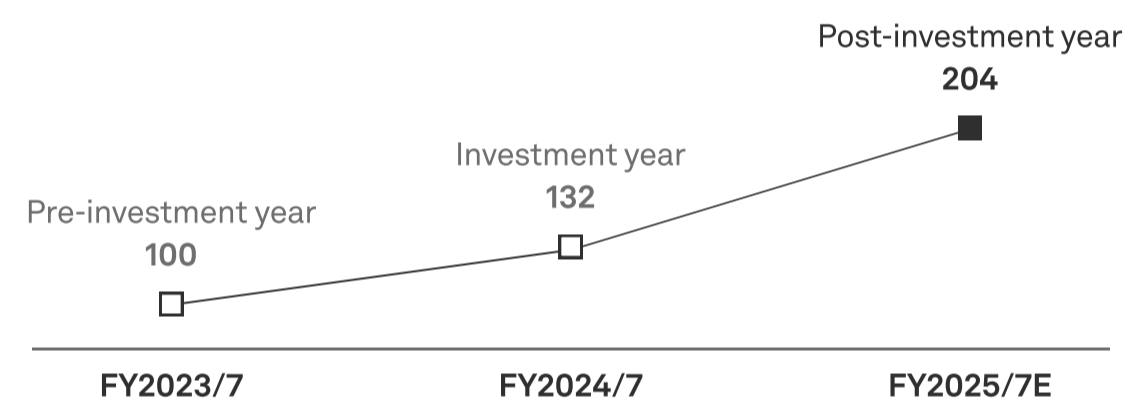
- EV/EBITDA multiple: around 5x
- Preventing excessive goodwill
- Goodwill to net assets ratio: maximum 70%
- Productivity: Evaluation of model and improvement potential

PMI and Synergy Creation

Achieving Growth with Our Group Companies

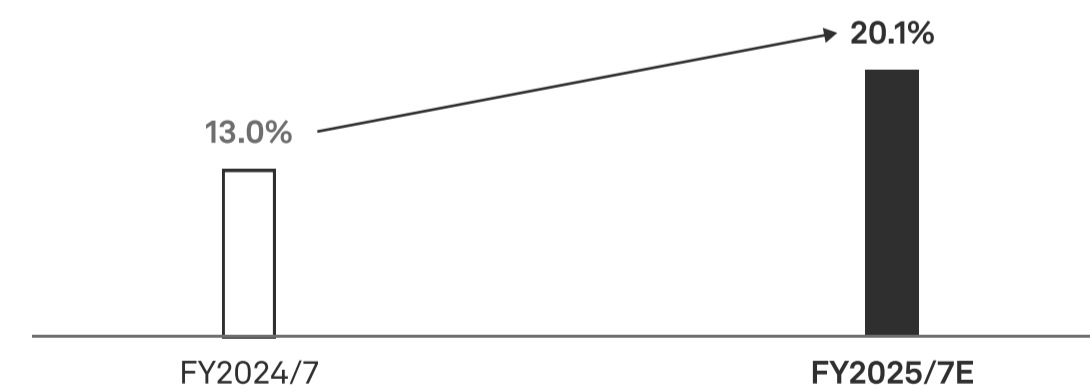
M&A is not the end goal for RAKSUL; we focus on driving the business growth of companies joining our group. By sharing RAKSUL Group's customer base, business know-how, and management infrastructure, we implement PMI tailored to each company to achieve high growth.

EBITDA Growth Trend of the Acquired Companies



(Previous year of investment as 100)

ROIC Trend of the Acquired Companies



EBITDA*(1-30% corporate tax rate)/enterprise value at the time of M&A

PMI of HANKOYA.COM

HANKOYA.COM, which operates the seal and stamp e-commerce site "HANKOYA.COM", joined RAKSUL Group in October 2023. The company continues to grow by leveraging its unique strengths while incorporating RAKSUL's expertise and resources to create numerous synergies.

Initiatives

- Improving digital customer acquisition**
Enhancing customer acquisition and improving efficiency to contribute to sales
- Driving product development**
Acquiring new customers by adding products for enterprises"
- Enhancing production capabilities**
Establishing recruitment and training systems
- Promoting operational efficiency**
Improving productivity through reviewing duplicate tasks and digitizing workflows
- Boosting communication**
Strengthening information sharing and communication between departments

Synergistic Impact

New product sales

14X

Pre Acquisition Post acquisition

Cross-selling annual volume

Tens of millions of yen

Synergy Example

Productivity improvement

A Customer Service (CS) staff member from DANBALL ONE, which joined our group in 2022, was seconded to HANKOYA.COM. to drive productivity improvements in CS operations.

Pre Acquisition Post acquisition

Productivity + 25%

New career opportunities

By reducing workload, one employee was transferred from CS to Marketing, providing opportunity for career growth

Reinforced necessary workforce in-house, removing the need for hiring and resulting in cost savings

Environmental and Social Contributions through Business



Environmental and Social Initiatives

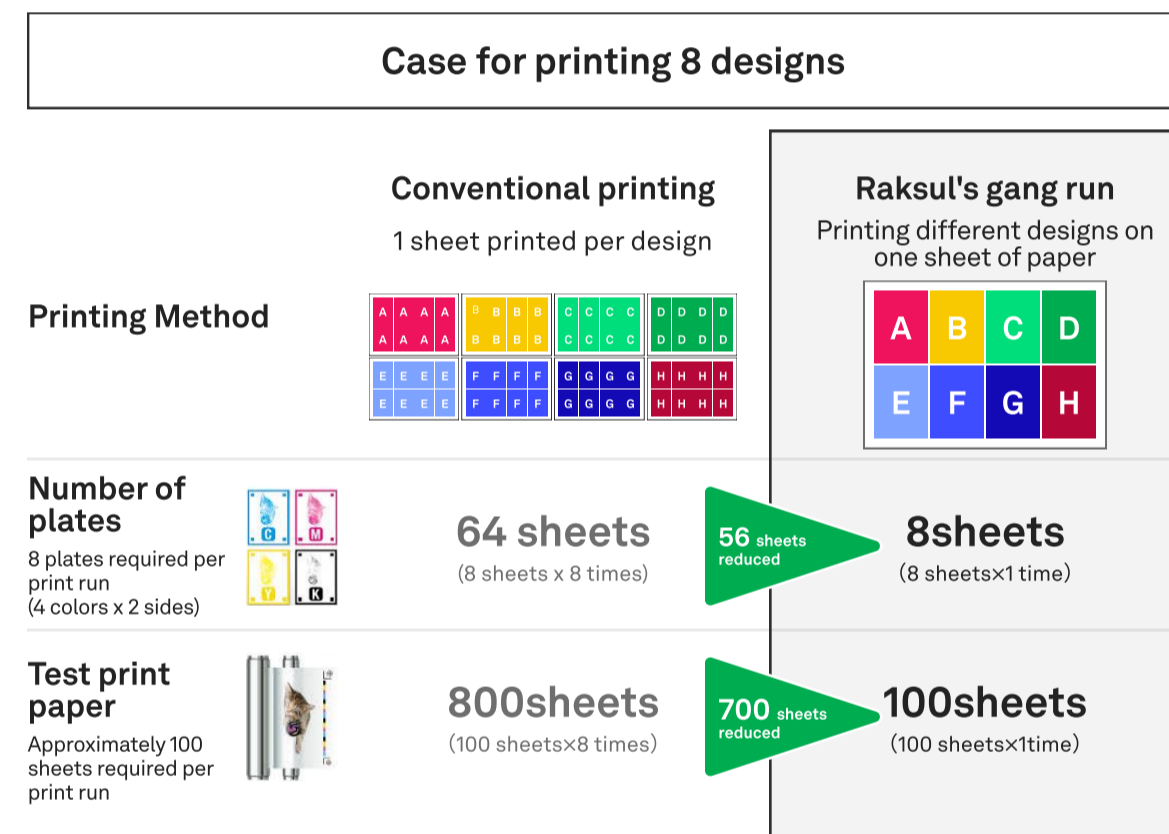
Environment

In the Raksul business, we strive to reduce paper waste through optimizing print volumes with small-lot, short-delivery production and reducing test printing based on our unique quality standards. Additionally, by utilizing digital printing, which has lower CO₂ emissions in the printing process, and promoting delivery efficiency, we are contributing to the reduction of environmental impact across the entire supply chain.

Going forward, we will continue to drive our business operations with a focus on sustainability, expanding our environmentally-conscious sharing platform and balancing productivity improvement with environmental considerations in order to help realize a sustainable society.

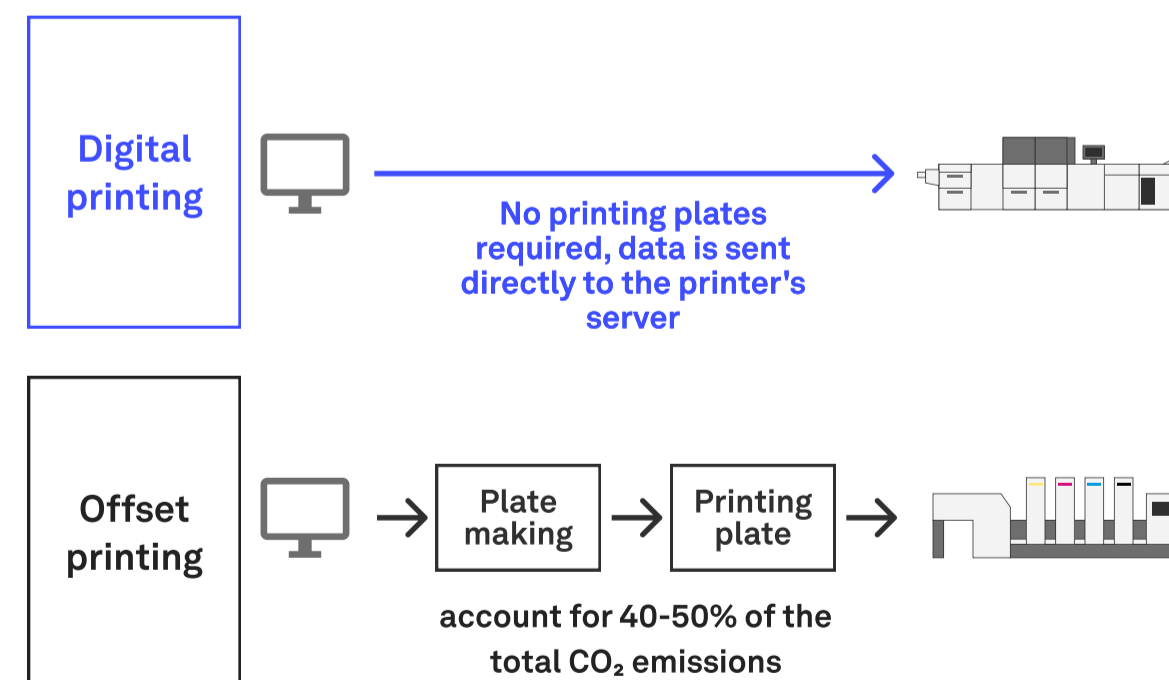
Printing Multiple Images on One Sheet (Gang Run)

In offset printing, which is used for large print runs, multiple copies of the same design are printed on a paper size that can fit 8 A4 sheets, and then cut. In this case, only one design can be printed at a time, and each print run requires a new printing plate and test prints. In contrast, Raksul combines orders from across the country in the most efficient way possible when placing orders with suppliers. This allows customers to obtain flyers at low cost while enabling suppliers to reduce paper usage. We will continue to advance technology, expanding the scope of gang run printing capabilities while promoting both increased transaction volume and efficient resource utilization.



Digital Printing

At RAKSUL FACTORY, a subsidiary of RAKSUL Group, digital printing is implemented. Digital printing does not require aluminum plates, as data is directly sent to the printing machine for printing, making it more environmentally advantageous for smaller print runs compared to offset printing. Additionally, it allows for printing in small batches as needed, reducing unnecessary printing and minimizing waste. Going forward, we will continue to promote efforts to reduce environmental impact through partial conversion to digital printing based on demand.



Society

Response to the Noto Peninsula Earthquake

In response to the Noto Peninsula Earthquake that occurred in January 2024, RAKSUL donated disaster relief funds through Ishikawa Prefecture and the General Incorporated Association Disaster Emergency Support Platform. In addition, DANBALL ONE utilized a matching donation program from local authorities to provide packaging materials to the affected areas, with the entire group offering both financial and material support.

In the vicinity of the DANBALL ONE Kanazawa office, significant damage occurred, and many employees faced temporary difficulties in commuting. In such circumstances, the company quickly responded to maintain the supply of packaging materials, and employees, along with their families, volunteered to purchase and deliver relief supplies, actively contributing to local support efforts.

We will continue to support the logistics industry and contribute to society through the growth of the DANBALL ONE business.



Source Listed at the end

Initiatives to Address Climate Change

Governance

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.

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

Metrics and Targets

We calculate GHG emissions as an evaluation metric for climate change, and the table shows the results for the past three years. For GHG emissions associated with our group's business activities (Scope 1+ Scope 2), we have newly set with a target of achieving a 100% reduction by FY2027. To reduce GHG emissions across the entire value chain, we will continue to promote efficient resource use and waste reduction utilizing technology.

CO₂ emission (t-CO₂)

	Scope1,2	Scope3
FY 2022/7	133	56,939
FY 2023/7	162	71,491
FY 2024/7	969	112,439

Scope 1, 2: Entire consolidated group
Scope 3 covers RAKSUL INC.
(merger with DANBALL ONE INC. from FY2024)



Target for FY2027/7
Achievement of Carbon Neutrality Group-wide

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.

Item	Financial Impact	Impact Assessment for 2030	Impact level*	Our Response	
1.5°C Scenario	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	
	Risk	Decreased demand for products and services due to changing consumer preferences	Revenue will decrease due to losing enterprise customers promoting decarbonization and reducing wastes. The printing market (especially office printing) will shrink at an accelerated rate and the revenue will decrease.	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.
		Opportunities	Changes in customer behavior	Demand for Eco-Friendly Paper will increase	Medium
4°C Scenario	Risk	Increase in raw material costs	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 Scope of analysis: our core business Raksul (printing business)

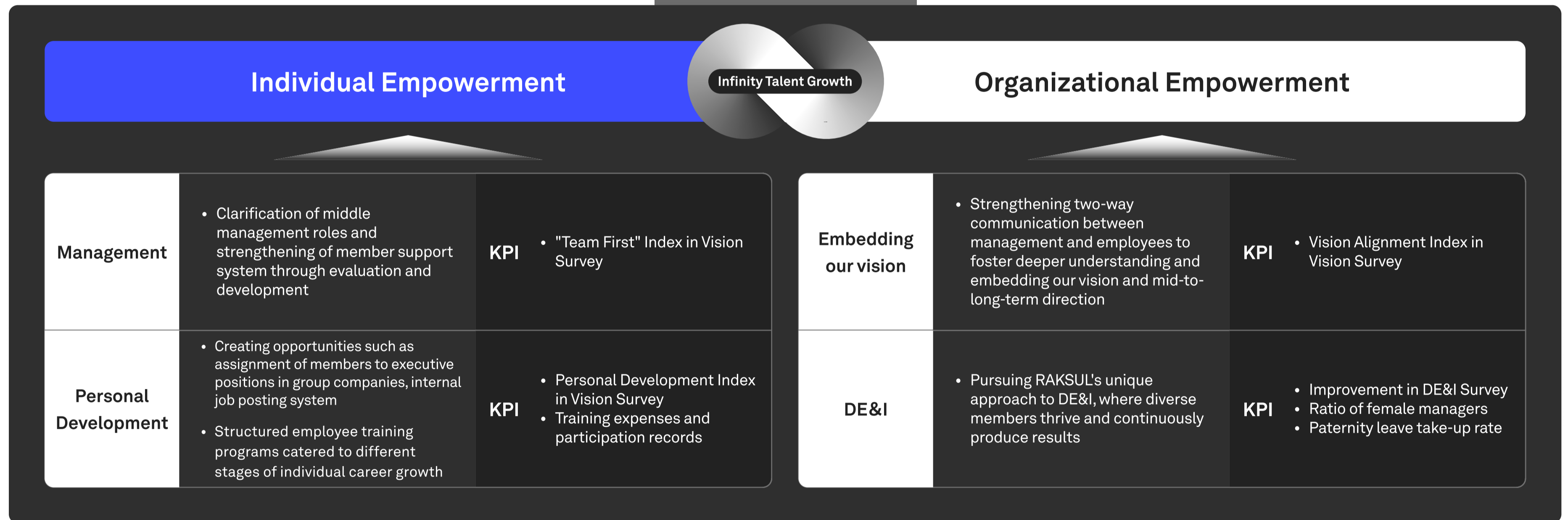
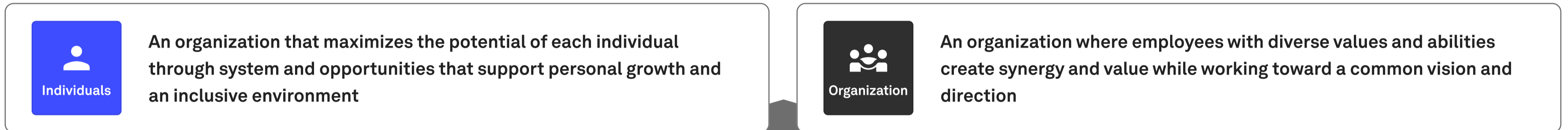
Empowering Talents to Unlock their Potential



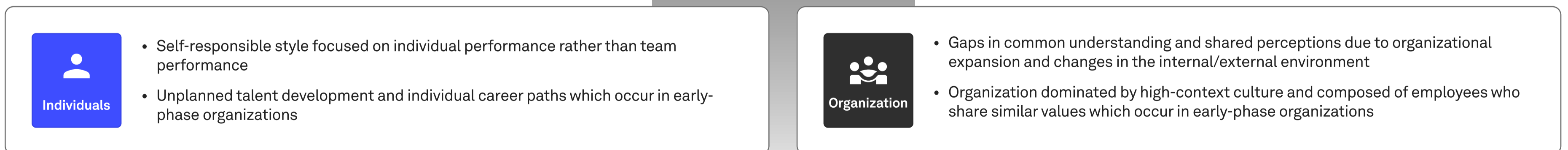
Initiatives for Infinity Talent Growth

Our source of value creation lies in our people and our organization. We will continue to focus on both “individual empowerment” which aim to unlock the infinite potential of each employee by maximizing their growth and strengths, and “organizational empowerment” which enables diverse human resources to thrive through the spread of our vision and code of conducts. With this, we will draw out the infinite potential of our employees, grow together, and further enhance our corporate value.

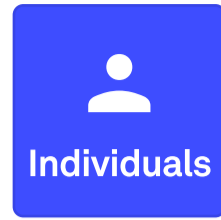
Our Goal



Current Challenges



Vision Survey: We conduct an employee survey every six months. It is designed around our vision and the code of conduct “RAKSUL Style” (Reality/System/Transparency/Team first) to realize our vision. Our benchmark is an index that shows the percentage of items that received a rating of 4 or higher on a 5-point scale.



Individual Empowerment

Personal Development

Personal Development Index 88%

Creating and Providing Opportunities for Personal Development

Up until now, our talent development has relied heavily on individual managers and on-the-job training (OJT). However, systematic talent development—such as implementing a structured rotation system, presenting career paths for each role, and fostering discussions on talent development at the executive level—has still been in its developmental stages. Individual growth serves as the driving force behind the company's growth. Therefore, we will strengthen and establish means to actively support the growth of each individual. This will be achieved through providing opportunities to take on new challenges and structuring of employee training programs.

Opportunities to take on new challenges

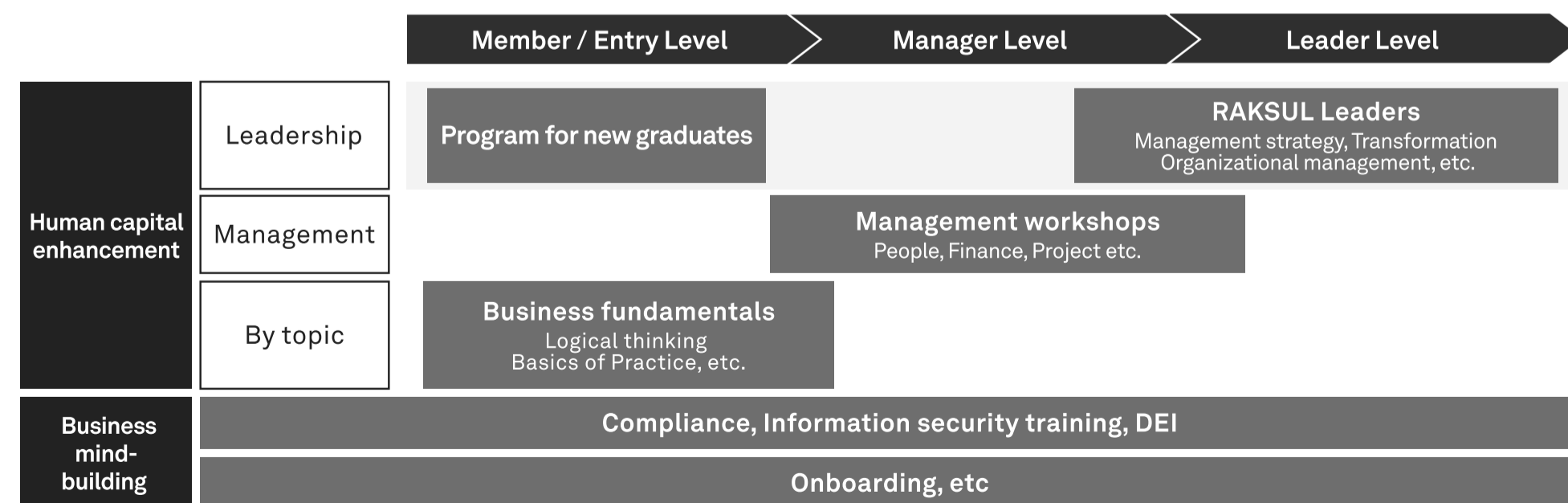
- 1 Taking on challenges in new fields through the internal job posting system**
Examples: Marketing software business, Finance business, Development of one-platform infrastructure
- 2 Continuous assignment of members to executive positions in group companies**



Structured employee training program

We have defined individual “capabilities” required by our company, and have developed a “learning program” to acquire those capabilities through our comprehensive program.

Annual training hours per employee : 11.9 hours
Training & Development Expenditure : JPY15.2MM



Management

"Team First" Index 83%

Strengthening Mid-level Management

Until now, our company has focused on discontinuous value creation, which has placed emphasis on individual capabilities and contributions. However, this approach has not sufficiently prioritized the collective performance of teams or contributions at the organizational level. Therefore, generating results as a team will be essential. In particular, we will strengthen the structuring and development of skills within middle management, which plays a crucial role in bridging the perspectives of management and members.

Role definition

Defining the role and necessary skills of a manager at RAKSUL

Manager's role

Realize team and member growth, lead the team to maximize results

Required manager capabilities

- Problem-setting ability
- Systematization ability
- Leadership
- Team building ability

Manager assessment

- Objectively measure whether required capabilities are translated into actions
- Clearly visualize manager's strengths and challenges with high resolution

Member development actions

- Support for creating future career plans, development plans, and OKRs
- Support through work assignments and coaching



Organizational Empowerment

Embedding our vision

Vision Alignment Index 86%

Thorough Vision Communication

"From 2023 to 2024, the transition of our executive leadership, along with the presentation of mid-to-long-term direction and the impact of organizational expansion, temporarily led to a decline in company-wide alignment with our vision.

To address this, we have strengthened top management's engagement and two-way communication, including Q&A sessions led by the CEO, to deepen employees' understanding of our vision and long-term direction. Additionally, we launched an internal recruitment program for key positions in new business areas—central to our strategic direction—empowering employees to take ownership of vision execution with active management support.

As a result of these initiatives, our Vision Alignment Index recovered to 86% in the survey conducted in December 2024. Moving forward, we will continue to foster a strong sense of unity within the organization and work collectively toward realizing our vision and strategies."

CEO Vision Q&A Session



DE&I

RAKSUL Style DE&I

At RAKSUL, we believe that having a diverse workforce, regardless of age, gender, and nationality, thriving and continuously producing results is key to maximizing corporate performance and value creation. For this reason, This is why we place great importance on promoting Diversity, Equity, and Inclusion (DE&I) as an important initiative.

In 2024, we conducted a company-wide survey to identify key challenges related to DE&I, in addition to training aimed at fostering DE&I awareness and culture. The survey highlighted ""time constraints due to caregiving, parenting, or household responsibilities"" as a primary issue at the individual level, and ""psychological safety"" as the most critical challenge at the organizational level.

To address these issues, we have launched a DE&I project sponsored by the CEO, with the Sustainability Committee leading discussions on management-level approaches. With our relocation to Azabudai Hills in February 2025, we see this as an opportunity to enhance our DE&I efforts and establish a sustainable, continuous improvement cycle (PDCA) to drive long-term impact.

Initiatives Following the Relocation to Azabudai Hills

Organization	Individuals
Enhancing collaboration spaces and events to build unity and trust among employees	Ensuring work style flexibility through shorter core hours and tailored office attendance rules

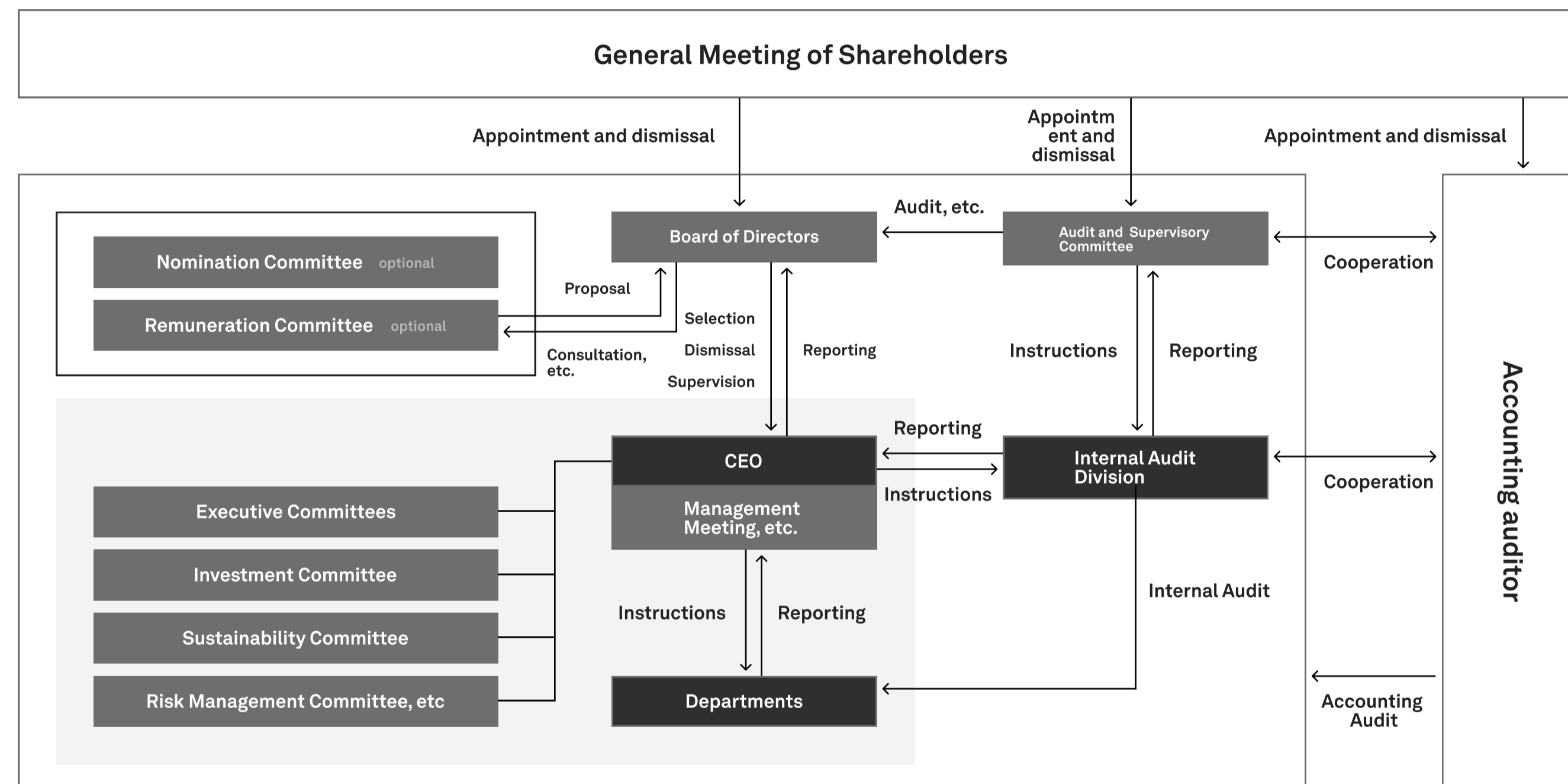
Governance that Supports Adequate Risk-taking



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 mid-to-long-term.

Corporate Governance System



Business Execution Functions

Organizational Structure: Audit & Supervisory Committee Accounting Auditor: Deloitte Touche Tohmatsu LLC

Status of Corporate Governance System (As of July 31, 2024)

	Chairman	Number of members	Ratio of Outside Directors	Number of meetings held	Attendance
Board of Directors	Yo Nagami	8 (Number of Independent Directors 6)	75%	13	100%
Audit & Supervisory Committee	Naomi Mori (Outside Director)	3 (Number of Independent Directors 3)	100%	14	100%
Nomination Committee (voluntary committee)	Yasukane Matsumoto	4 (Number of Independent Directors 3)	75%	9	94.5%
Remuneration Committee (voluntary committee)	Kenji Kobayashi (Outside Director)	5 (Number of Independent Directors 3)	60%	7	91.4%

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^o
- 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.

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.

Board Effectiveness Assessment(FY2024/7)

Our Board of Directors conducts a review of the overall operation of the Board of Directors at least once a year. This year, we conducted a questionnaire (23 questions in total) for directors (including directors who are members of the Audit & Supervisory Committee). The scores for the questionnaire were generally high, with many respondents stating that the operation was generally appropriate, and we judged that the effectiveness of the Board of Directors has been ensured.

There was a significant improvement in the quantity and depth of discussion at board meetings, which was an issue last year, with appropriate reporting and vigorous discussions on the allocation of management resources and capital from a mid-to-long-term perspective. On the other hand, we received comments that there was room for improvement in the quantity and depth of discussion in the verification of management strategies being implemented.

Evaluation items	
	1. Roles and responsibilities of the Board of Directors
	2. Size and composition of the Board of Directors
	3. Deliberations and operations at the Board of Directors
	4. Institutional design and operation of the Board of Directors and other bodies
	5. Relationship and dialogue with shareholders

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 mid-to-long-term. Executive directors are evaluated and determined with emphasis on decision making and execution to realize continuous 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."

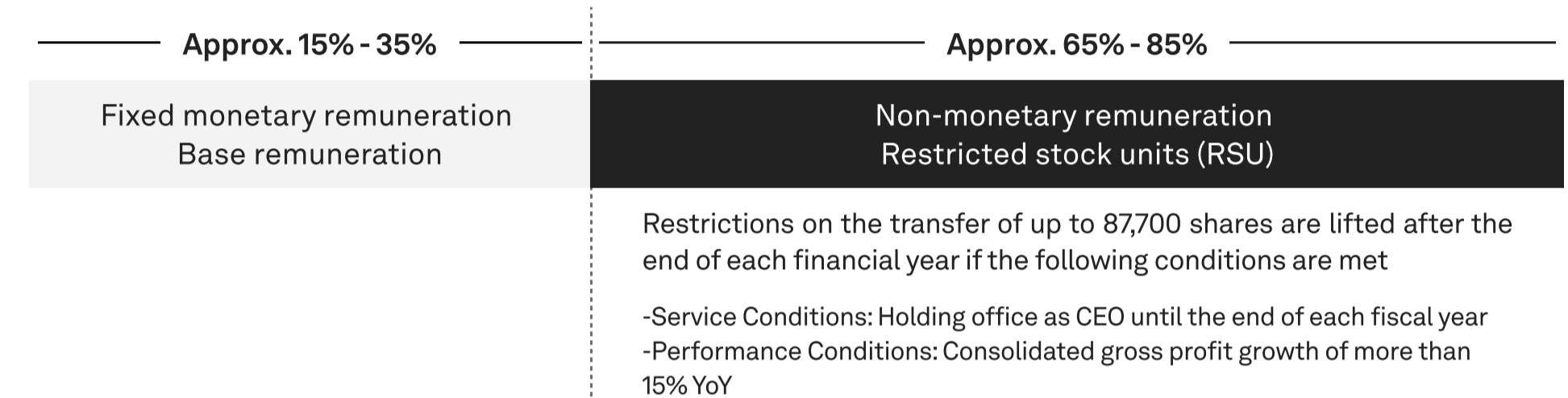
Total amount of remuneration for officers (for FY2024, JPY MM)

Executive Classification	Total amount of remuneration, etc.	Total amount of remuneration, etc. by type			Number of eligible directors/auditors
		Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (Excluding Audit & Supervisory Committee Members)	210	46	-	164	5
(Outside Directors)	(28)	(15)	(-)	(12)	(3)
Directors (Audit & Supervisory Committee Members)	28	28	-	-	3
(Outside Directors)	(28)	(28)	(-)	(-)	(3)
Total (Outside Directors)	239 (57)	75 (44)	- (-)	164 (12)	8 (6)

Composition of Remuneration for Directors (excluding Audit and Supervisory Committee Members) and SVP

Representative Director, President, and Group CEO

Mr. Nagami, Representative Director, President, and Group CEO, 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, one of which is to introduce Restricted Stock Units and set the percentage of stock remuneration as high as possible.

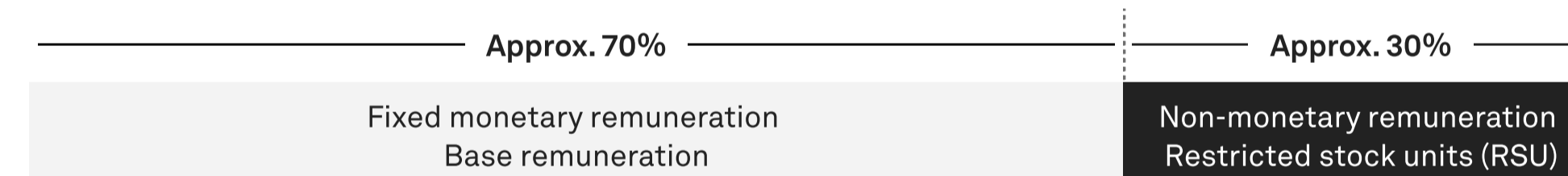


*Upper limit of remuneration under the plan is the total number of shares to be delivered to the Subject Director under the Plan through RSU for the 10 fiscal years between FY2023 and FY2032 shall be 877,000 shares or less.

*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.

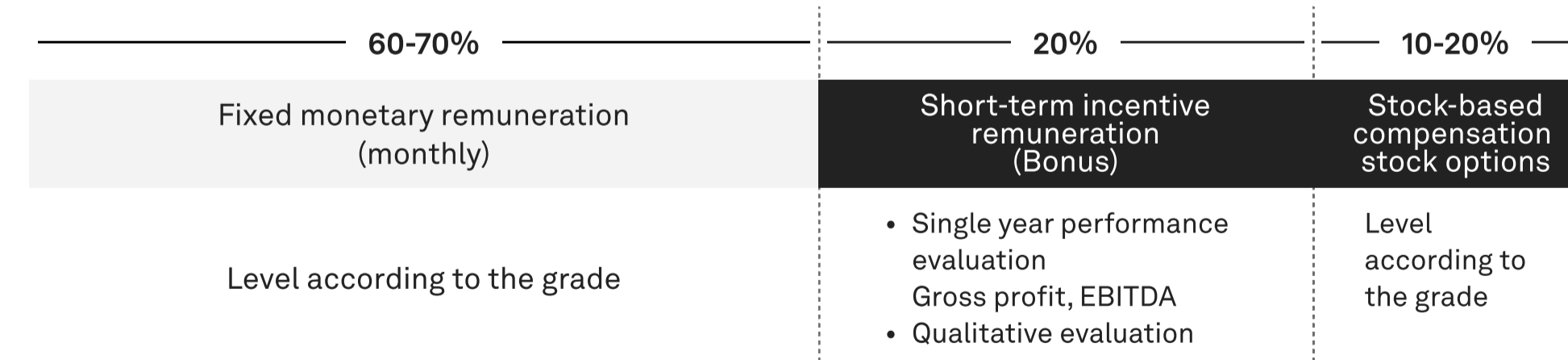
*The Subject Director shall forfeit the right to receive remuneration under the Plan in the event of certain misconduct as determined by the Board of Directors or resignation for certain reasons as determined by the Board of Directors. And in the event of such misconduct, the Company may demand the Subject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

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



*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.

SVPs (Senior Vice-President)



We have adopted a mid-to-long-term incentive remuneration system (monetary remuneration) that uses the five-year period from the fiscal year ending July 2024 as the evaluation period and uses gross profit of 30 billion yen and EBITDA of 10 billion yen as performance evaluation indicators.

In the fiscal year ending July 2027, we issued stock options linked to performance targets based on EBITDA of JPY 10Bn.

Risk Management and Compliance

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.

Risk Management and Compliance 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 Group 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 Group CEO, meets quarterly with the participation of the SVP and Group CLO; the committee discusses and makes policy decisions on important matters related to compliance and anti-corruption.



Compliance Training

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.

[ESG Data P.34 →](#)

Anti-Corruption Activities

We have established and published an Anti-Corruption Policy to clarify the fundamental principles regarding bribery prevention and the rules that employees must adhere to, with the goal of preventing bribery before it occurs. In addition to setting rules for internal hospitality and socializing, we recognize the importance of building sound and fair relationships with suppliers. To support this, we have set up a contact point for receiving compliance-related inquiries and reports from suppliers.

Internal Reporting System

We have established three points of contact for internal reporting system for the early detection, correction, and resolution of legal violations and irregularities: 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.

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.

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.

Information Security Initiatives

We have established a basic policy on information security and are building an information security system.

Information Security Training

We conduct security training twice a year for all employees and employees of partner companies who access our systems based on outsourcing contracts.

[ESG Data P.34 →](#)

Technical Measures

- Employee accounts are centrally managed through a management system linked to HR master data to prevent unauthorized access. Additionally, we handle external cyber attacks through advanced malware countermeasures.
- Vulnerability assessments are conducted at least once a year for each service, and any issues discovered are promptly resolved by our development team.

Acquisition of third-party certification

Certification of the PrivacyMark

- We have implemented measures based on the Act on the Protection of Personal Information and JIS Q 15001, and have acquired PrivacyMark through a biannual audit by JIPDEC.






Information Security Management System (ISMS)

- We have established and operate an information security management system (ISMS) based on ISO/IEC27001 and are working on maintaining the confidentiality, integrity, and availability of our information assets. We have obtained ISMS certification from a third-party certification body, BSI, and our compliance with international standards has been recognized.

Information Security Initiatives (Security White Paper)
<https://corp.rakusl.com/esg/security/>





Executives

Board of Directors (As of October 31, 2024)

Name	Career Summary	Expected Roles and Activities	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
 <p>Representative Director, President and CEO Yo Nagami Number of board meetings attended: 13 times/13 times (100%)</p>	<p>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.</p>	<p>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.</p>	●	●	●	●	●	●	●	●	
 <p>Director and Chairman Yasukane Matsumoto Number of board meetings attended: 13 times/13 times (100%)</p>	<p>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.</p>	<p>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.</p>	●	●	●	●	●	●	●	●	
 <p>Outside Director Yoshihiko Miyauchi Independent Number of board meetings attended: 13 times/13 times (100%)</p>	<p>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.</p>	<p>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.</p>	●	●	●	●	●	●	●	●	
 <p>Outside Director Kenji Kobayashi Independent Number of board meetings attended: 13 times/13 times (100%)</p>	<p>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.</p>	<p>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.</p>	●	●	●	●	●	●	●	●	
 <p>Outside Director Yumiko Murakami Independent Number of board meetings attended: 13 times/13 times (100%)</p>	<p>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 resident 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.</p>	<p>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.</p>	●	●	●	●	●	●	●	●	

Executives

Board of Directors (As of October 31, 2024)

Name	Career Summary	Expected Roles and Activities	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
 <p>Outside Director, Audit & Supervisory Committee member Naomi Mori Independent Number of board meetings attended: 13 times/13 times (100%)</p>	<p>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.</p>	<p>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.</p>						●	●		
 <p>Outside Director, Audit & Supervisory Committee member Masahiro Kotosaka Independent Number of board meetings attended: 13 times/13 times (100%)</p>	<p>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.</p>	<p>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.</p>	●						●	●	●
 <p>Outside Director, Audit & Supervisory Committee member Junko Utsunomiya Independent Number of board meetings attended: 13 times/13 times (100%)</p>	<p>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.</p>	<p>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.</p>							●		●
 <p>Outside Director, Audit & Supervisory Committee member Kumiko Kurosawa Independent Number of board meetings attended: - times/- times New appointment</p>	<p>Joined ChuoAoyama Audit Corporation (later became MISUZU Audit Corporation) in October 2002. Has been engaged in audit services at ShinNihon LLC (currently Ernst & Young ShinNihon LLC) since July 2007. Established Kumiko Kurosawa Certified Public Accountant Office and assumed the position of Director in January 2023. Has served as an Auditor (part-time) at Japan Organization of Occupational Health and Safety since July 2024. Appointed as Outside Director (Audit and Supervisory Committee Member) of the Company in October 2024.</p>	<p>She has many years of experience as a certified public accountant, and has extensive knowledge and auditing experience in the fields of finance and accounting. We expect him to contribute to strengthening our governance system by applying this expertise to auditing and supervising all aspects of our company's management.</p>						●	●		

Achieving Quality Growth



Achieving Quality Growth

In FY2024, we made steady progress against the medium-term financial policy and capital allocation set in March 2024.

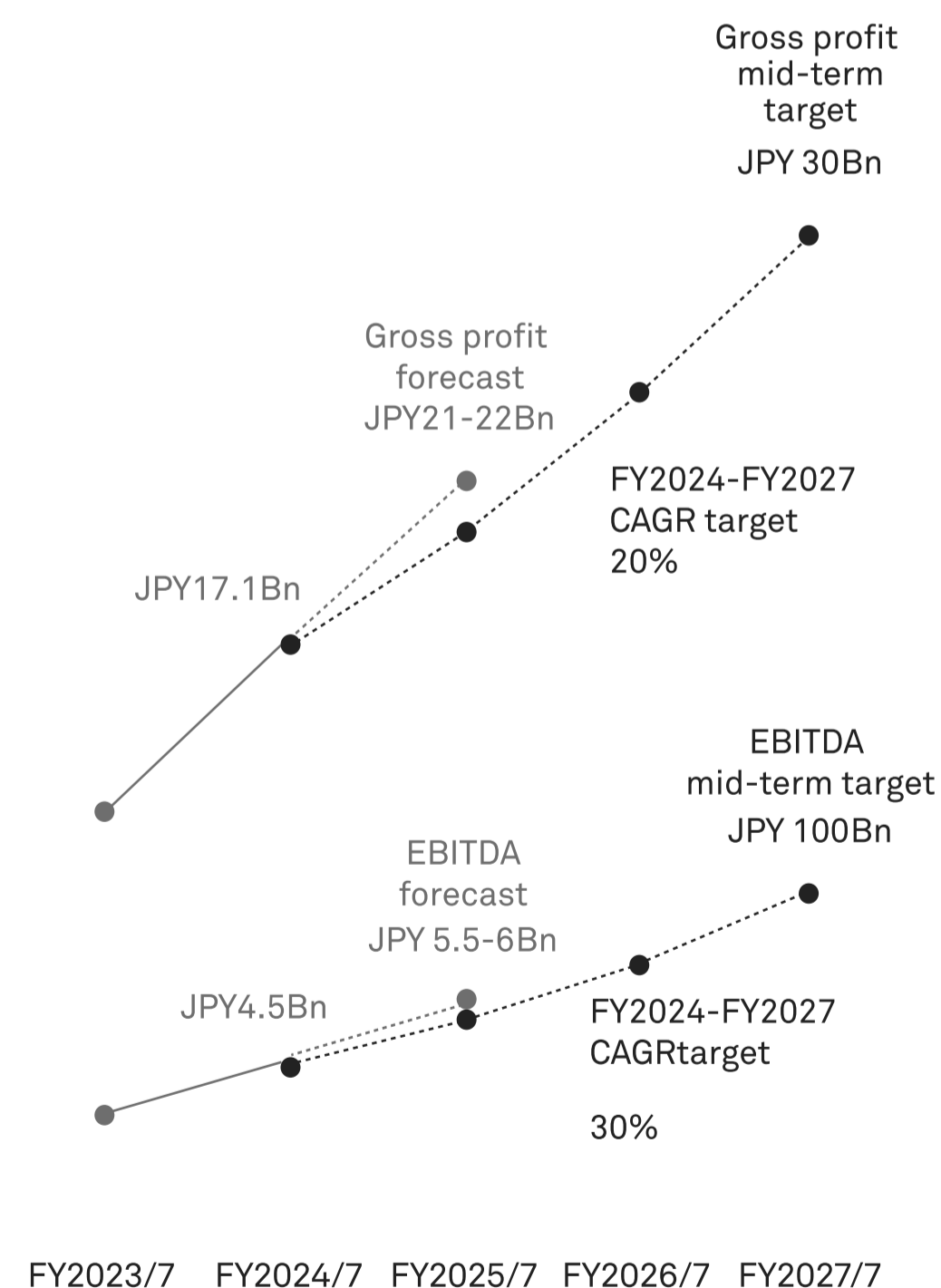
We will continue to build on our achievements and aim to maximize shareholder value by achieving both growth and efficiency with a focus on capital efficiency.

Balancing Business Growth and Profit Generation

In FY2024, we achieved significant growth with gross profit of JPY 17.1Bn (YoY +39.8%) and EBITDA of JPY 4.5Bn (YoY +44.6%). FY2025 is also progressing as planned, and we will continue to achieve both business growth and profit generation.

Medium-term financial policy

Aiming for JPY 30Bn in gross profit and JPY 10Bn in EBITDA in the FY2027/7



Balancing Proactive Investment and Shareholder Returns

Since FY2024, we have executed growth investments of approximately JPY 5.7Bn and shareholder returns of JPY 1.5Bn, showing strong progress against our capital allocation targets, supported by steady profit growth. With a current Net Debt to EBITDA ratio of 0.3x, we maintain sufficient investment capacity and will continue to balance investments with shareholder returns.

Investment

M&A

In FY2024, we acquired six subsidiaries with an investment of JPY 5.1Bn^{*1}. The EV/EBITDA multiple at acquisition was less than 5x relative to first-year consolidated profits. We will continue to execute M&A at appropriate valuations.

Capex and New Business

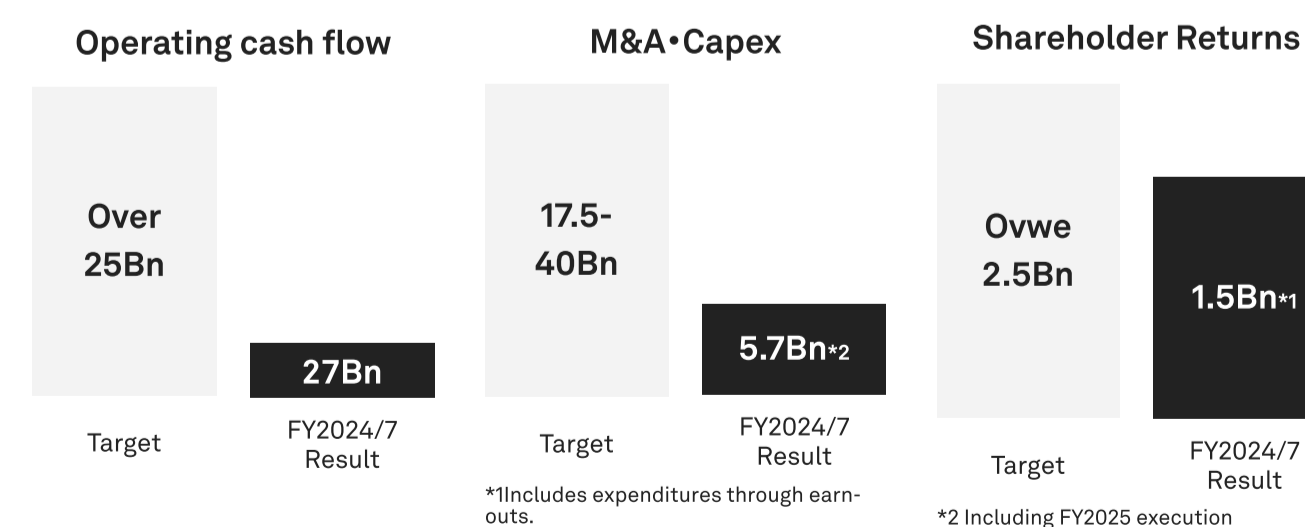
We are implementing disciplined investments with appropriate hurdle rates, including software technology for existing and new businesses and production facility automation, to achieve sustained growth.

Shareholder Returns

We executed a total of JPY 1.5Bn of shareholder returns, comprised of dividends of JPY 1.7 per share and share buybacks totaling JPY 1.4Bn^{*2}. We will continue to implement proactive shareholder returns with a minimum of JPY 2.5Bn going forward.

Capital Allocation

We will allocate the cash flow of at least JPY 25Bn generated by our business operations over the five-year period from FY2024 and beyond, plus funds raised through debt, to business growth and shareholder returns (with a minimum of JPY 2.5Bn).

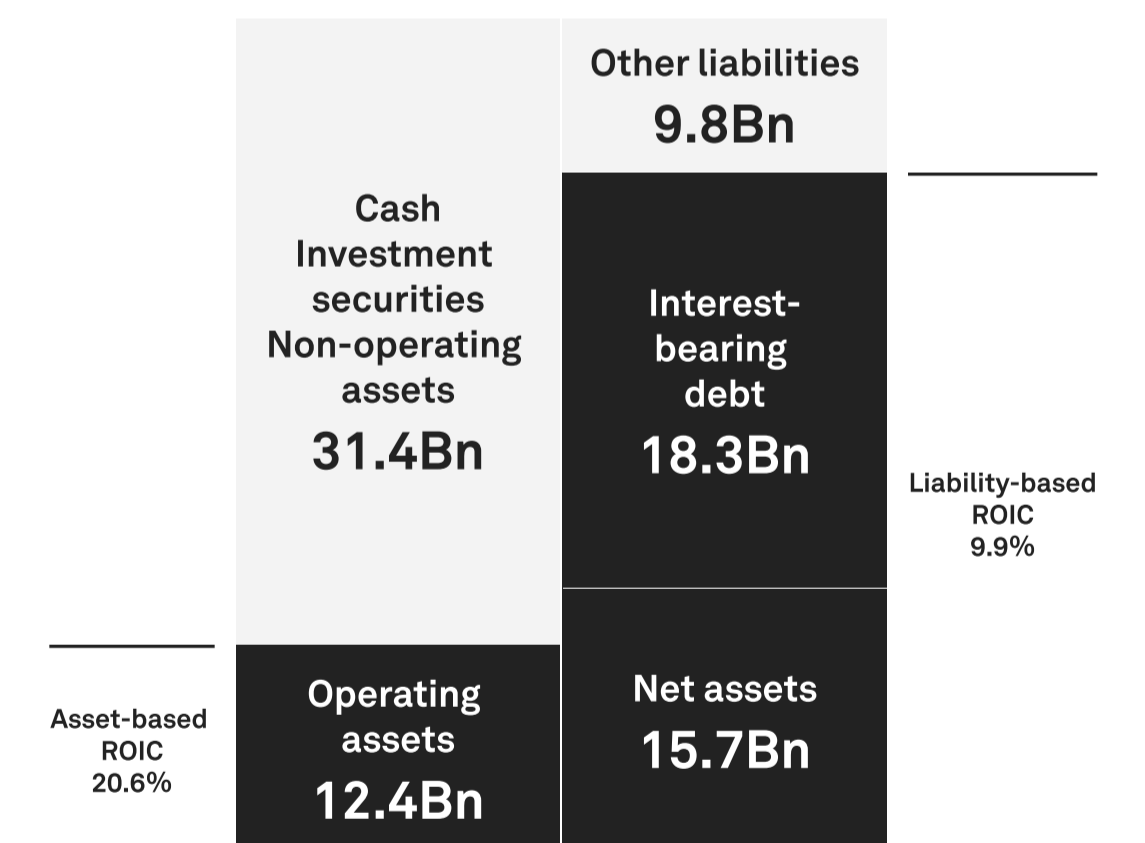


Pursuing Capital Efficiency

To achieve growth with high capital efficiency, we focus on ROIC. While ROIC on business assets has reached 20.6%, ROIC on equity and interest-bearing debt remains at 9.9%. We recognize this gap as a challenge and aim for further improvement through high ROIC in M&A (exceeding 20% upon PMI completion), business growth, and optimization of investment securities.

ROIC and Capital Efficiency

There is a divergence between asset-based ROIC and liability-based ROIC due to holdings of M&A standby funds and investment securities related to new businesses.



^{*1}Business assets = tangible and intangible assets + net working capital
^{*2}Asset-based ROIC = (Non-GAAP NOPAT) ÷ (Net working capital + tangible and intangible assets)
^{*3}Liability-based ROIC = (Non-GAAP operating income × (1 - effective tax rate)) ÷ (interest-bearing debt + net assets)

Data Book



Financial Information

(JPY MM)		FY2020/7	FY2021/7	FY2022/7	FY2023/7	FY2024/7
Profit and Loss Statement	Revenue	19,434	25,523	33,980	41,018	51,121
	Gross profit	4,866	7,091	9,803	12,295	17,192
	Operating profit	-244	220	462	1,765	2,523
	EBITDA	1	1,030	1,634	3,145	4,547
	Ordinary profit	-368	130	-167	1,168	2,041
	Net profit	-494	160	1,021	1,329	2,118
Balance Sheet	Current assets	18,023	16,916	19,660	20,589	24,981
	Non-current assets	1,356	4,999	8,973	12,076	18,881
	Total assets	19,379	21,916	28,633	32,665	43,863
	Current liabilities	2,405	5,068	7,774	8,292	17,983
	Non-current liabilities	10,172	8,851	11,546	10,463	10,200
	Net assets	6,801	7,996	9,312	13,909	15,678
Cash Flow Statement	Cash flows from operating activities	-126	1,539	837	2,902	2,705
	Cash flows from investing activities	-283	-3,618	-2,808	297	-6,930
	Cash flows from financing activities	9,956	75	2,206	-2,238	5,671
	Cash and cash equivalents at end of period	15,451	13,447	13,682	14,644	17,004

Human Capital Data

Employees

			FY2022/7	FY2023/7	FY2024/7
Number of employees	Overall	Persons	526	533	929
	Male	Persons	306	295	436
		%	58.2%	55.3%	46.9%
	Female	Persons	220	238	493
		%	41.8%	44.7%	53.1%
	Non-Japanese	Persons	65	92	85
		%	12.4%	17.3%	9.1%
	Engineers / designers	Persons	174	181	221
		%	33.1%	34.0%	23.8%
	Non-Japanese	Persons	-	-	75
		%	-	-	33.9%
	Regular employees	Persons	432	449	643
	%	82.1%	84.2%	69.2%	
Non-regular employees	Persons	94	84	286	
	%	17.9%	15.8%	30.8%	
Number of new employees hired (Regular employees)	Overall	Persons	163	132	173
	Male	Persons	100	79	107
		%	61.3%	59.8%	61.8%
	Female	Persons	63	53	66
		%	38.7%	40.2%	38.2%
	Mid-career Overall	Persons	154	114	155
	Mid-career Male	Persons	93	64	96
		%	60.4%	56.1%	61.9%
	Mid-career Female	Persons	61	50	59
		%	39.6%	43.9%	38.1%
Average age	Overall	Years old	34.0	32.9	36.0
	Male	Years old	34.1	33.6	36.1
	Female	Years old	33.1	33.4	35.9
Employee age status (Regular employees)	Under 30 years old	Persons	127	135	141
		%	29.4%	30.1%	21.9%
	30 - 39 years old	Persons	215	225	298
		%	49.8%	50.1%	46.3%
	40 - 49 years old	Persons	85	78	165
		%	19.7%	17.4%	25.7%
	50 - 59 years old	Persons	3	8	38
	%	0.7%	1.8%	5.9%	
60 years old or older	Persons	2	3	1	
	%	0.4%	0.7%	0.2%	

			FY2022/7	FY2023/7	FY2024/7
Average years of service		years	2.4	2.5	4.0
	Male	years	2.1	2.3	3.6
	Female	years	3.0	3.2	4.6
Number of managers	Overall	Persons	86	82	93
	Male	Persons	70	63	73
		%	81.4%	76.8%	78.5%
	Female	Persons	16	19	20
		%	18.6%	23.2%	21.5%
Percentage of female employees above a certain grade	%	13.4%	16.3%	18.2%	
Percentage of female directors	%	25.0%	37.5%	37.5%	
Annual paid leave utilization rate	%	61.0%	70.6%	68.5%	
Gender pay gap	Overall	%	51.1%	49.2%	49.2%
	Regular employees	%	55.0%	52.3%	54.3%
	Non-regular employees	%	95.9%	80.2%	42.1%
Average annual salary	Overall	Yen	6,310,506	7,030,103	6,945,533
	Male	Yen	-	-	9,195,552
	Female	Yen	-	-	4,691,908
Childcare leave usage rate	Overall	%	88.5%	77.3%	74.1%
	Male	%	72.7%	71.4%	41.7%
	Female	%	100.0%	87.5%	100.0%
Turnover ratio		%	15.7%	14.1%	17.4%
	Voluntary Turnover	%	100%	100%	100%
Ratio of employees with disabilities	%	1.2%	1.5%	2.5%	

*Data covers consolidated companies and overseas development bases

*Data covers RAKSUL INC., and NOVASELL INC. for "Number of managers", "Percentage of female employees at a certain grade", "Annual paid leave utilization rate", and "Gender pay gap"

*Data covers RAKSUL INC. for "Percentage of female directors", "Average annual salary", "Childcare leave usage rate", and "Turnover ratio"

*"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

* "-" indicates that the data is not disclosed due to the difficulty of collecting historical data as a result of a change in the data acquisition category

Employee training

			FY2022/7	FY2023/7	FY2024/7	Eligible employees
Total training hours	Hours		4,709	3,845	5,551	Full-time employees, contract employees, part-time employees, outsourced workers, temporary staff
Annual training hours per employee	Hours		-	-	11.9	Full-time employees, contract employees, part-time employees, outsourced workers, temporary staff
New employee training	Number of participants	Persons	171	125	157	Full-time employees, contract employees, part-time employees
	Attendance rate	%	100%	100%	100%	
	Total training hours	Hours	171	125	1,273	
Language training	Number of participants	Persons	35	59	34	Managerial positions / Applicants
	Total training hours	Hours	3,926	2,938	2,652	
	Average annual training hours per employee	Hours	112	50	78	
	Average annual training days per employee	Days	144	95	127	
Management training	Number of participants	Persons	8	16	85	Managerial positions
	Attendance rate	%	100%	100%	93.4%	
	Total training hours	Hours	48	112	170	
Diversity training	Number of participants	Persons	295	0	0	Full-time employees, contract employees, part-time employees
	Attendance rate	%	56%	0	0	
	Total training hours	Hours	295	0	0	
Unconscious bias training	Number of participants	Persons	18	58	0	Full-time employees, contract employees, part-time employees
	Attendance rate	%	100%	100%	0	
	Total training hours	Hours	27	87	0	
Information security training	Number of participants	Persons	484	539	643	Full-time employees, contract employees, part-time employees, outsourced workers, temporary staff
	Attendance rate	%	100%	100%	100%	
	Total training hours	Hours	242	270	322	
	Number of participants	Persons	0	627	740	Full-time employees, contract employees, part-time employees, outsourced workers, temporary staff
	Attendance rate	%	0	100%	100%	
	Total training hours	Hours	0	314	370	
Ethics and compliance training	Number of participants	Persons	2 times in total	8 times in total	765	
Insider trading prevention	Number of participants	Persons	0	0	432	Full-time employees, contract employees, part-time employees
	Attendance rate	%	0	0	100%	
	Total training hours	Hours	0	0	216	
Harassment	Number of participants	Persons	0	0	472	Full-time employees, contract employees, part-time employees
	Attendance rate	%	0	0	100%	
	Total training hours	Hours	0	0	236	
Healthy ways of working	Number of participants	Persons	0	0	441	Full-time employees, contract employees, part-time employees
	Attendance rate	%	0	0	100%	
	Total training hours	Hours	0	0	221	
Labor management	Number of participants	Persons	0	0	92	Managerial positions
	Attendance rate	%	0	0	100%	
	Total training hours	Hours	0	0	92	

Source

P5 Value Creation Process	Cumulative Number of SME Registered Users	Number of users working at companies with 500 or fewer employees registered on raksul.com
	Number of suppliers	Including DanborOne suppliers
	Gross profit per employee	Annual gross profit divided by the yearly average of month-end headcount (total of internal directors, full-time employees, and contract employees, including non-consolidated overseas development bases)
	Gross Profit CAGR	Annual average growth rate of gross profit from FY2018/7 to FY2024/7 after listing
	EBITDA	Operating profit + Goodwill amortization + Depreciation + Share-based compensation expense
	ROIC	(Non-GAAP operating profit × (1-effective tax rate)) ÷ (Net working capital + Tangible and intangible assets)
	Shareholder returns	Cumulative total from July 2023 to February 2025
P8 Social Value Created through Business	Working-age population in Japan	Ministry of Health, Labour and Welfare "Analysis of the Labor Economy 2022 Edition"
	Labor productivity per person in Japan	Japan Productivity Center "International Comparison of Labor Productivity 2024"
	Number of enterprises	Small and Medium Enterprise Agency "Number of Enterprises, Regular Employees, and Total Workers by Prefecture and Major Cities (Private, Non-primary Industries, 2021)"
	Labor shortage index (Employment personnel judgment D.I.)	Ministry of Health, Labour and Welfare "Analysis of the Labor Economy 2019 Edition - Issues Concerning 'Work Styles' Under Labor Shortage"
	Labor productivity per employee	Small and Medium Enterprise Agency "2023 White Paper on Small Enterprises"
	Digitalization	Ministry of Internal Affairs and Communications "White Paper on Information and Communications" 2023 Edition
	Customer time saved per order	Reduction in average work hours per order from placement to delivery, comparing before and after RAKSUL implementation
	Number of SME registered users	Number of users working at companies with 500 or fewer employees registered on raksul.com
	Number of times SME users used our service	Cumulative number of orders from users working at companies with 500 or fewer employees from raksul.com service launch through FY2024/7
	Number of suppliers	Including DanborOne suppliers
	Productivity improvement rate	Comparison of 3-year average versus previous 3-year average of RAKSUL order value divided by number of RAKSUL business staff at top suppliers
	Personnel increase rate due to capital investment	Comparison of 3-year average versus previous 3-year average of number of staff working on RAKSUL business at top suppliers
P13 Finance	SME challenges	Small and Medium Enterprise Agency "2020 White Paper on Small Enterprises Figure 3-2-23 Important Management Issues (By Enterprise Size and Industry)"
P17 Environmental and Social Initiatives	CO2 emissions comparison between digital printing and offset sheet-fed printing	Japan Association of Graphic Arts Technology, "Comparison of CO2 emissions between digital printing and sheet-fed offset printing"

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.

