

September 10th, 2020

Company name: RAKSUL INC.
 Representative: Yasukane Matsumoto
 Representative Director, President and CEO
 (TSE First Section Code No. 4384)
 Contact: Yo Nagami
 Director, CFO

Announcement of difference between forecast and actual results for the fiscal year ending July 31st, 2020

RAKSUL INC. (the “Company”) hereby announce the differences between its financial forecast for the fiscal year ending July 31st, 2020, announced on June 11, 2020, and the actual results announced today as follows.

1. Difference between full-year financial forecast for FY2020 and actual results (August 1st, 2019 - July 31st, 2020)

	Revenue	Operating Profit	non-GAAP Operating Profit (Loss)	Ordinary Profit (Loss)	Net Profit (Loss)	Earnings (Loss) per Share
	In JPY MM	In JPY MM	In JPY MM	In JPY MM	In JPY MM	In JPY
Previously announced forecast (A)	20,800 ~21,200	(340) ~(420)	(280) ~(360)	(470) ~(550)	(600) ~(680)	(21.43) ~(24.29)
Revised forecast (B)	21,494	(244)	(159)	(368)	(494)	(17.64)
Difference (B-A)	294 ~694	96 ~176	121 ~201	105 ~185	109 ~189	-
Difference in percentage (%)	1.4 ~3.3	-	-	-	-	-
(For reference) Actual result from FY2019(FYE 7/2019)	17,168	143	143	130	69	2.51

Note: non-GAAP profits are calculated by deducting or adjusting non-recurring items and other specific adjustable items from GAAP profits (Japan GAAP) based on certain rules. The Company releases non-GAAP figures because it believes that they are useful for understanding our fundamental business performance. Specifically, the Company have adjusted for certain one-off profits and losses that it deemed deductible (mainly stock-based compensation expenses.)

2. Reason for the deference

Given the spread of COVID-19 and the resulting changes in the external environment, the Company has been focusing on improving profitability and strengthening our cost control measures in order to ensure that we can generate sufficient profit even when demand is in decline. As a result of the steady progress of these activities, profit was higher than expected, mainly due to an improvement in the gross profit margin and a reduction in SG&A spend compared to the previous forecast announced on June 11, 2020. In addition, demand for the services provided by the Company recovered more quickly than expected at the time of the previous forecast, and as a result, revenue in the fourth quarter exceeded the previous forecast, which also contributed to the improvement in profits.