




Financial Results for the 3rd Quarter of Fiscal Year Ending July 31, 2021

RAKSUL INC. (TSE First Section: 4384)

June 10, 2021



- 
- 1. Company Overview**
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 - 3. ESG Initiatives**
 - 4. Revision of the Full-Year Forecast**
 - 5. Q&A**
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Company Overview





Our Vision and What We Do

- We strongly believe in redesigning the structure and the value chain of conventional industries with the help of the Internet

Better Systems, Better World

Printing & offline advertising Platform



Launched in Mar. 2013



TV commercial-related services Platform



Launched in Apr. 2020



Logistics Platform



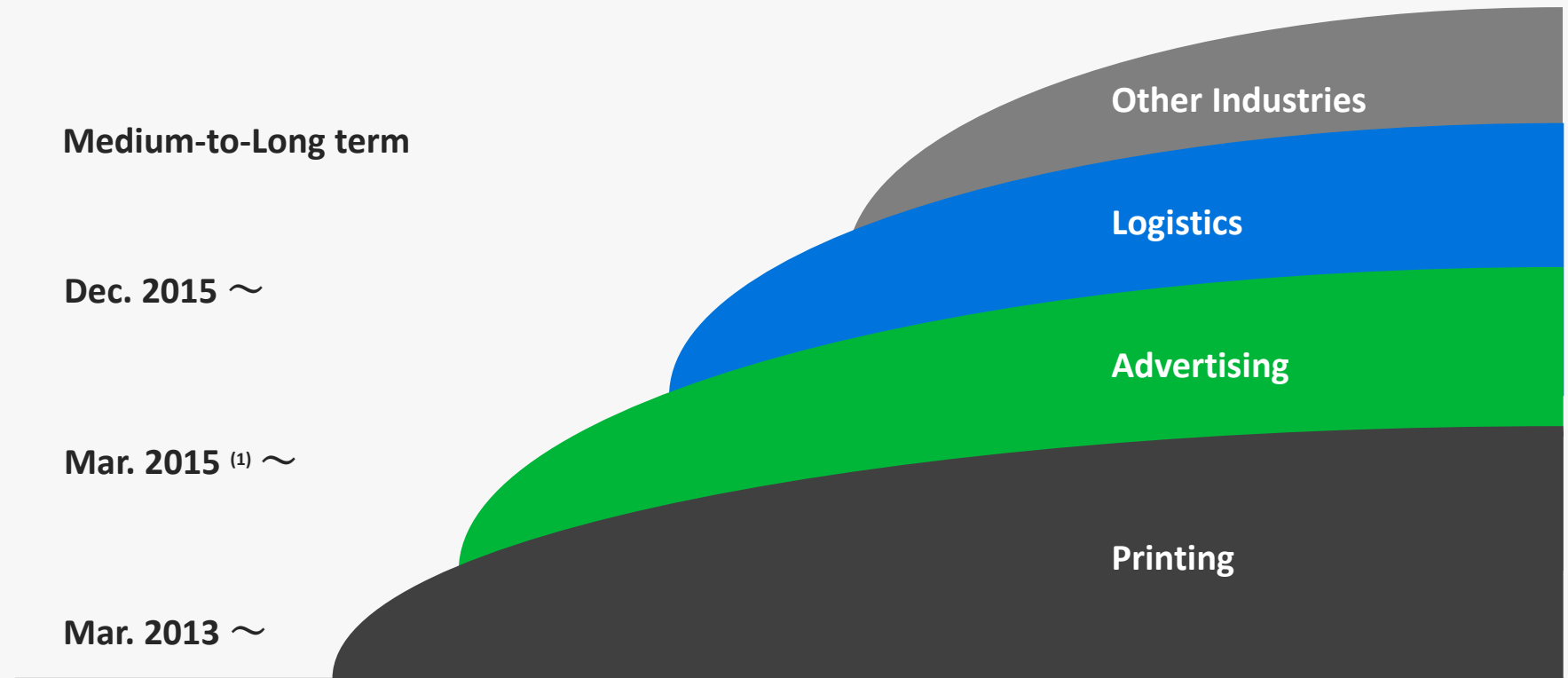
Launched in Dec. 2015





Sustainable Growth Through BtoB Platforms That Rebuild Multiple Industries

- In the medium-to-long term,
we aim to expand our platforms
into other industries





Our Advantages

- (1) Access to large market areas
- (2) Continued expansion of our customer and supplier base
- (3) Multi-layered business model and improved profitability that have come with scale

Business Environment

- Each business has access to a large market
- Great potential of EC conversion
- Competitiveness of our core business, EC printing, has been improving year after year
(we are one of the fastest growing companies in the market)

Business Model

- Unique business model of EC & SaaS
- Diverse and broad customer base
- Potential for expansion into peripheral business domains
- Strong relationships with suppliers (sharing platform)

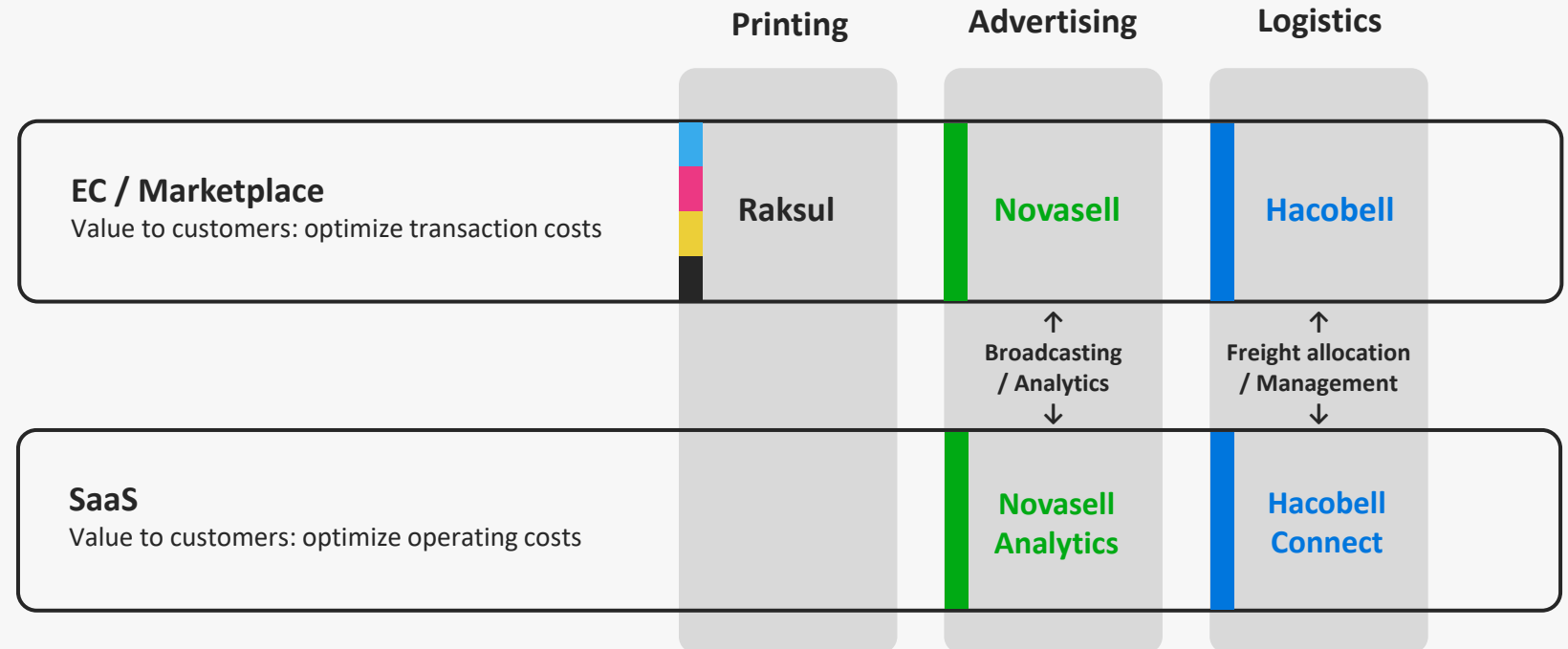
Profit Structure

- Highly recurring transactions
- Gross margins improving year after year
- Economies of scale (mainly investment in advertising)



Future Focus of our Business Model

- We will endeavor to transform legacy industries via a combination of EC/Marketplace and SaaS, which enables our customers to optimize both transaction costs and operating costs at the same time

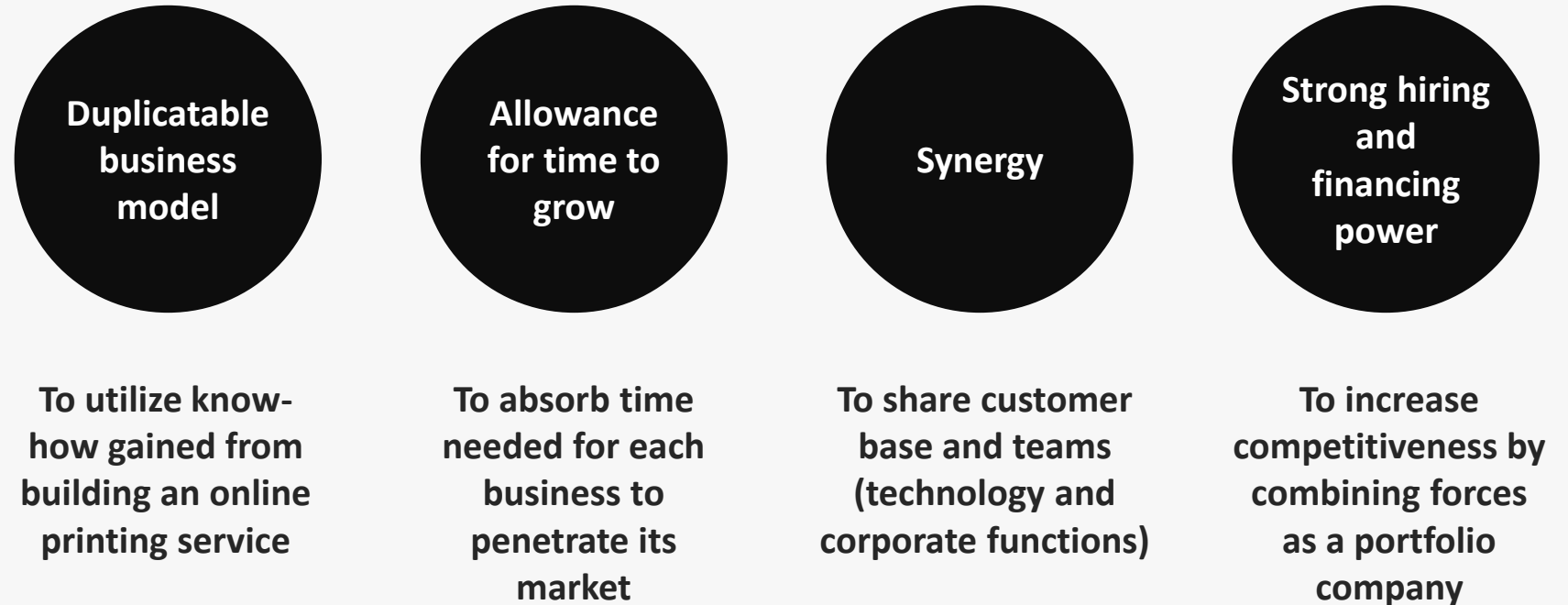




Our Thoughts on the Business Mix

- In order to realize our vision “Better Systems, Better World”, we create digital platforms in conventional industries with large TAM (total addressable market)

Why We Build a Business Portfolio

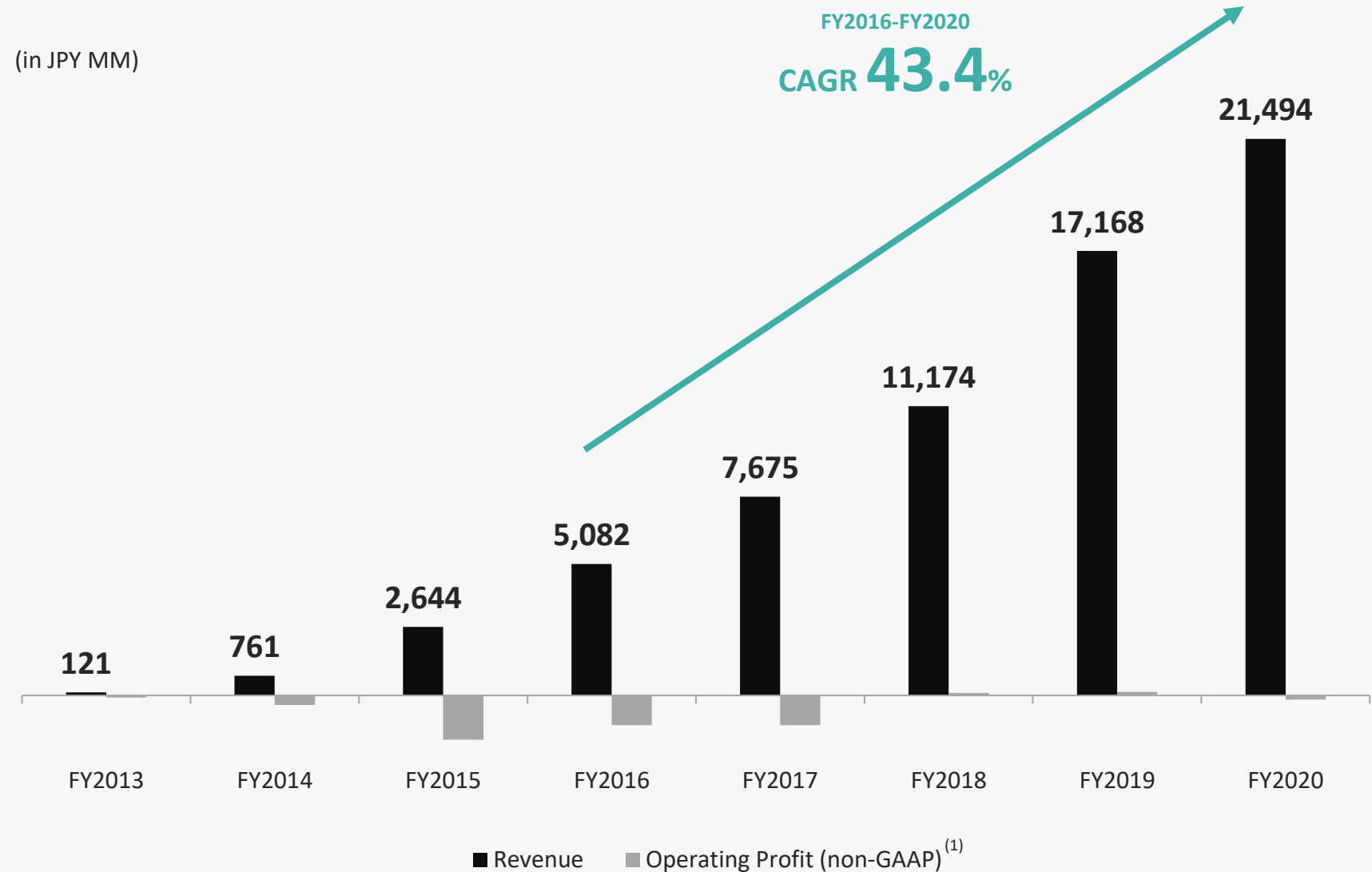




Realizing Continuous Growth

- By rebuilding multiple industries, we have been able to realize continuous growth

(in JPY MM)

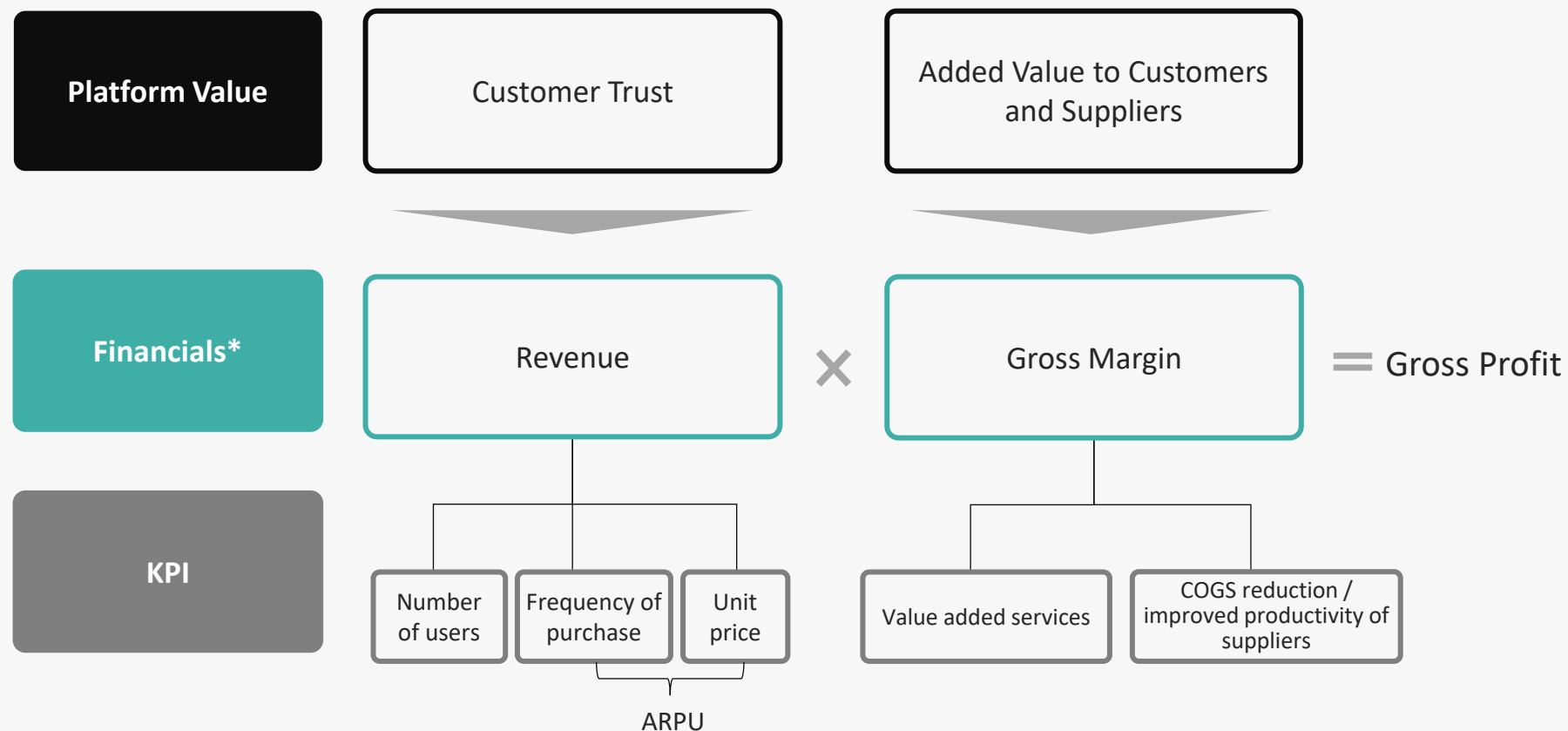


Note

(1) From FY2020, we disclose non-GAAP profits after adding back stock-based compensation expense (the same applies hereinafter)
Please see slides in reference for more details

Our Value Creation Formula

- We focus on growing revenue and gross profit through winning customer trust and maximizing added value to customers and suppliers
- In addition to our existing EC business (transaction based), our SaaS business is expected to expand. Although the revenue size of SaaS is small, its gross margin is high; we consider gross profit to be the indicator which directly connects to corporate value



*Accounting standards applied to our revenue and gross profit

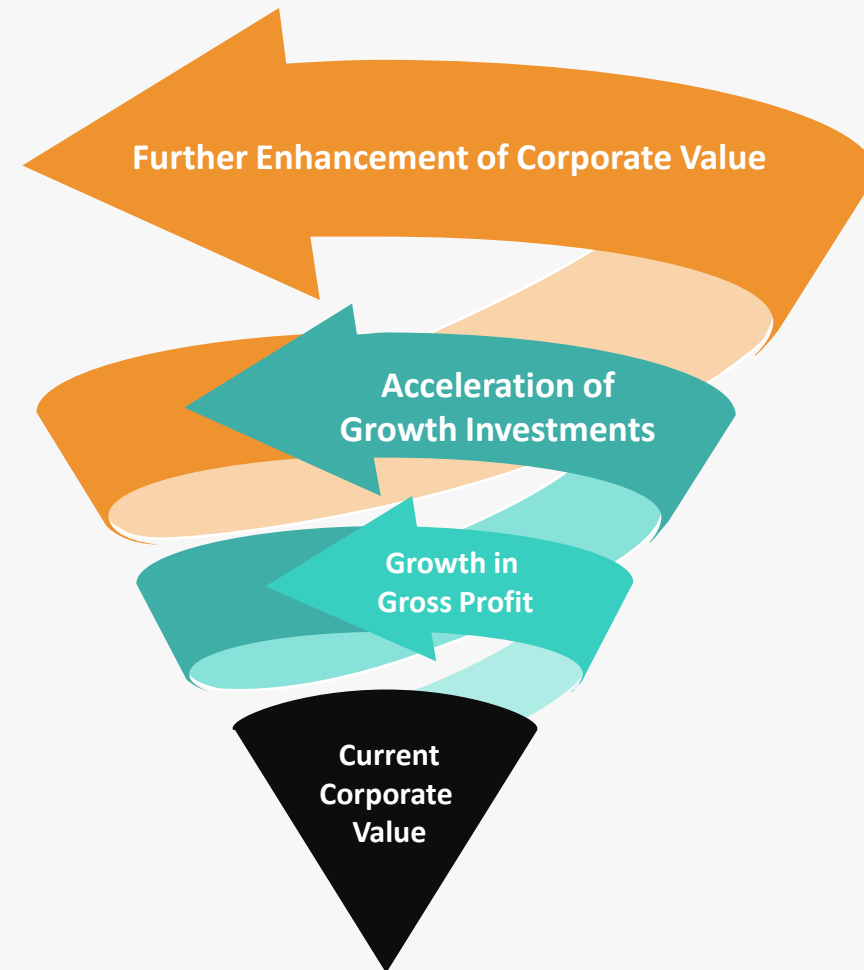
Revenue: revenues earned from all business segments are booked as gross revenue

Gross profit = gross revenue - cost of sales



Upward Spiral of Value Creation Through Reinvestment

- By maximizing gross profit, we can continuously generate profit as well as reinvest towards greater platform value

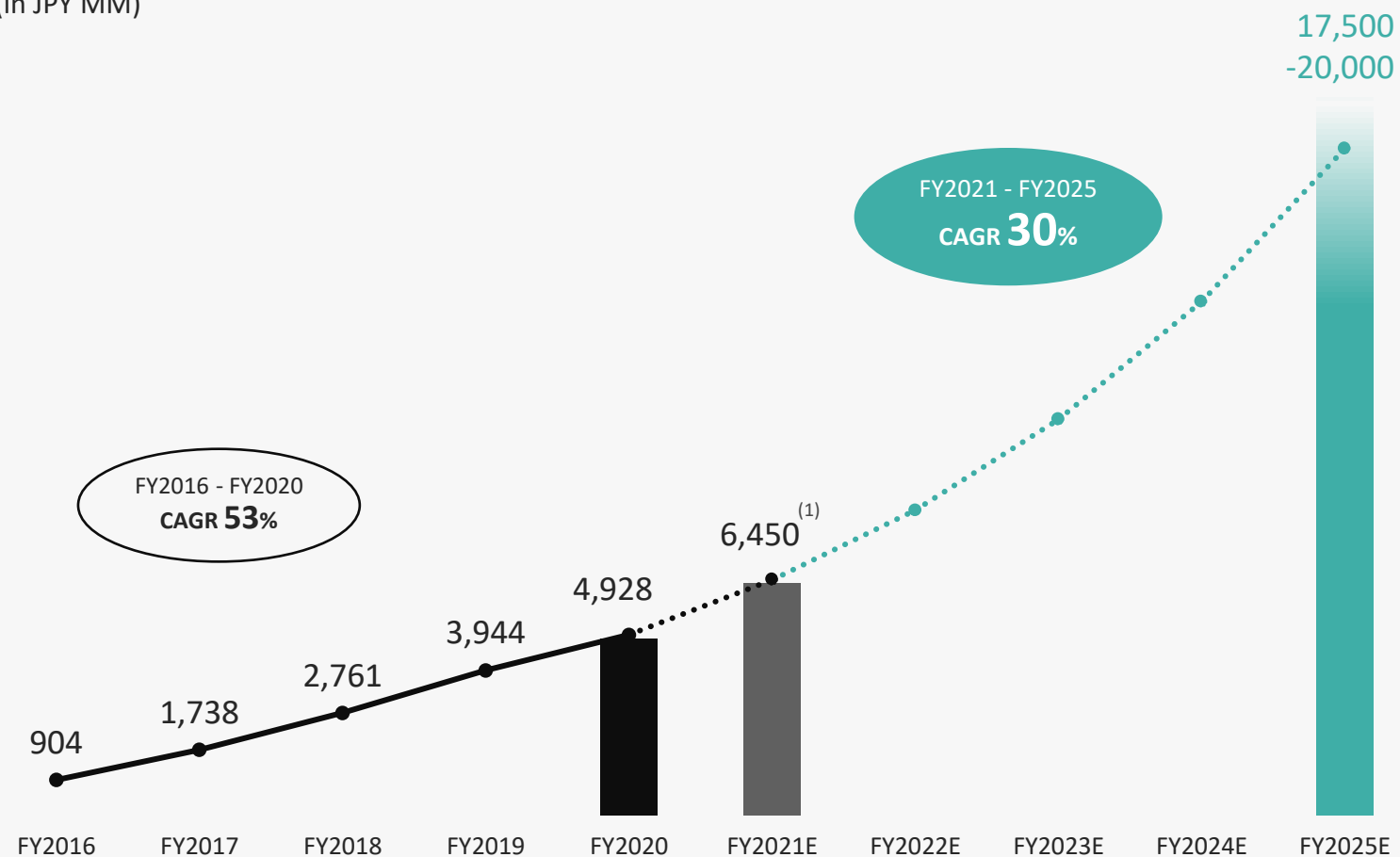


Medium-to-Long Term Financial Targets and Policies

- Our medium-to-long-term target for gross profit growth is CAGR 30%
- It is our basic policy to also increase operating profit and net profit (non-GAAP) every year (When in a temporary investment phase, it will be carried out after a thorough dialogue with shareholders)
- We aim for ROE 10% in the mid-term and conduct business with consideration of capital efficiency as a listed company

Gross Profit: Medium-to-Long Term Target

(in JPY MM)



Notes

(1) Lower range of full-year forecast disclosed on September 10, 2020

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Financial Highlights





Quarterly Financial Highlights

- Revenue: +64.5% YoY, gross profit: +70.8% YoY; highest quarterly growth rates since IPO
- Operating profit (non-GAAP) reached record-high at JPY 440MM

(in JPY MM)	FY2021 3Q (2021/2 - 2021/4)					FY2021 1Q - 3Q (2020/8 - 2021/4)		
	Actual	FY2020 3Q		FY2021 2Q		Actual	FY2020 1Q - 3Q	
		Actual	YoY	Actual	QoQ		Actual	YoY
Revenue	8,966	5,451	+64.5%	7,417	+20.9%	22,321	16,598	+34.5%
Gross Profit	2,076	1,216	+70.8%	1,757	+18.1%	5,333	3,631	+46.9%
Gross Margin	23.2%	22.3%	+0.9pt	23.7%	-0.5pt	23.9%	21.9%	+2.0pt
Operating Profit (non-GAAP)	440	-152	-	266	+65.1%	868	-396	-
Ad spend	495	489	+1.1%	513	-3.6%	1,501	1,436	+4.5%
Hacobell segment profit (non-GAAP)	-21	-83	-	16	-	-31	-315	-
Stock-based compensation expense	133	22	+488.5%	120	+10.6%	348	37	+818.0%
Ordinary Profit (non-GAAP)	436	-157	-	258	+68.8%	851	-485	-
Net Profit (non-GAAP)	371	-158	-	204	+82.0%	716	-591	-



Quarterly Financial Highlights by Business Segment

- Companywide growth driven by the Novasell business segment

(in JPY MM)	Raksul	Novasell	Hacobell	Companywide ⁽¹⁾
Revenue YoY	5,617 +39.0%	2,613 +208.4%	657 +23.4%	8,966 +64.5%
Gross Profit YoY	1,527 +50.6%	405 +185.1%	114 +133.4%	2,076 +70.8%
Gross Margin YoY	27.2% +2.1pt	15.5% -1.3pt	17.4% +8.2pt	23.2% +0.9pt
Operating Profit Segment Profit (non-GAAP)	731	92	-21	440

Notes

(1) The difference between the total of each segment and companywide is due to “other business” and corporate expenses



Impact of the State of Emergency (SoE)

- Raksul business segment was negatively impacted to a certain extent in May
- Novasell business segment was barely impacted; some parts are on a rising trend
- Hacobell business segment experienced negative impact in last mile deliveries
- All businesses are expected to enjoy the benefits of the economic recovery going forward

	Impact on the Industry (our understanding)	Impact on Our Business
Raksul	<ul style="list-style-type: none"> • Demand has declined by 10-20% YoY in the printing industry overall • Impact was limited compared to the first SoE in April - May 2020 	<ul style="list-style-type: none"> • Although there was a certain amount of negative impact in May, the impact was limited compared to the first SoE in April - May 2020
Novasell	<ul style="list-style-type: none"> • While the overall market has been affected to some extent, the volume of ad placements has been returning due to rising ratings • With the rising demand from the customers on effective advertising investment, the programmatic TV commercial market has started to rise 	<ul style="list-style-type: none"> • Since we are leading the expanding programmatic TV commercial market, we are in a position that is relatively unlikely to be negatively affected
Hacobell	<ul style="list-style-type: none"> • The demand overall in the logistics industry has decreased by 10-20% YoY 	<ul style="list-style-type: none"> • In terms of last mile deliveries, demand decreased as delivery was done in house (store staff began to deliver food themselves) • The impact on intra-city deliveries was light since we have high delivery shares of food and beverages which are relatively unlikely to be impacted

Progress against Full-Year Forecast ⁽¹⁾

- We have made a higher level of progress ⁽¹⁾ against the full-year forecast compared to the past 3 years, for both revenue and gross profit
- Full-year results are expected to largely exceed the original forecast disclosed on September 10, 2020

Revenue



Gross Profit

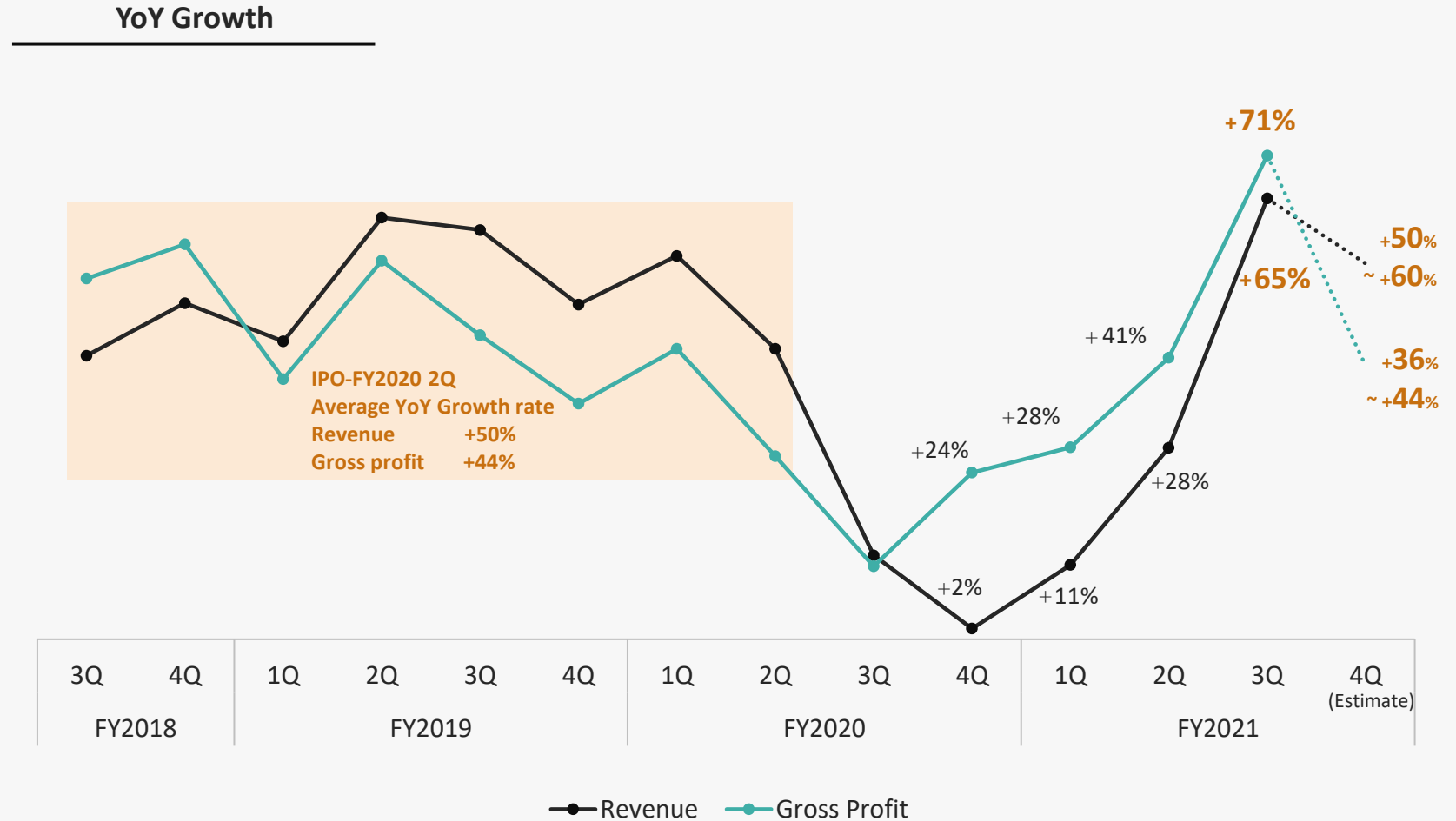


Notes

(1) Progress rate against the lower range of full-year forecast disclosed on September 10, 2020

Recovery in Growth

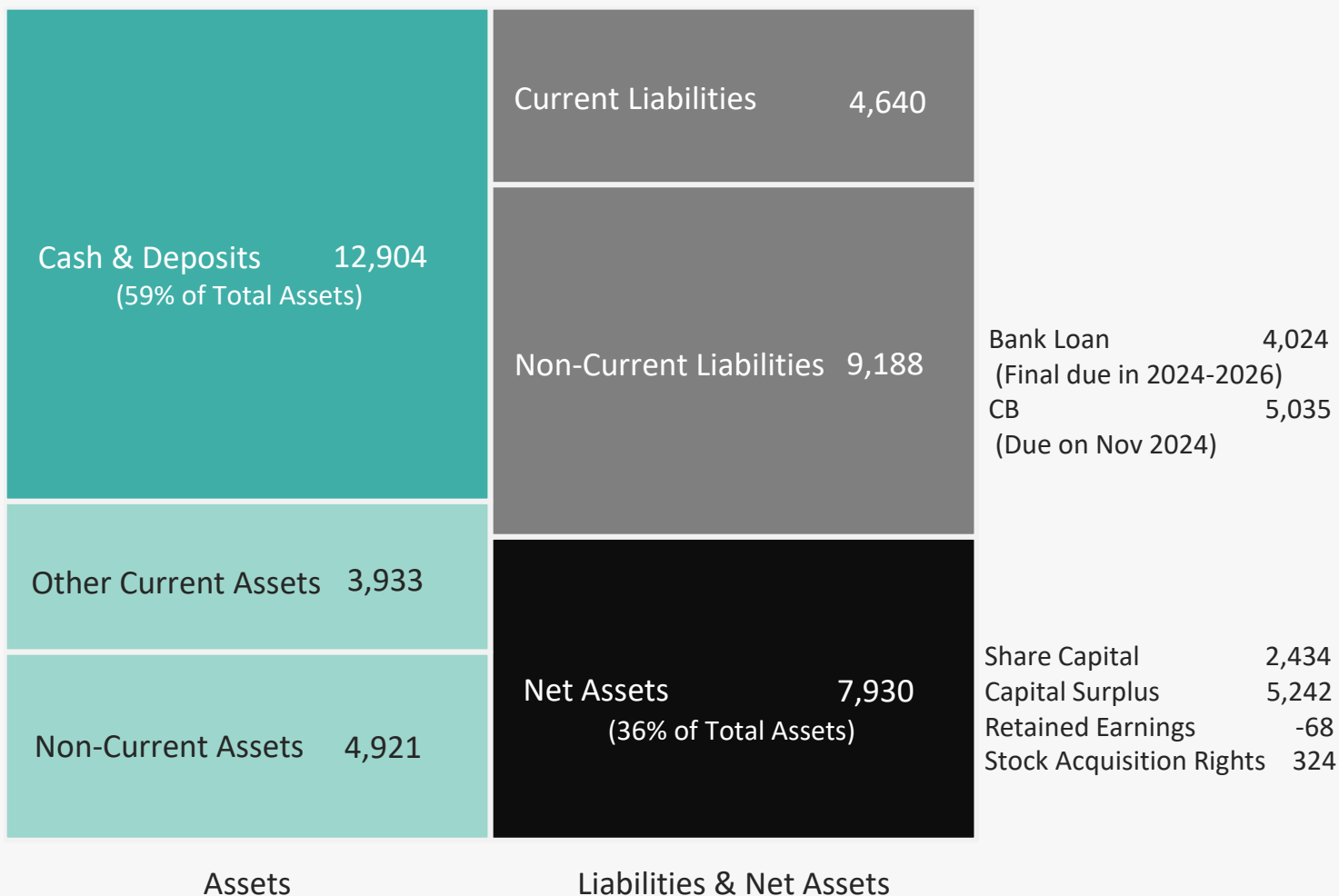
- Growth rate recovered to pre-COVID levels
- 3Q results exceeded the forecast disclosed on 2Q results; “around +45-50% growth YoY for revenue and around +50-55% growth YoY for gross profit”
- For 4Q, we expect to be at around +50-60% growth YoY for revenue and around +36-44% growth YoY for gross profit (Gross profit growth is moderate compared to revenue, as gross margin improved significantly in all businesses in FY2020 4Q)



Quarterly Financial Highlights: BS

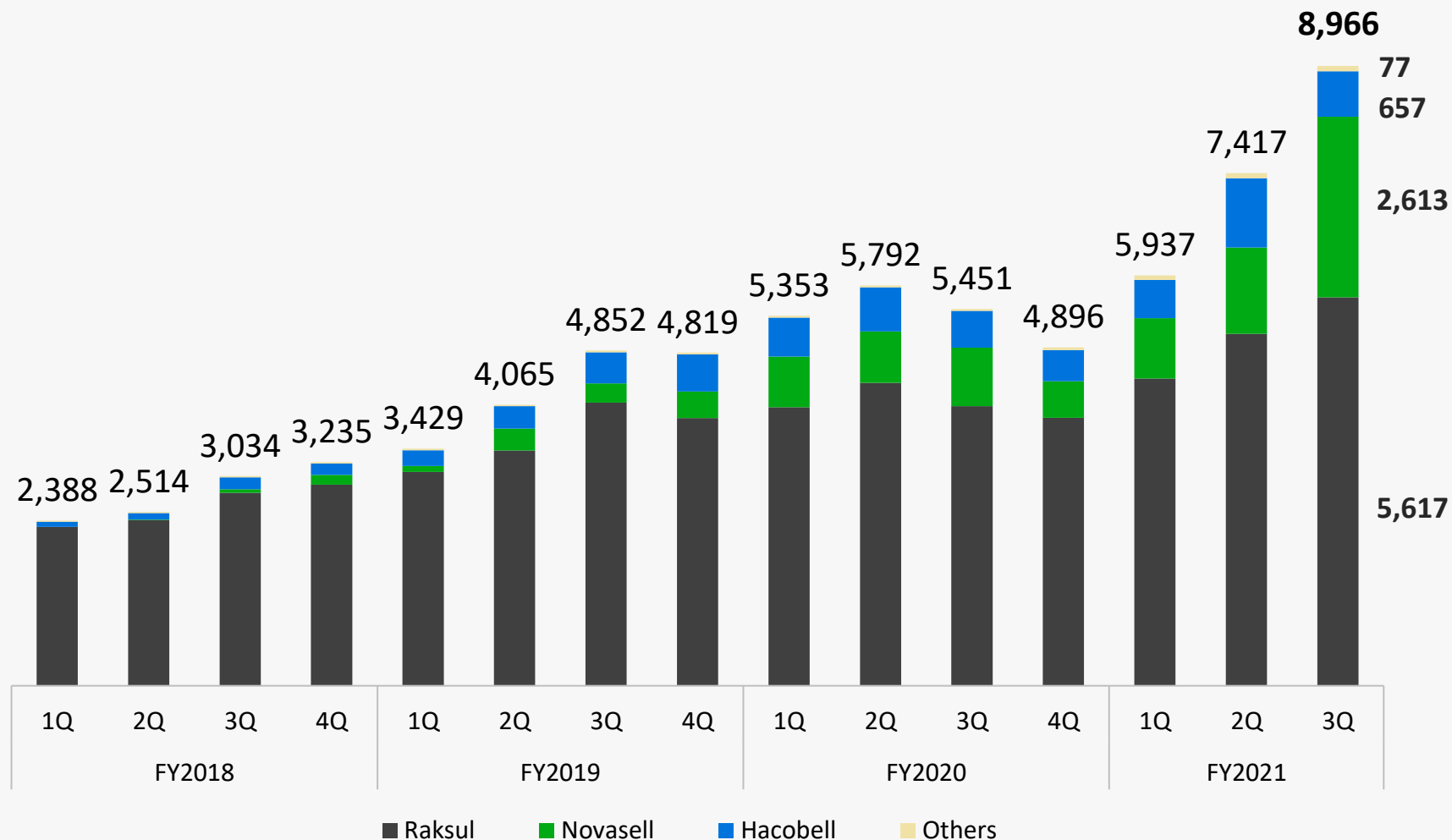
- Total of JPY 3.4Bn investment made in Peraichi Inc. and Danball One Inc. (we own approximately 49% of both companies)
- Our financial health continues to be strong with JPY 12.9Bn in cash and strong net asset position

(in JPY MM)



Revenue

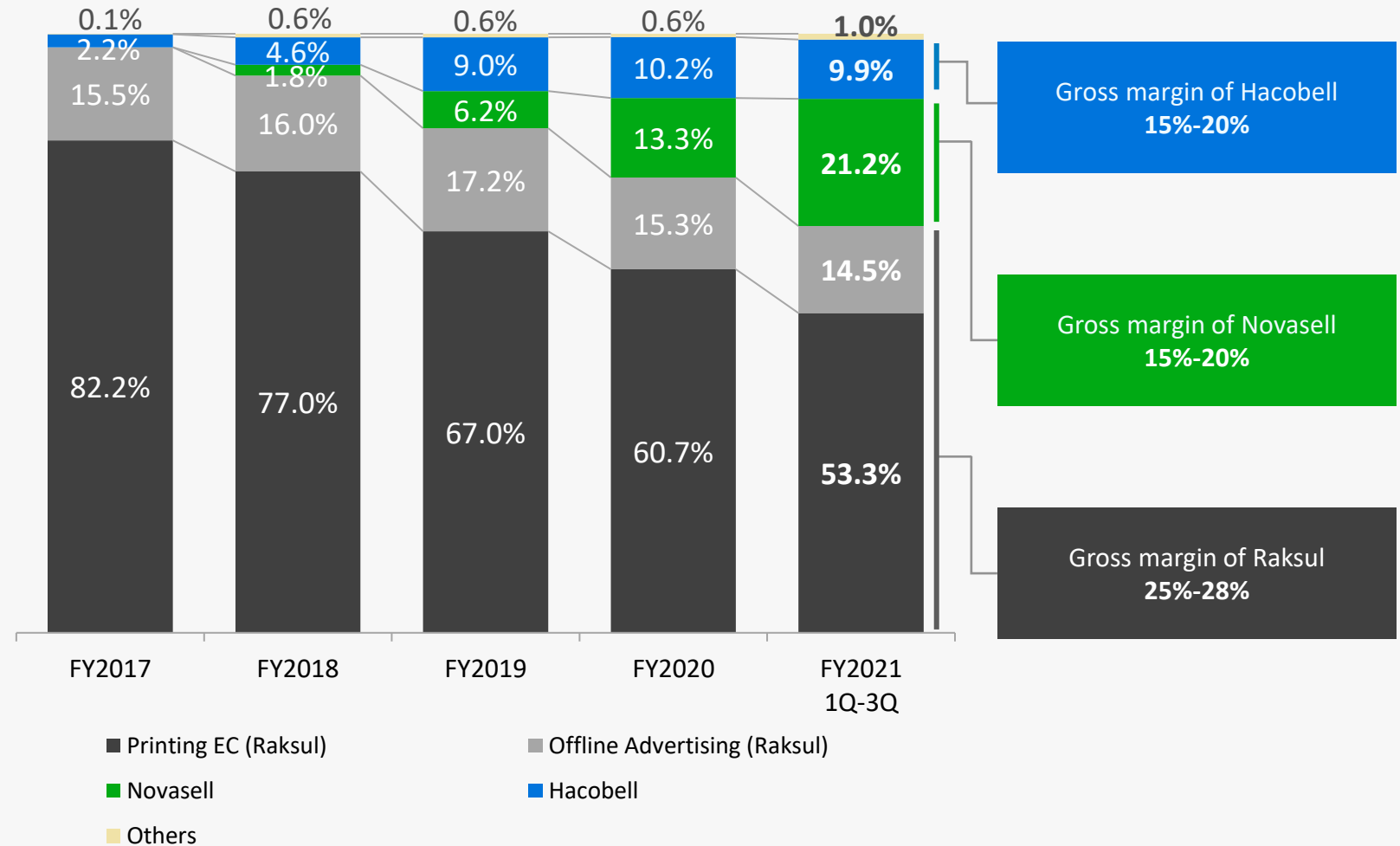
- Accelerated growth for all businesses, and we have reached a record high for quarterly revenue
- Under normal circumstances, the peak season for the Raksul business segment and the Novasell business segment is 3Q, and for the Hacobell business segment it is 2Q and 3Q





Revenue Composition by Business Segment

- Our newer platforms are rapidly expanding while the printing EC service continues its growth, creating multiple strong revenue streams
- The total revenue contribution from non-printing services is more than 45%
- Most recently, there has been a significant increase in the Novasell business segment

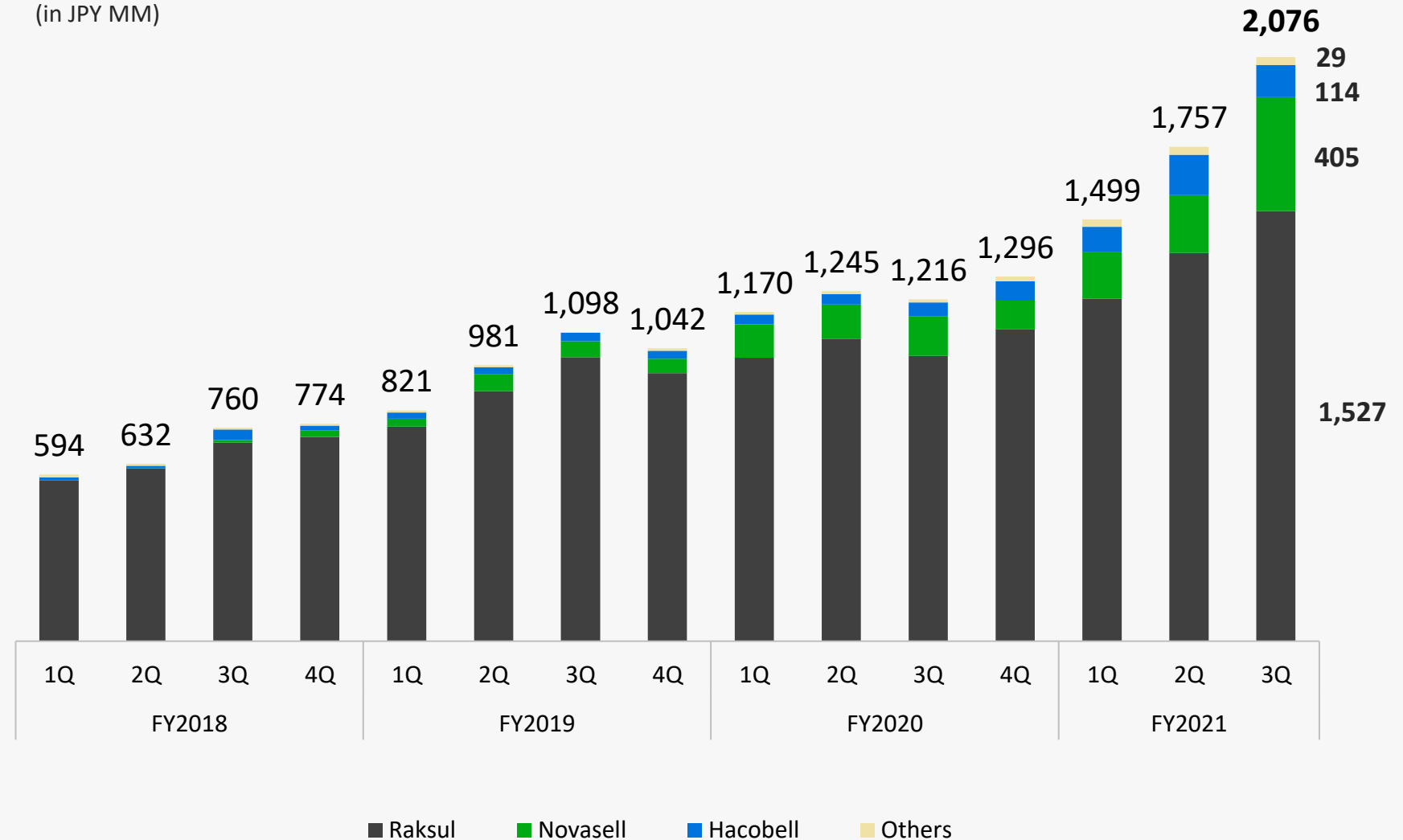




Gross Profit

- Gross profit, our most important indicator, grew by 70.8% YoY

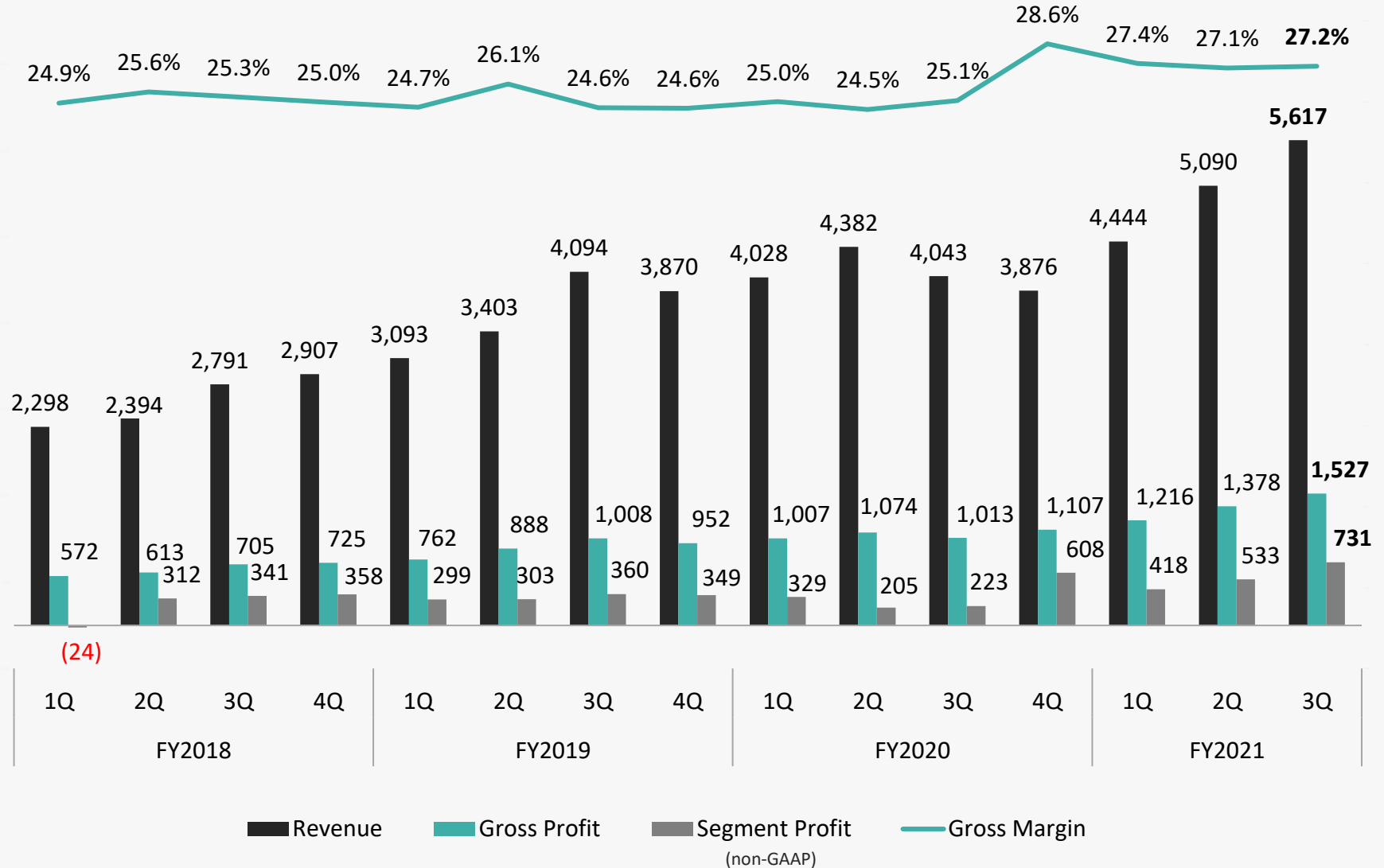
(in JPY MM)



Business Segment Performance

- Record high growth for both revenue and gross profit
- 3Q segment profit also hit a record high due to some restraint in ad spend compared to previous years. We plan to increase ad spend in Q4

(in JPY MM)





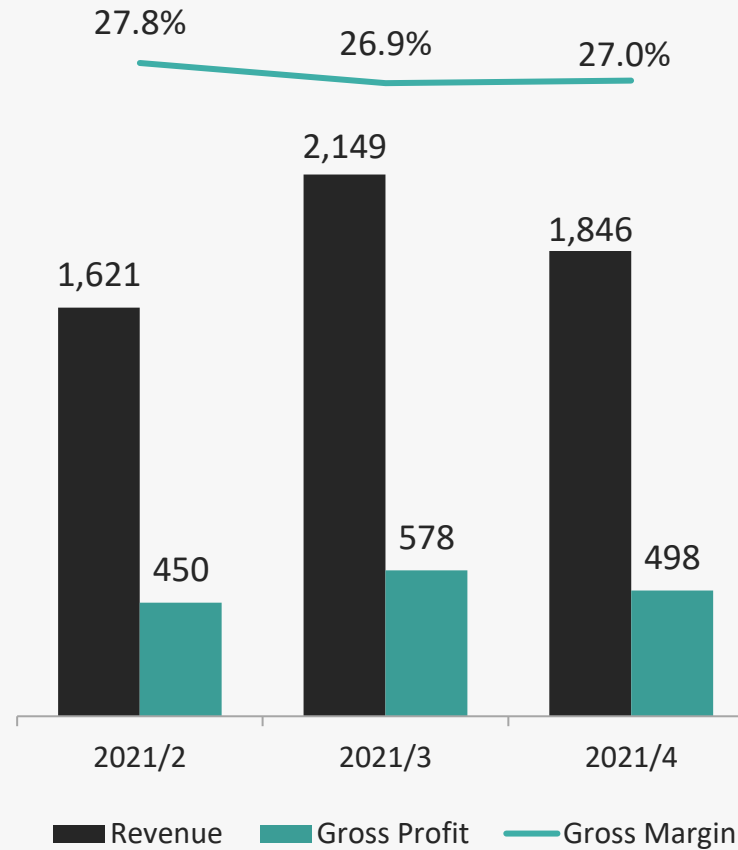
(Reference)

Segment Monthly Financials in 3Q

- Revenue reached a record high in March as it is the peak season
- As for the impact of the State of Emergency, please refer to the next page

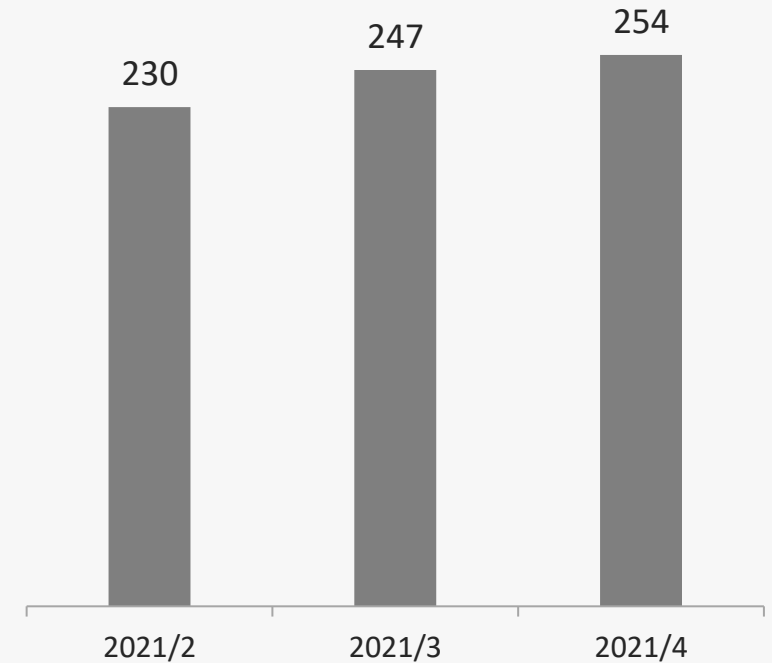
Revenue / Gross Profit / Gross Margin

(in JPY MM)



Segment Profit (non-GAAP)

(in JPY MM)

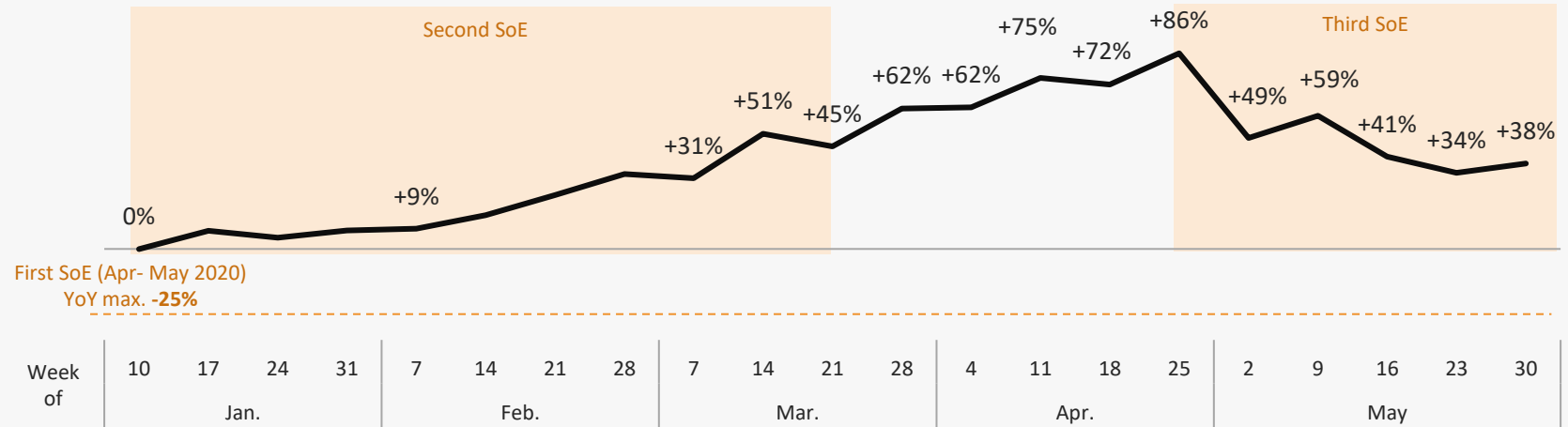




Current Recovery from the State of Emergency (SoE)

- The growth rate continued to improve, despite there being multiple SoEs declared between 3Q to 4Q. The impact (degree and duration) remained limited compared to the first SoE
- In addition, our ability to adapt to changes has steadily improved, for example, by strengthening products that are in demand even in the COVID-19 environment
- 4Q revenue growth for the RakSul segment is expected around +26-36% YoY. Early June showed stronger performance than May

Revenue Growth ⁽¹⁾ (YoY)



Demand Situation

	Accelerated growth	Recovered after decline	Continuously weak
Products	<ul style="list-style-type: none"> - Novelties - Envelopes, DM (work from home demand) - Posting, etc. (local marketing) 	<ul style="list-style-type: none"> - Flyers, booklets, brochures, business cards, etc. (our core products) 	<ul style="list-style-type: none"> - Panels, banners, etc. (for exhibitions and events)
Industry	<ul style="list-style-type: none"> - IT & Telecommunication (increased demand for digital services) 	<ul style="list-style-type: none"> - Wide range of industries (except those listed on the right and left) 	<ul style="list-style-type: none"> - Travel & Hotels (demand decline) - Recruitment services (self-restraint on events, online events etc.)

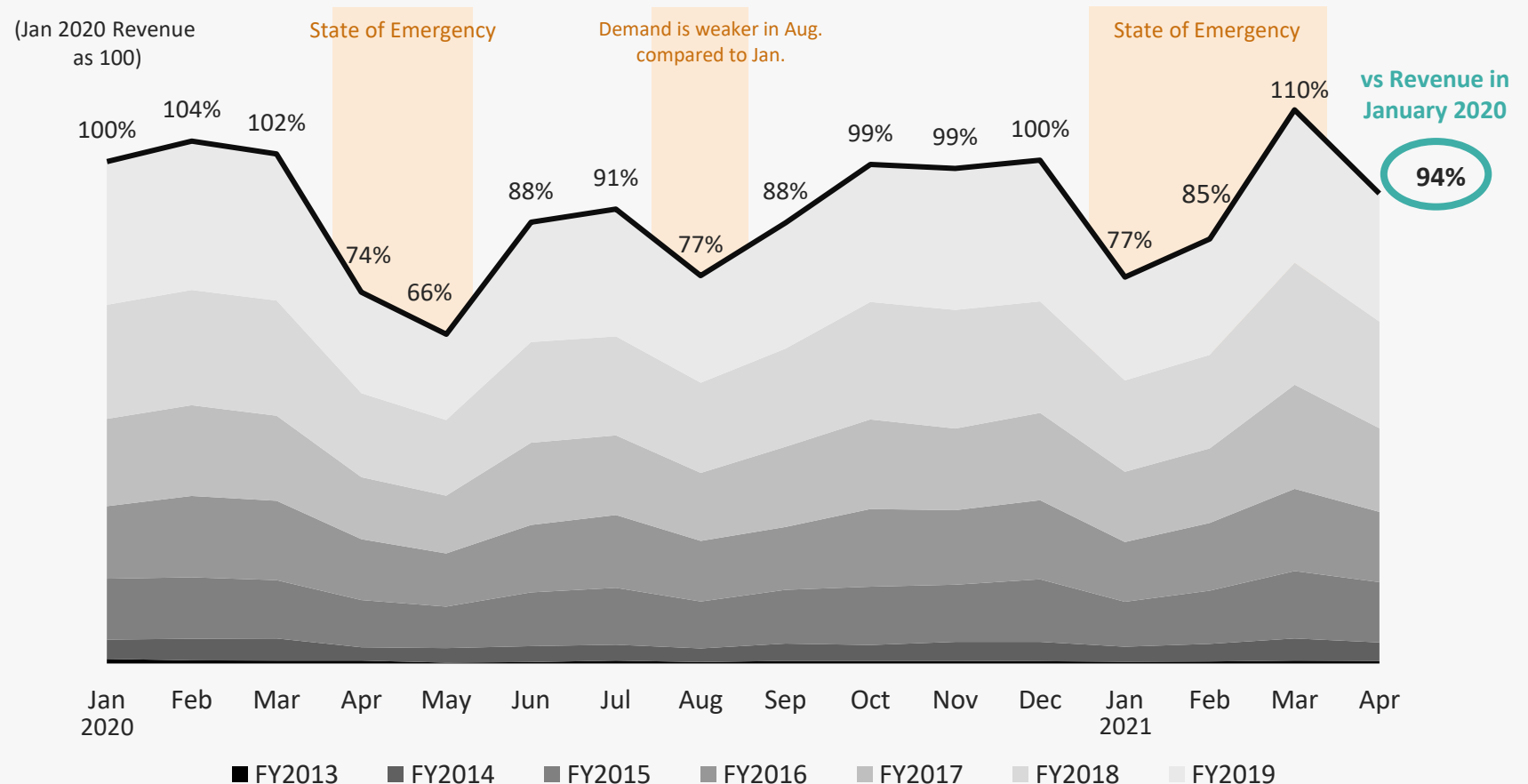
Notes
(1) Calculated based on management accounting



Revenue from Repeat Customer Base

- Although there was limited impact from the State of Emergency, the recurring revenue from our users acquired up to 2019 has been steadily growing
- With the added revenue from the users acquired in 2020-2021, the growth rate reaccelerated compared to last year

Recurring Revenue Trend from Users acquired up to 2019 ⁽¹⁾
(the number does not include new customers acquired in 2020 to 2021)

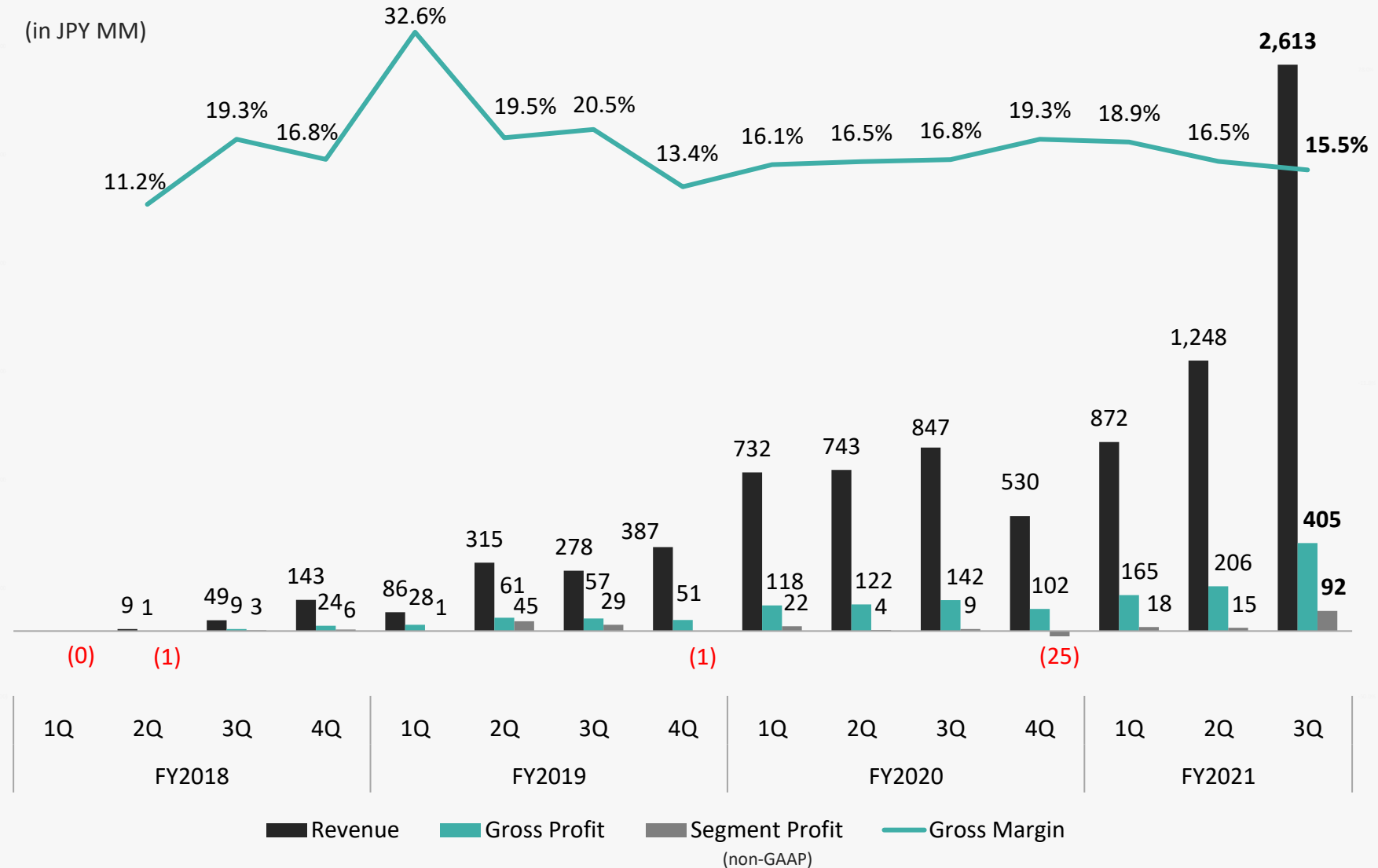


Notes
 (1) Calculated based on management accounting



Business Segment Performance

- Both revenue and gross profit showed strong growth due to an increase of new customers and larger projects
- For 4Q, revenue is expected at around JPY 1.70-1.75Bn, and gross margin expected to go back to around 16.5%
- Contribution to gross margin by Novasell Analytics (SaaS) increased by +0.5% during 3Q alone. The cumulative number of companies that have implemented the software is 94 (including free use)

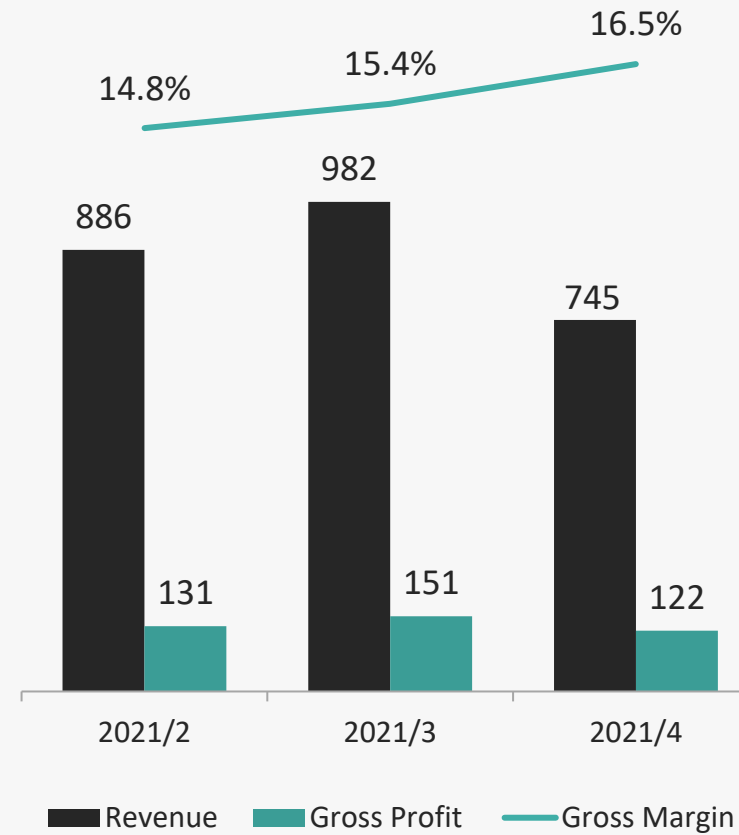




(Reference)
Segment Monthly
Financials in 3Q

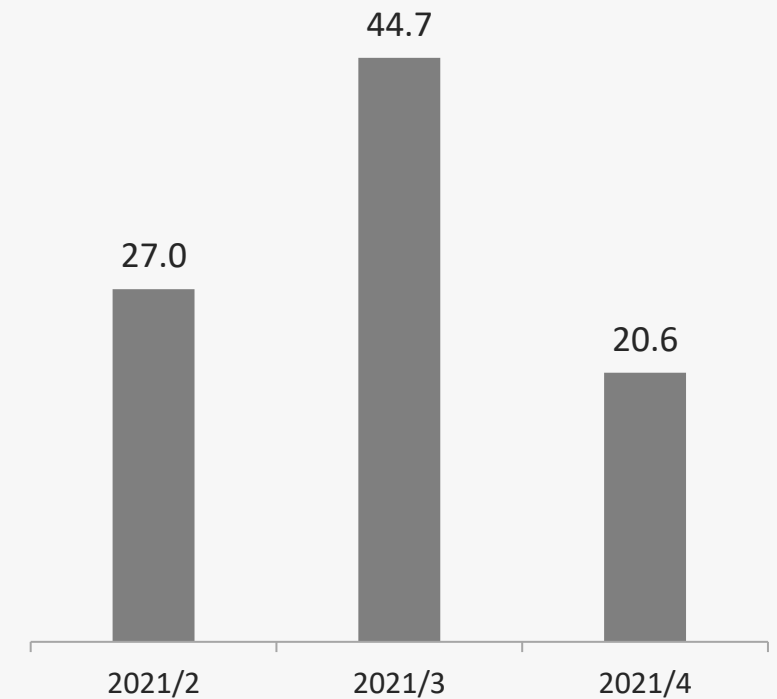
Revenue / Gross Profit / Gross Margin

(in JPY MM)



Segment Profit (non-GAAP)

(in JPY MM)

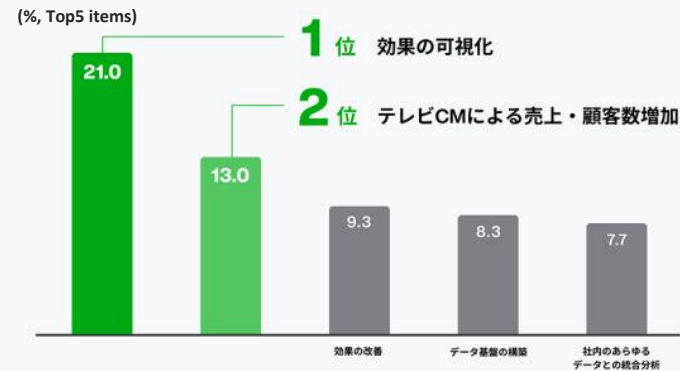




Novasell Leading the Programmatic TV Commercial Market

- The programmatic TV commercial market has been expanding due to expectations on visualization and maximization of TV ad effectiveness
- More and more clients are using Novasell; usage is accelerating in the market

What to Focus on in TV Ad Campaigns



#1 Visualization of effectiveness

#2 Increase in revenue/customers

Novasell Ratings



#1 in frequency/willingness of usage and recognition

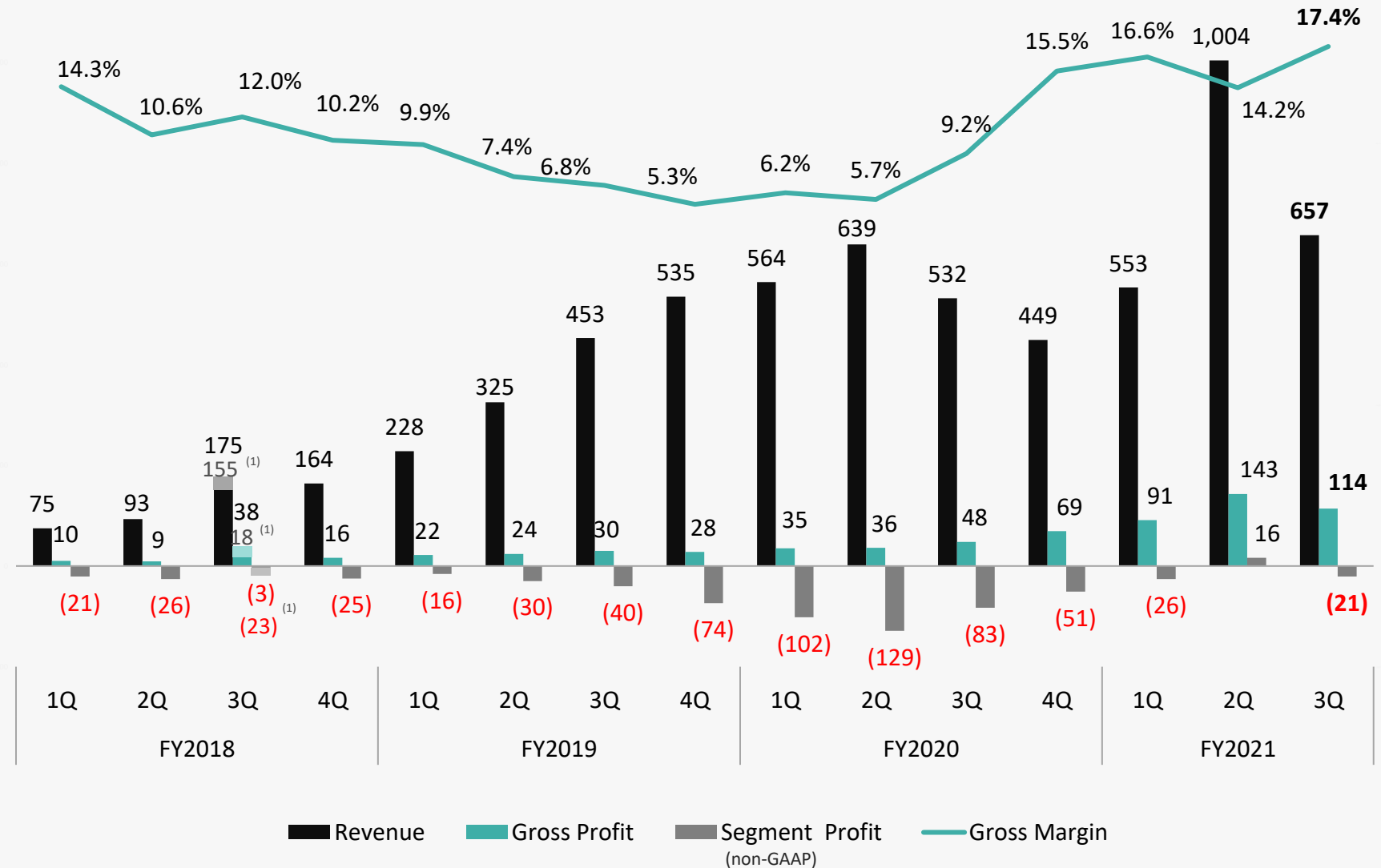
Source: RakSul survey on “TV CM campaigns”

- Scope: 300 directors/managers/employees in marketing/PR/corporate planning, ages 22-69, in companies with annual ad spend of over JPY 1bn with experience in TV CM campaigns
- Method: Internet
- Survey monitor provider: GMO Research, Inc.
- Period: Jan 25th – 29th, 2021

Business Segment Performance

- We have shifted into a re-growth phase for revenue while maintaining the gross margin level
- In 3Q, the demand for food delivery, which temporarily increased significantly in the previous quarter, peaked. Seasonality is also strongest in 2Q throughout the year
- Gross margin has improved and reached a record high of 17.4%
- Revenue is expected to increase in 4Q, approximately JPY 750-800MM

(in JPY MM)



Note

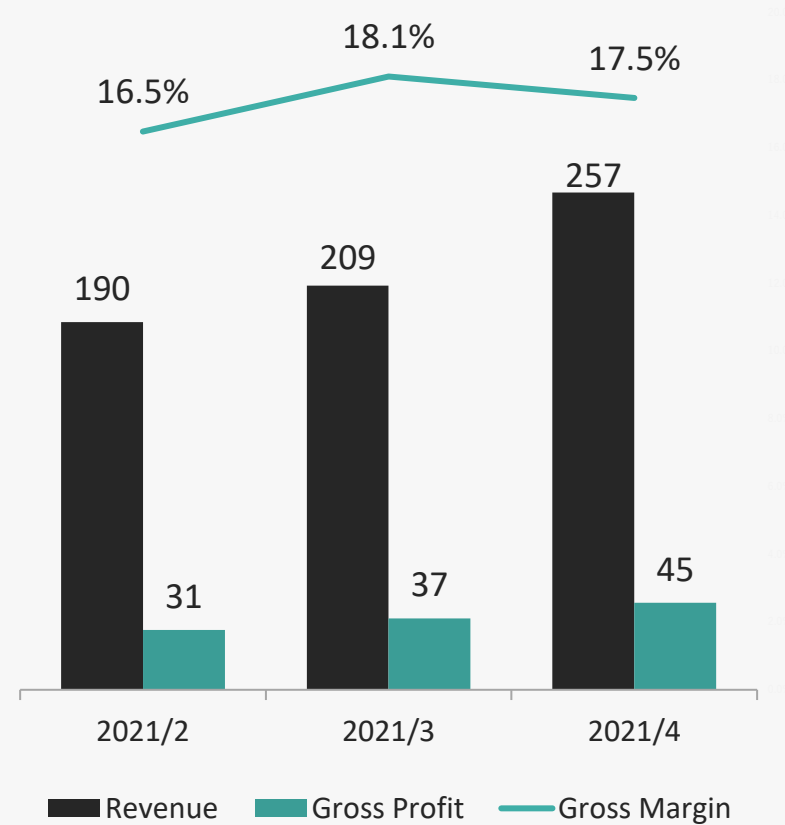
(1) Including revenue from system development for Yamato HD in FY2018; this revenue is excluded from gross margin calculation



(Reference)
Segment Monthly
Financials in 3Q

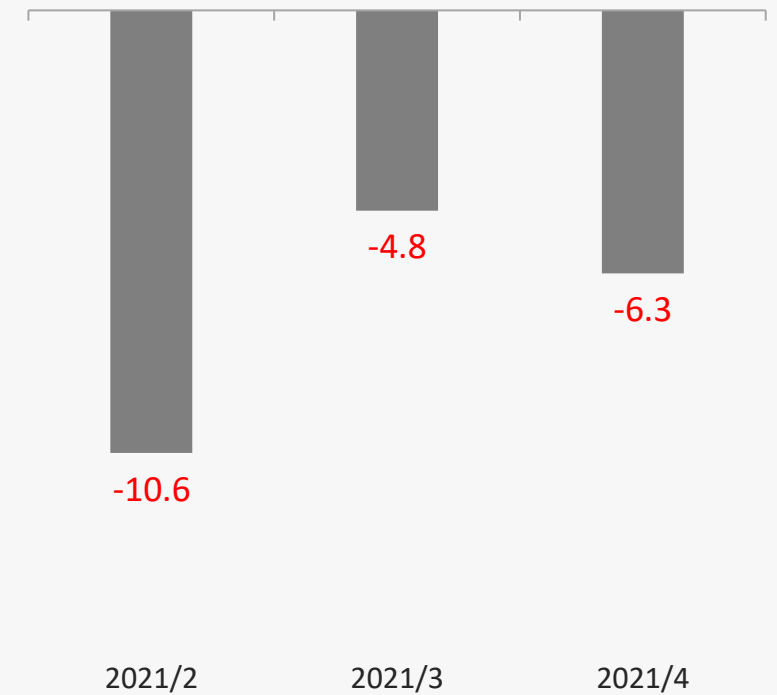
Revenue / Gross Profit / Gross Margin

(in JPY MM)



Segment Profit (non-GAAP)

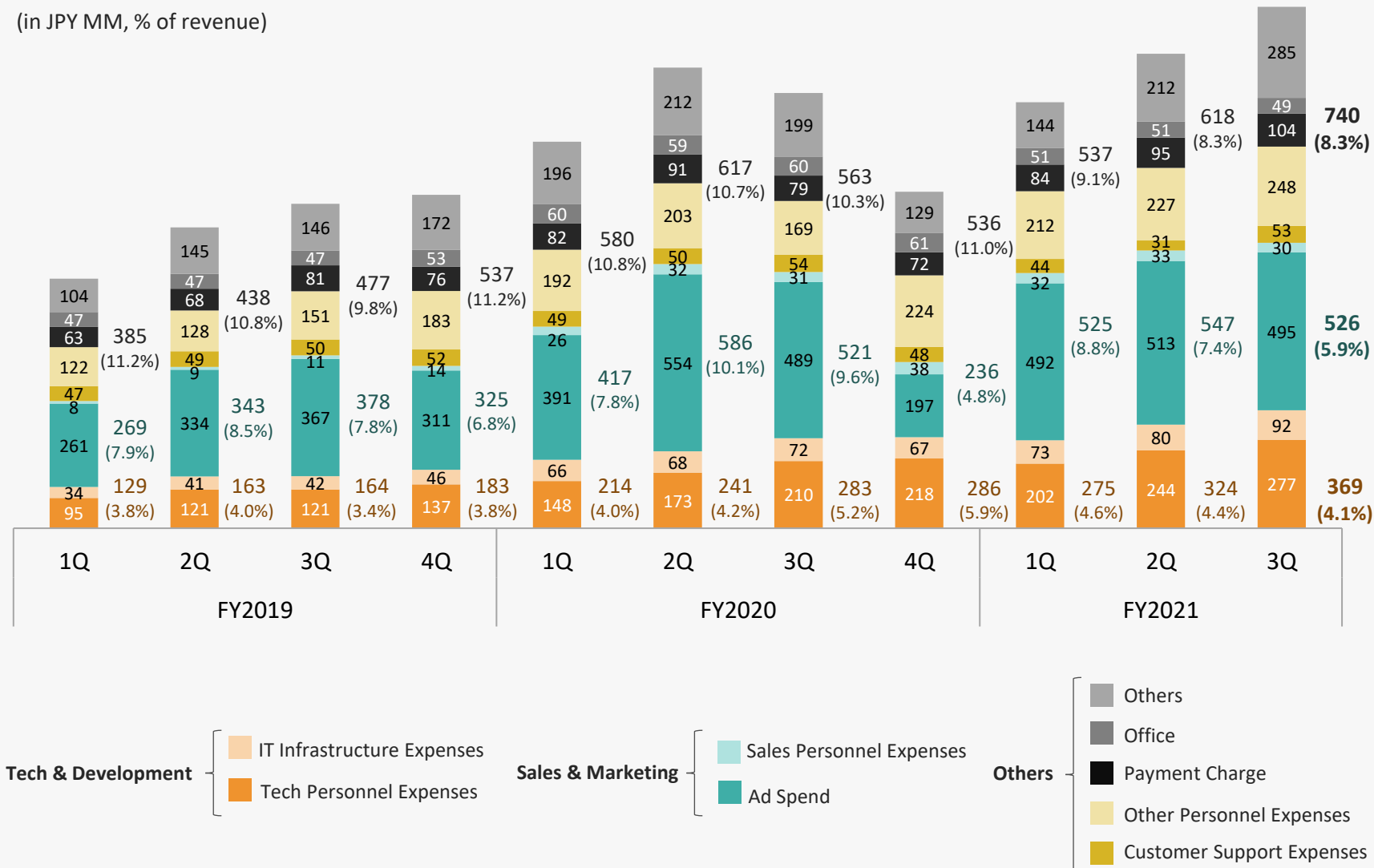
(in JPY MM)



SG&A Spend

- We continued to invest in growth mainly in advertising and technology development
- There was increase in personnel expenses and recruiting expenses (other expenses) due to accelerated hiring

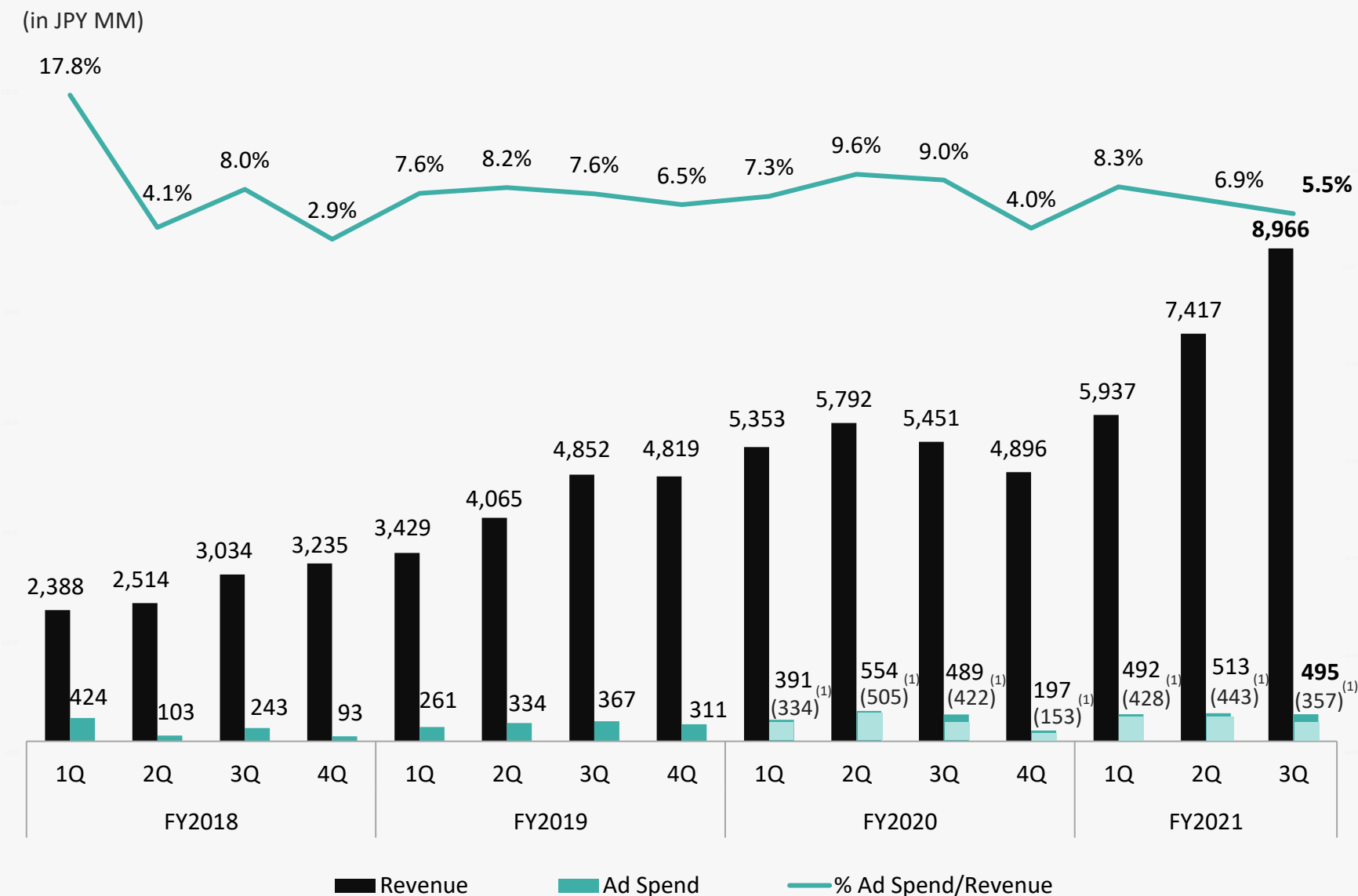
(in JPY MM, % of revenue)



Note
(1) Stock-based compensation expense is not included

Ad Spend and Percentage of Ad Spend per Revenue

- We continue to invest in advertising, mainly in TV commercials for the RakSul business segment
- Expect ad spend to increase in 4Q compared to 3Q. The estimated ad spend per Revenue for FY2021 overall is around 8%



Note

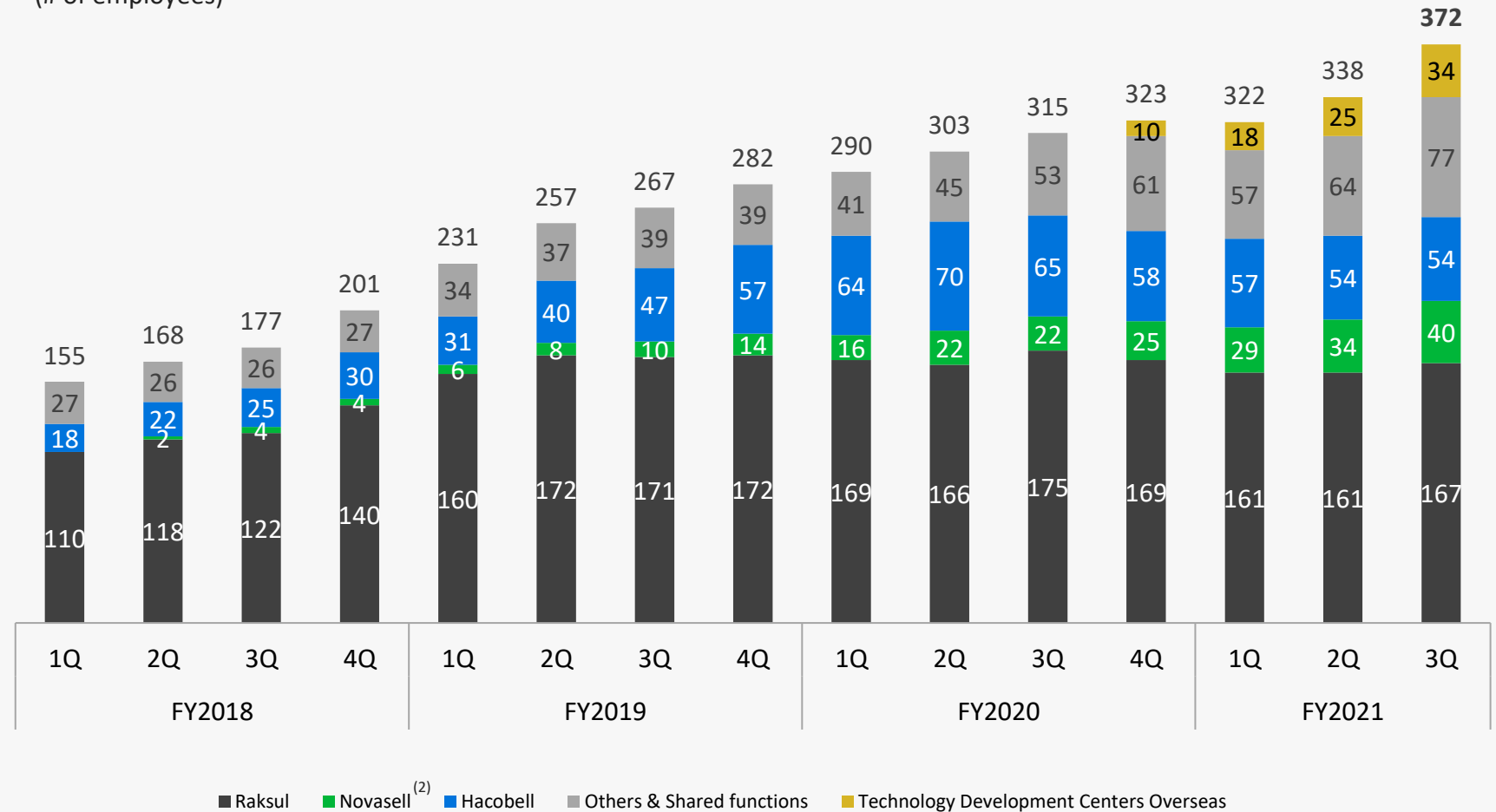
(1) Numbers in parentheses are only for printing EC and offline advertising services



Number of Employees ⁽¹⁾

- We have been continuously strengthening our organization by filling key positions selectively
- We have added the number of employees in our overseas non-consolidated technology development centers (India and Vietnam) for reference
- The increase in number of employees in 3Q was mainly due to new graduates joining the company, continued expansion of overseas development centers, and additional hiring for Novasell; resulting in a healthy expansion of the organization

(# of employees)



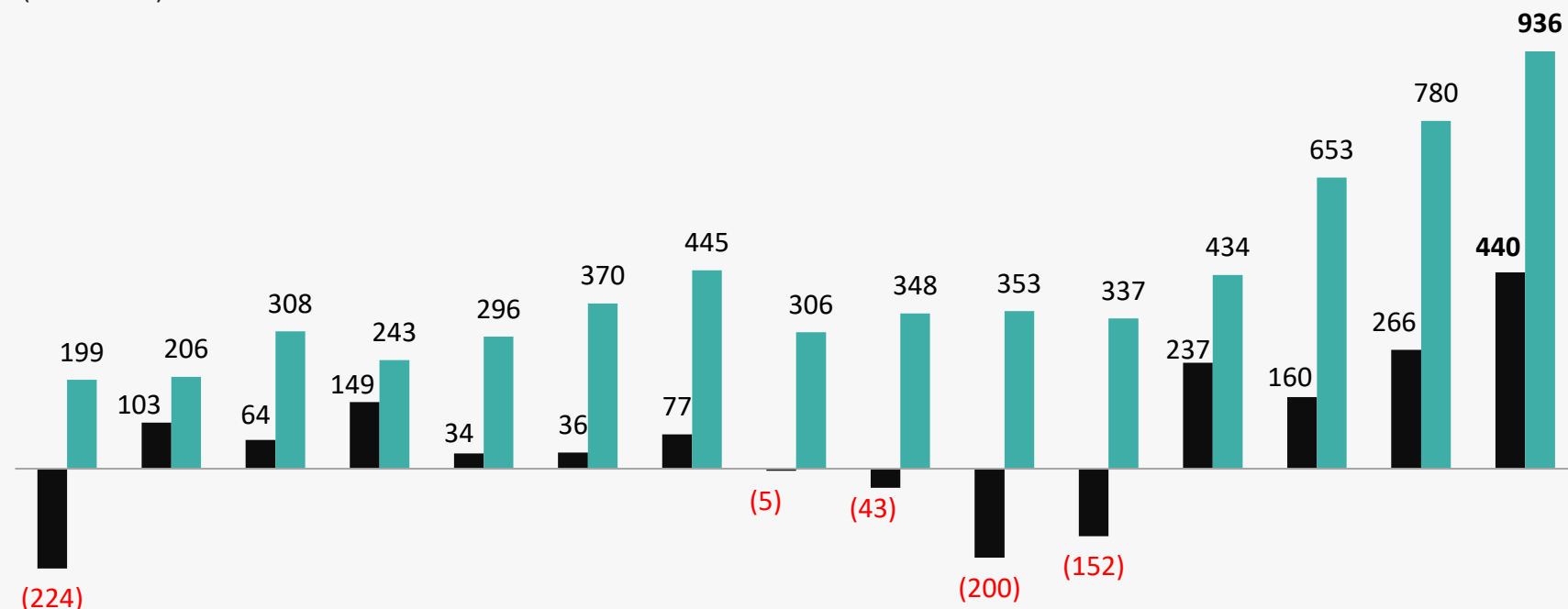
Note

- (1) There may be discrepancy with the headcount numbers disclosed in the Company Profile and other materials, which are calculated based on the conversion of FTE (full-time equivalent) values
- (2) Novasell has been operating as an independent business division since FY2020; prior to FY2019 it was operating within the same business division as RakSul
(The figures for Novasell in FY2018 and FY2019 are the number of employees who were engaged in TV commercial-related services, including employees concurrently working in the printing EC service and in the offline advertising service)

Operating Profit and Adjusted Operating Profit (excl. Ad Spend)

- We reached record-high in operating profit (non-GAAP) excluding ad spend
- All advertising expenses are variable costs, and cashflow (which is controllable) is steadily increasing

(in JPY MM)



(Hacobell Business Segment Profit)

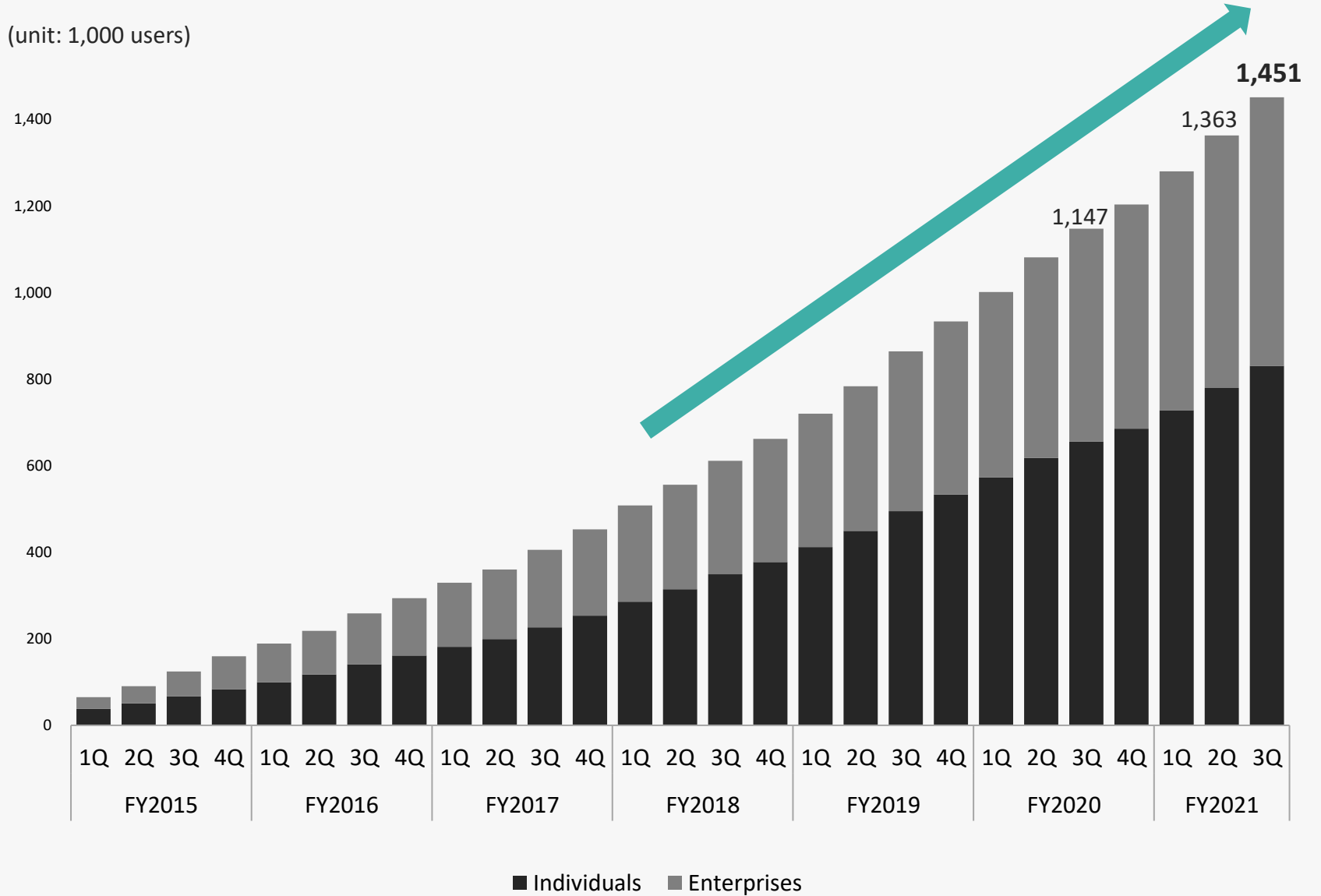
(21)	(26)	(3)	(25)	(16)	(30)	(40)	(74)	(102)	(129)	(83)	(51)	(26)	16	(21)
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
FY2018				FY2019				FY2020				FY2021		

■ Operating Profit (non-GAAP) ■ Adjusted Operating Profit (excl. Ad Spend, non-GAAP)

Number of Registered Users on Printing Platform ⁽¹⁾

- Our customer base saw continuous growth even during COVID-19
- The number of total users for 3Q was 1,451,614

(unit: 1,000 users)



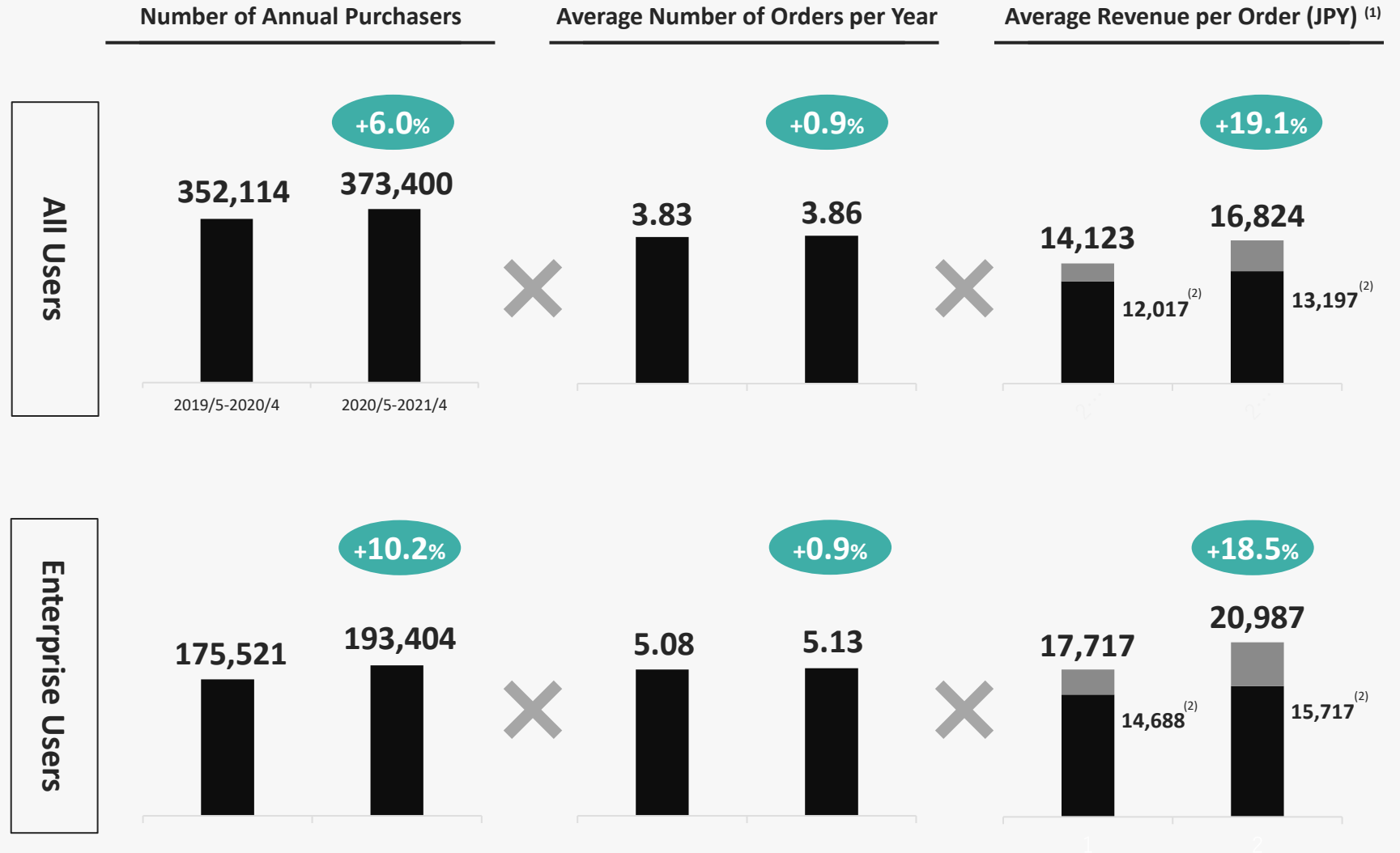
Note

(1) Number of total registered users for RakSul only. It does not include users on Hacobell



Sticky User Base

- All KPIs recovered to positive growth in LTM (last 12 months). There has been a steady increase for all KPIs compared to the previous quarter
- The growth rate of average revenue per order (RakSul business segment only) for all users was +9.8% and for enterprise users it was +7.0%



Notes

(1) Calculated based on management accounting, excluding Novasell Analytics (SaaS) (Different from what was disclosed in FY2020 Q3)

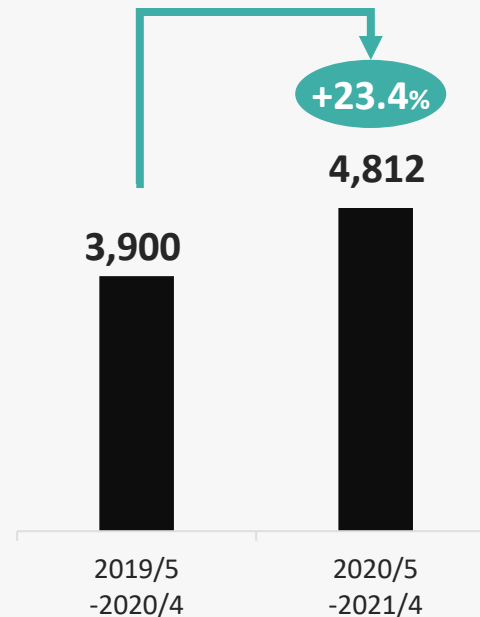
(2) Average revenue per order excluding Novasell



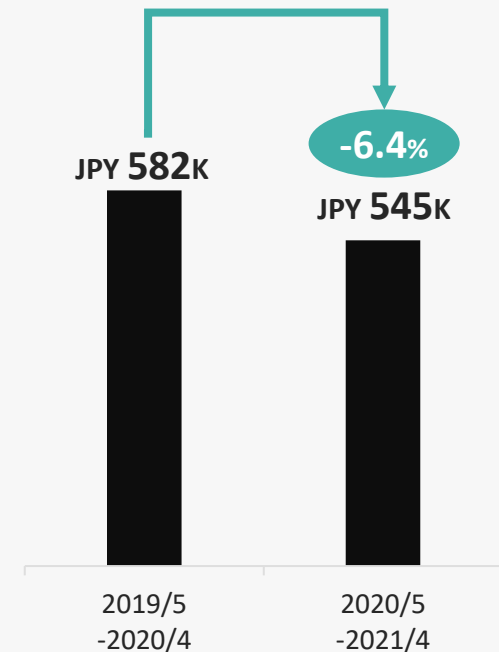
Number of Clients and Average Revenue per Client (ARPU) ⁽¹⁾

- We are now shifting to KPI disclosure of the number of clients and the ARPU (number of usage x unit price per use) with the focus of the business
- We saw an increase in the number of smaller enterprises, leading to an increase in the number of clients but a slight decrease in ARPU
- We strive to continuously improve the number of clients and the ARPU through sales and marketing, and by deeply penetrating into the clients' delivery operations

Number of Clients



ARPU



Note
(1) Hacobell connect (SaaS) is not included



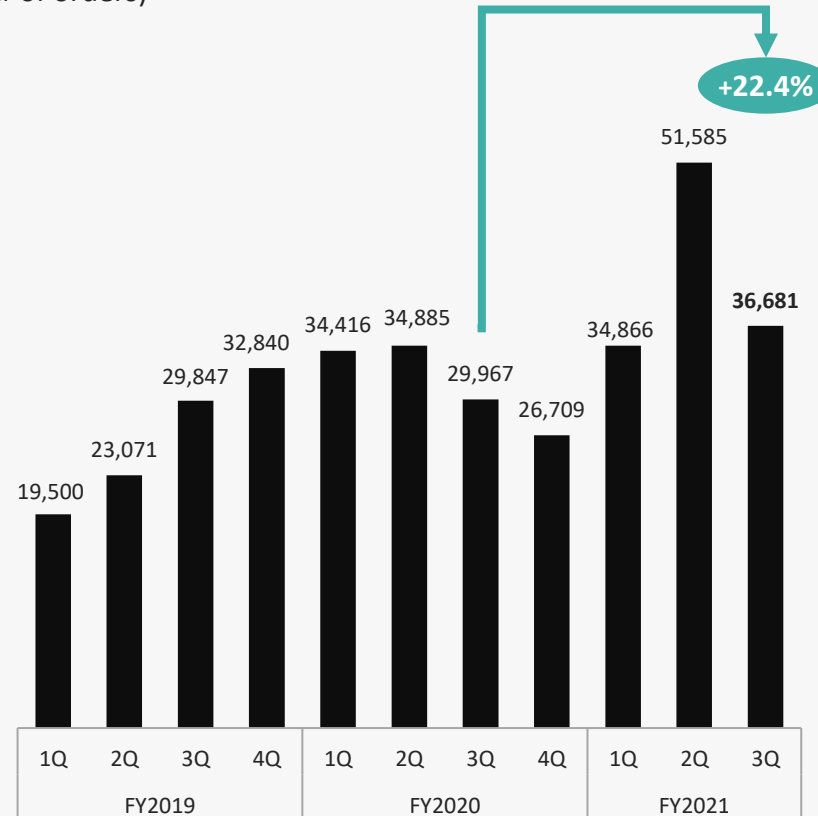
(Reference)

Number of Orders and Revenue per Order

- We will continue to disclose this information during this fiscal year

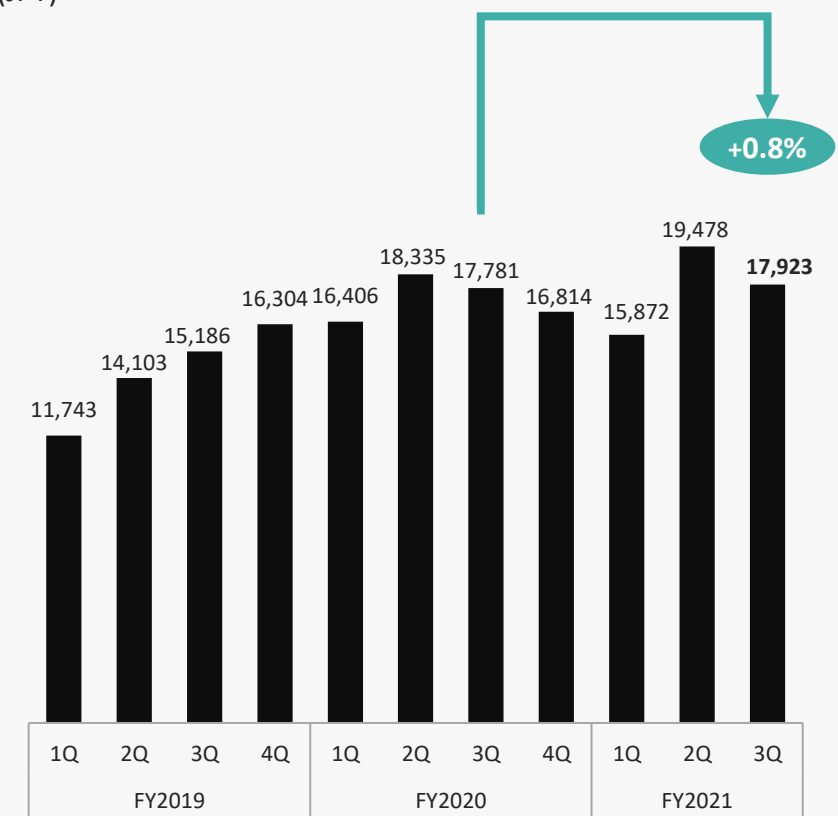
Number of Orders

(# of orders)



Revenue per Order ⁽¹⁾

(JPY)



Note

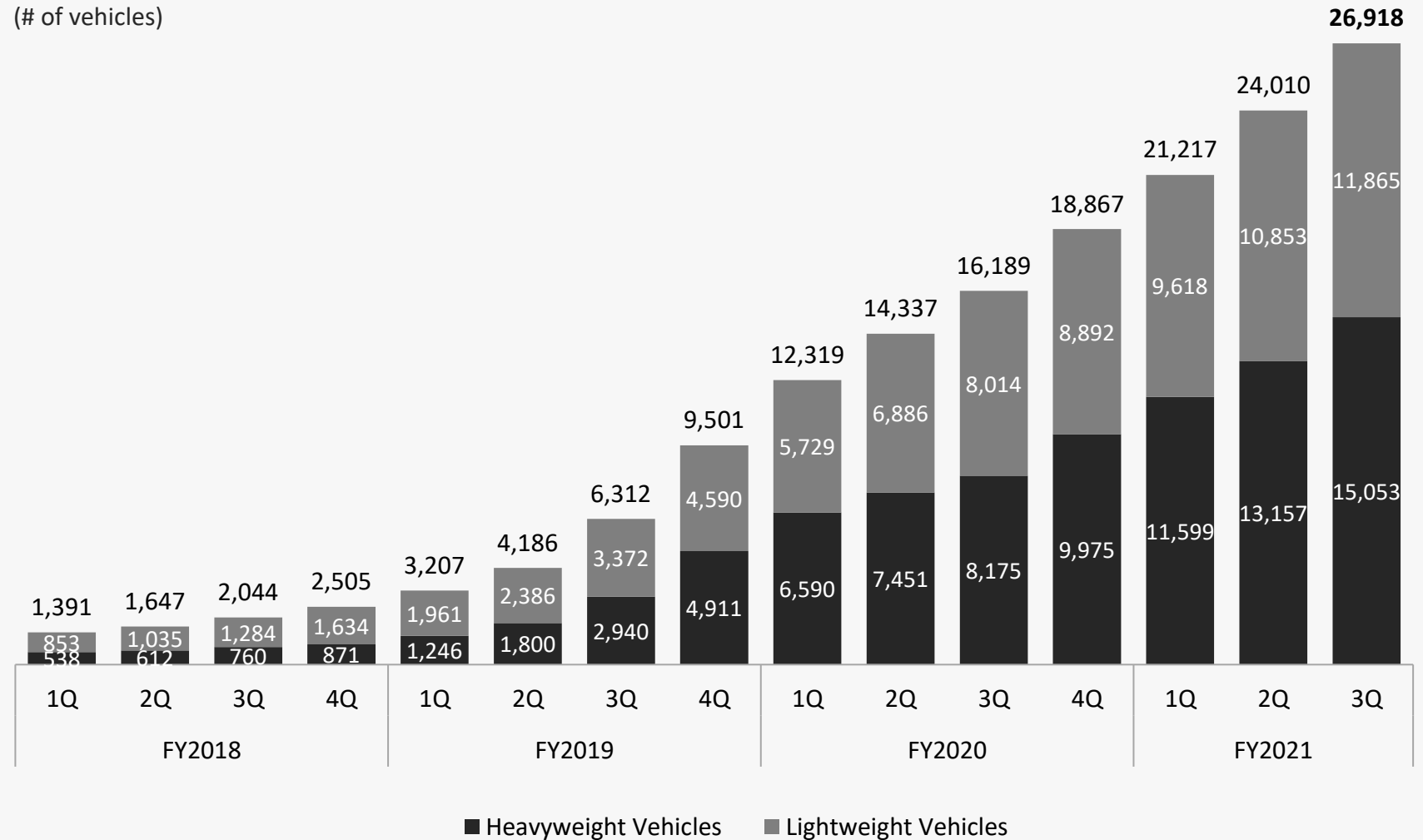
(1) Value based on financial accounting standards and includes internal transactions



Number of Registered Vehicles

- The number of registered vehicles has increased steadily, which leads to securing our transportation capacity to support business growth
- We have established recognition within the industry particularly for lightweight vehicles, and natural inflow will continue at a certain level

(# of vehicles)



3

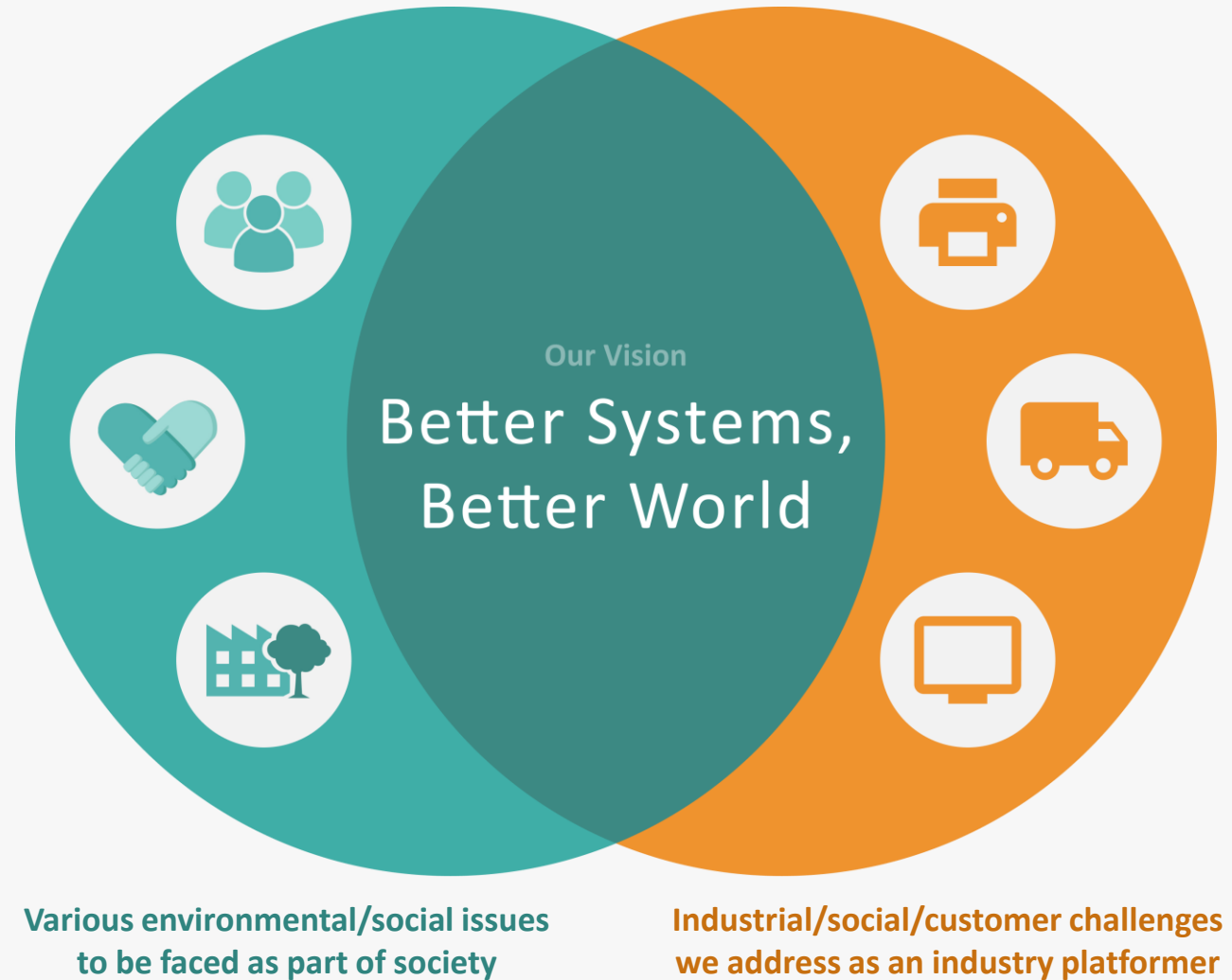
ESG Initiatives





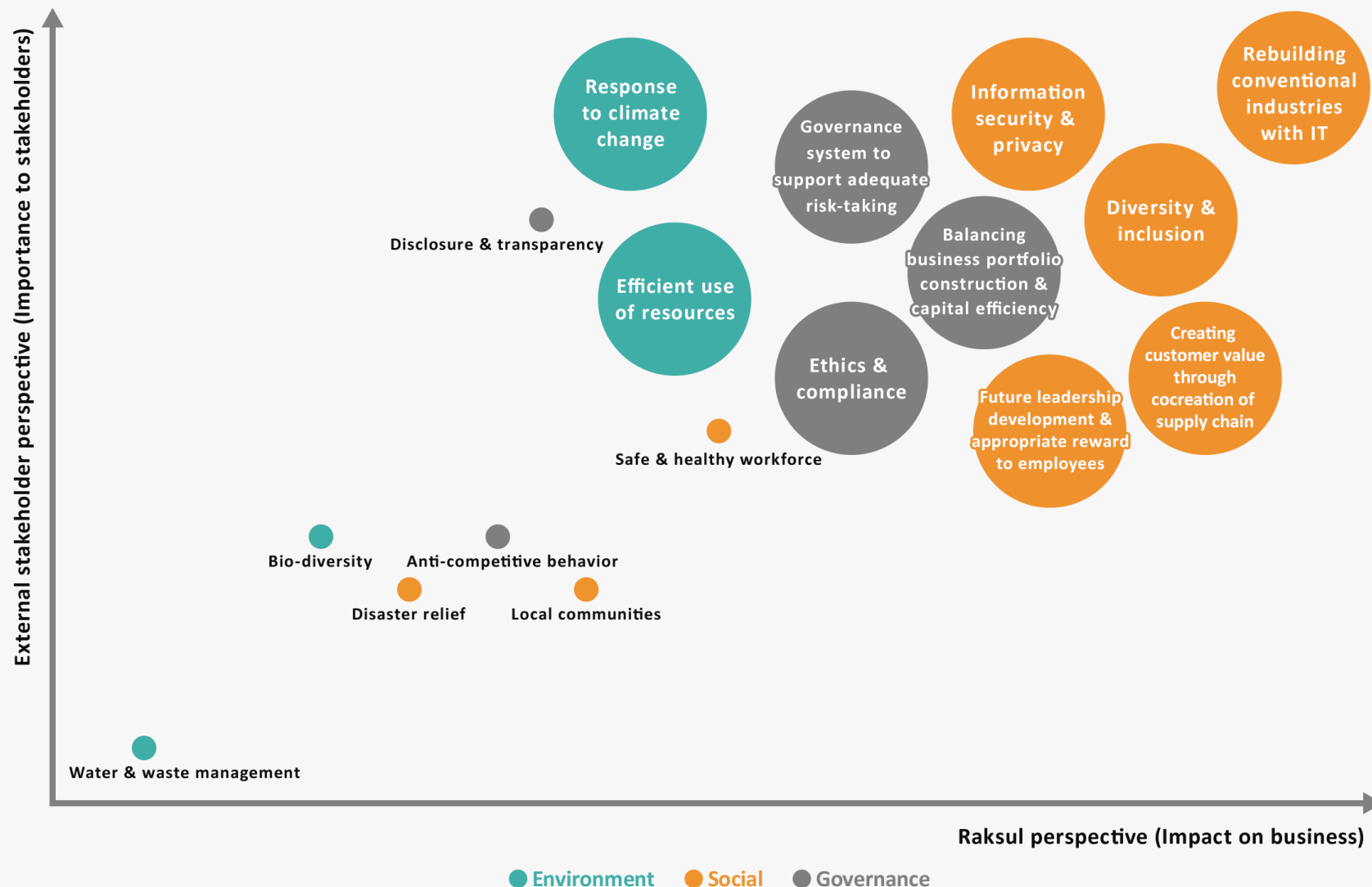
Why ESG is Important for Our Business

- Our corporate 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
- Therefore, we believe our business activities based on our corporate vision and our contributions towards resolving environmental/social issues should be compatible



ESG Materiality

- We have identified our materiality by referring to external guidelines such as SASB and SDGs, as well as multiple discussions with stakeholders and the Board of Directors
- We will further strengthen our ESG initiatives in accordance with this materiality map
- We will review the map every 1-2 years, taking into account changes in social conditions and dialogues with stakeholders





External Ratings / Strengthening Information Disclosure

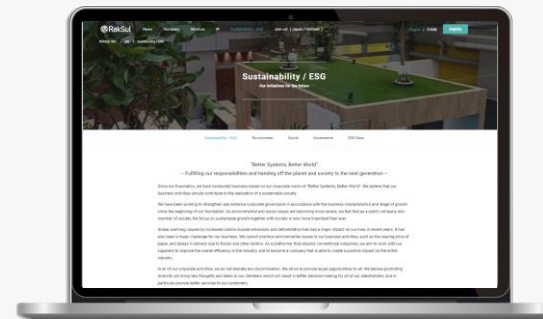
- We have been awarded a "BBB" rating by MSCI ESG Research as of April 2021. We will strive to continuously improve through constructive dialogue with stakeholders
- We launched our new "Sustainability / ESG" website in June 2021. We will strive to provide enhanced information related to ESG and disclose such information proactively, in addition to the ESG activities themselves

MSCI ESG RATINGS

BBB

CCC	B	BB	BBB	A	AA	AAA
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As of 2021, Raksul Inc. received an MSCI ESG Rating of BBB.



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

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

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4

Revision of the Full-Year Forecast



Revision of the Full-Year Forecast

- Though there was a certain amount of negative impact due to the COVID-19 environment/State of Emergency, all businesses showed strong performance and the growth rate of gross profit exceeded the medium-to-long term target of CAGR 30%
- Revenue is expected to grow +37.9% to +40.3% YoY, and gross profit growth is expected at +44.1% to +46.1% YoY
- For forecast on profits based on financial accounting standards, please see slides in reference for more details

(in JPY MM)	FY2021 (2020/8-2021/7)			FY2020 (2019/8-2020/7)	
	Revised Forecast	Previously Announced Forecast (Sep 10, 2020)	Difference	Actual	YoY
Revenue	29,650 ~30,150	27,000 ~28,000	+7.7% ~+9.8%	21,494	+37.9% ~+40.3%
Gross Profit	7,100 ~7,200	6,450 ~6,900	+4.3% ~+10.1%	4,928	+44.1% ~+46.1%
Operating Profit (non-GAAP)	720 ~800	300 ~500	+60.0% ~+140.0%	-159	-

Forecast for 4Q

- The lower limit is based on the assumption that the State of Emergency will continue to be declared until the end of July and that the Olympics will be held.
- 4Q is the off-peak period for all businesses compared to 3Q
- As it is certain the full year operating profit (non-GAAP) will highly exceed the full year forecast, we will strengthen investment in Q4 towards growth for the next fiscal year. There will be certain quarters going forward in which we focus on investment
(There is no change in policy for increasing profit on a full-year basis)

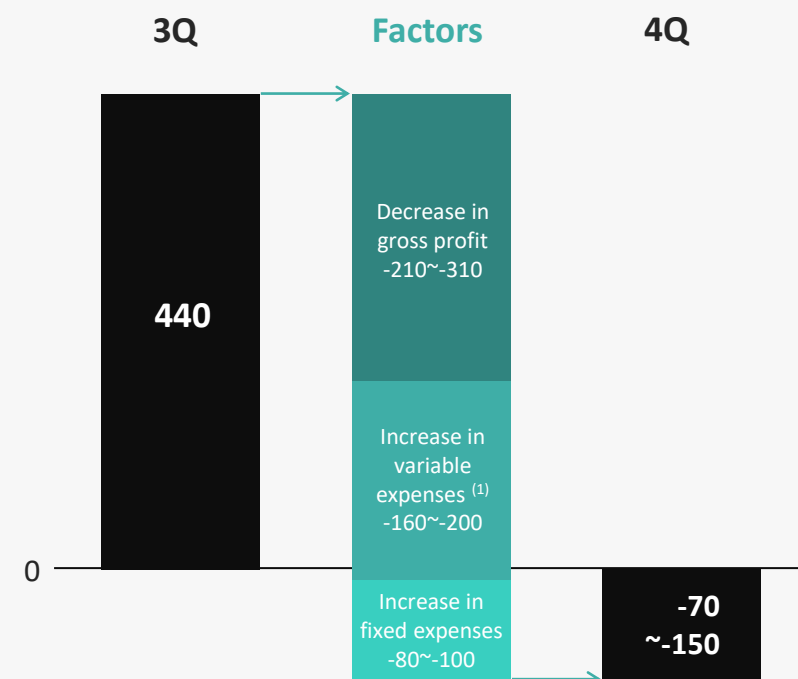
4Q Forecast

(in JPY MM)	Forecast	YoY
Revenue	7,329 ~7,829	+49.7% ~+59.9%
Gross Profit	1,767 ~1,867	+36.3% ~+44.1%
Operating Profit (non-GAAP)	-150 ~-70	-

Note

(1) Includes one-time expenses, investment amount adjusted according to the amount of decrease in gross profit

3Q vs 4Q Operating Profit (non-GAAP) Variance





(Reference)

Management Focus

- There is no change in the policies for each business segment disclosed in September 10, 2020 as described to the right
- We will maintain continuous growth for the Raksul business segment while balancing the growth investment and profitability
- For the Novasell and Hacobell business segments, we will continue to focus on growth and allow for losses to a limited extent

Financial Focus		Policies
Raksul (Printing EC and Offline Advertising)	Gross Profit Segment Profit	- Continue to reinvest in the business within the scope of profit while continuing to expand gross profit and segment profit
Novasell (TV commercial-related services)	Revenue Gross Margin	- Focus on revenue and gross profit growth - Losses are limited as the investment will be mainly made with profits generated by the business
Hacobell (Logistics)	Revenue Gross Margin	- Focus on high revenue growth while limiting losses and strengthening investment governance - Gross margin will be improved gradually

5

Q&A



Q&A

Question		Answer
Company wide	What is your forecast for the next fiscal year for revenue, gross profit, and operating profit?	We expect our forecast to be in line with our medium-to-long term target (revenue and gross profit growth over 30%, increase in operating profit (non-GAAP)).
Company wide	How will the Olympics affect the business performance?	If the Olympics are held, there will be a temporary negative impact on the Novasell business due to certain restrictions on TV commercial slots during the Olympics. We do not anticipate any particular impact on other businesses.
Raksul (Printing EC/ Offline ad)	How big is the risk of a price increase of paper in the economic recovery phase?	Though there is a scenario in which the price of papers will rise, we will control the impact through productivity improvement and pricing to ensure the gross margin will not be affected.
Novasell (TV commercial-related services)	How is the progress of the partnership with ADK?	With the increased presence in the industry through our partnership with ADK, the number of inquiries and orders from large customers have increased. We have also started to provide Novasell Analytics to ADK's clients. The number of companies that have made an inquiry are over 120, and we have acquired 25 orders as of April.
Hacobell (Logistics)	How is the progress of the SaaS business?	16 companies have implemented the software as of May, and the contribution to the increase in Q3 gross margin was over 1%. We will continue to expand with a focus on food & beverages.

6

Reference Materials





Company Overview

Name:	RAKSUL INC.
HQ:	Shinagawa-ku, Tokyo, Japan
Foundation:	September 2009
Management Team:	Yasukane Matsumoto, Founder and CEO Yo Nagami, CFO Masaki Tabe, CMO Kozo Fukushima, COO Yusuke Izumi, CTO Genichi Tamatsuka, Outside Director Yoshihiko Miyauchi, Outside Director Kenji Kobayashi, Outside Director Naomi Mori, Outside Director, Audit & Supervisory Committee Member Masahiro Kotosaka, Outside Director, Audit & Supervisory Committee Member Junko Utsunomiya, Outside Director, Audit & Supervisory Committee Member
# of Employees:	333 (as of April 2021)

Management Team



Yasukane Matsumoto

Founder and CEO

- Founded Raksul in September 2009
- Introduced the “Sharing Economy” model to the printing industry, in which idle assets are used more effectively
- Ex-consultant from A.T. Kearney
- Graduated from Keio University



Yo Nagami

CFO

- Joined Raksul in April 2014
- Well-versed in financial strategies with a wide range of knowledge obtained through experience in the financial and investment sectors
- Previously worked at Mizuho Securities, Carlyle Japan LLC, and DeNA
- Graduated from Keio University; MBA from The Wharton School of the University of Pennsylvania



Masaki Tabe

CMO

- Joined Raksul in August 2014
- Committed to expanding the scope of our services from marketing perspectives
- Previously worked at Marui Group and TAKE AND GIVE. NEEDS
- Graduated from Chuo University



Kozo Fukushima

COO

- Joined Raksul in July 2015
- Expert in business planning, corporate development, and production control
- Previously worked at Future Architect and ex-Principal of Boston Consulting Group
- Graduated from Keio University



Yusuke Izumi

CTO

- Joined Raksul in December 2015
- Leads the company’s overall technology vision including system engineering, creative and IT security
- Previously worked at Morgan Stanley MUFG Securities and DeNA
- Graduated from New England Conservatory

Management Team (Outside Directors)



Genichi Tamatsuka
Outside Director

- Joined Raksul as an outside director in October 2017
- CEO of Digital Hearts since June 2017
- Previously served as the CEO at Lawson (2016-2017) and the COO of Fast Retailing (2002-2005)
- Founder of Revamp (2005)
- Early career at IBM
- Graduated from Keio University



Naomi Mori
Outside Director,
Audit & Supervisory Committee member

- Joined Raksul as an Outside Corporate Auditor in October 2014
- Joined Makoto Sato Accounting Office (2013)
- Joined Asahi & Co. (currently KPMG AZSA LLC)(1998)
- Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) (1997)
- Graduated from Saitama University



Yoshihiko Miyauchi
Outside Director

- Joined Raksul as an outside director in October 2019
- Senior Chairman of ORIX Corporation since June 2014
- Long standing career at ORIX Corporation since 1964, previous positions include the Representative Executive Officer, Chairman, and CEO
- Graduated from Kansai Gakuin University; MBA from the University of Washington



Masahiro Kotosaka
Outside Director,
Audit & Supervisory Committee member

- Joined Raksul as an Outside Corporate Auditor in June 2017
- Associate Professor at Faculty of Policy Management, Keio University (2016 to present)
- Associate Fellow at the Foundation France-Japon de L'École des Hautes Études en Sciences Sociales (2015)
- Associate Professor of College of Business Administration, Ritsumeikan University (2013)
- Joined McKinsey & Company, Inc. (2004)
- Graduated from Keio University; MSc. in Management Research with Distinction; D.Phil. in Management Studies from University of Oxford



Kenji Kobayashi
Outside Director

- Joined Raksul as an outside director in October 2020
- Co-Founder of Signifiant Inc., since July 2017 to present
- Joined DeNA Co., Ltd., where he served as a director and executive officer (2009-2017)
- Joined Corporate Direction, Inc.(2005-2009)
- Graduated from The University of Tokyo; Master of Literature, Graduate School of Humanities and Sociology



Junko Utsunomiya
Outside Director,
Audit & Supervisory Committee member

- Joined Raksul as an Outside Corporate Auditor in October 2018
- Established the law firm, Utsunomiya Shimizu & Haruki, and assumed office as Partner (2018 to present)
- Established Utsunomiya Law Office (2011)
- Temporarily transferred to the Tokyo Stock Exchange, Inc. (2007)
- Registered as attorney at law and joined the law firm, Nagashima Ohno & Tsunematsu (2000)
- Graduated from The University of Tokyo; LL.M. from Columbia University



Changes in Accounting Segments

- Due to its unique value proposition and business model, our TV commercial related-service (now named “Novasell”) has been managed as an independent business since FY2020 4Q (though it shares the same customer base as our Printing EC business)
- We will disclose the printing and offline advertising service as the Raksul business segment, the TV commercial-related service as the Novasell business segment, and our logistics service as the Hacobell business segment

until FY2020 Q3



Printing Business

Printing EC

Offline Advertising

TV Commercial 



Logistics Business

FY2020 Q4 onward



Raksul Business Segment

Printing EC

Offline Advertising



Novasell Business Segment

TV Commercial



Hacobell Business Segment

Logistics

Financial Highlights by Business Segment

		FY2019				FY2020				FY2021		
(in JPY MM)		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Revenue	Raksul	3,093	3,403	4,094	3,870	4,028	4,382	4,043	3,876	4,444	5,090	5,617
	Novasell	86	315	278	387	732	743	847	530	872	1,248	2,613
	Hacobell	228	325	453	535	564	639	532	449	553	1,004	657
	Others	21	21	26	26	27	27	28	40	66	73	77
Gross Profit	Raksul	762	888	1,008	952	1,007	1,074	1,013	1,107	1,216	1,378	1,527
	Novasell	28	61	57	51	118	122	142	102	165	206	405
	Hacobell	22	24	30	28	35	36	48	69	91	143	114
	Others	7	7	2	9	9	11	11	17	26	29	29
Segment Profit (non-GAAP)	Raksul	-	-	-	-	329	205	223	608	418	533	731
	Novasell	-	-	-	-	22	4	9	-25	18	15	92
	Hacobell	-	-	-	-	-102	-129	-83	-51	-26	16	-21
	Others and corporate expenses	-	-	-	-	-292	-280	-302	-294	-249	-298	-361
Segment Profit (financial accounting)	Raksul	299	303	360	350	329	205	207	598	408	515	711
	Novasell	1	45	29	-1	22	4	5	-27	16	10	85
	Hacobell	-16	-30	-40	-74	-102	-129	-85	-52	-27	11	-28
	Others and corporate expenses	-249	-281	-271	-279	-292	-296	-303	-327	-330	-391	-462
Operating Profit (non-GAAP)	Company wide	34	36	77	-5	-43	-200	-152	237	160	266	440

Difference between non-GAAP profit and accounting profit

- From FY2020, we have been disclosing non-GAAP profits after adding back stock-based compensation expense
- The amount in “Difference (stock-based compensation expense)” varies between operating profit and ordinary profit as RS held by resignees are expensed off as non-operating expenses
- Stock compensation expense of JPY 133MM is planned to be recorded in 4Q (one-time cost) for the paid SO issued in July 2020, as the achievement of performance conditions has accelerated

(JPY MM)	FY2021 3Q (2021/2-2021/4)			FY2021 1Q-3Q (2020/8-2021/4)			FY2021 (2020/8-2021/7)		
	Actual (non-GAAP)	Difference (stock-based compensation expense)	Actual (financial accounting)	Actual (non-GAAP)	Difference (stock-based compensation expense)	Actual (financial accounting)	Actual (non-GAAP)	Difference (stock-based compensation expense)	Actual (financial accounting)
Revenue	8,966	-	8,966	22,321	-	22,321	29,650 ~30,150	-	29,650 ~30,150
Gross Profit	2,076	-	2,076	5,333	-	5,333	7,100 ~7,200	-	7,100 ~7,200
Operating Profit	440	133	307	868	348	519	720 ~800	610	110 ~190
Ordinary Profit	436	156	280	851	376	475	700 ~780	660	40 ~120
Net Profit	371	156	215	716	376	340	720 ~800	660	60 ~140 ⁽¹⁾

Note

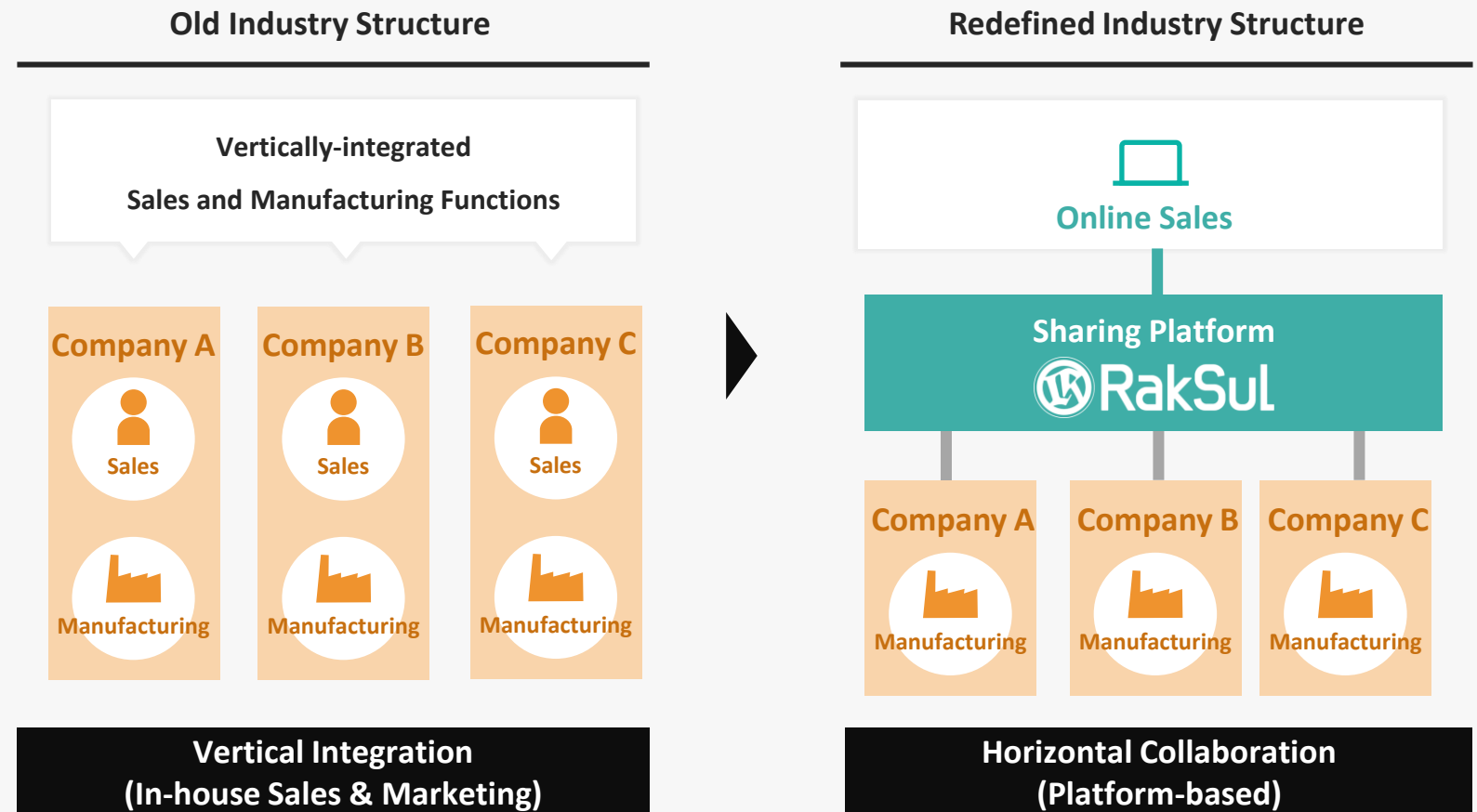
(1) For full year net profit, we have decided to record deferred tax assets for the portion where recoverability is probable and incorporate deferred tax assets as adjustments to income taxes

Balance Sheet

(in JPY MM)	FY2020 4Q	FY2021 3Q
Current Assets	18,023	16,838
Cash & Deposits	15,451	12,904
Non-Current Assets	1,356	4,921
Total Assets	19,379	21,759
Current Liabilities (interest-bearing liabilities)	2,405 (40)	4,640 (975)
Non-Current Liabilities (interest-bearing liabilities)	10,172 (10,043)	9,188 (9,060)
Net Assets	6,801	7,930
Share Capital	2,152	2,434
Capital Surplus	4,959	5,242
Total Liabilities & Net Assets	19,379	21,759

Redefining Old Industries

- Raksul is committed to upgrading the vertically integrated industrial structure led by large companies to a horizontally collaborative and platform-based industrial structure





Our Competitive Advantages

- Raksul is a technology company with operational know-how and marketing expertise - this is how we clearly differentiate ourselves from other pure-Internet players and legacy industry incumbents

3 Key Competitive Advantages that differentiate us from pure-Internet players and legacy industry incumbents





Our New Technology Development Centers

- In order to strengthen our technology development, we have established two new technology development centers in Vietnam and India in 2020

Vietnam

- Since 2018, we have been conducting operations/service development for Raksul business segment together with local companies responsible for offshore development
- By establishing a center, we will strengthen our ability to recruit local development members and refine products and services mainly for the Raksul business segment

< Overview >

RAKSUL VIETNAM COMPANY LIMITED

Location : Ho Chi Minh, Socialist Republic of Vietnam

Establishment date : June 2020

India

- We have established a development center in Bengaluru, India, the third largest country in the world in terms of the number of IT engineers ⁽¹⁾, to strengthen our development capabilities

< Overview >

RAKSUL INDIA PRIVATE LIMITED

Location : Bengaluru, Republic of India

Establishment date : July 2020



Vietnam Office

Note

(1) Source: Human Resocia "IT Engineer Report"



Large Attractive Market Opportunity for BtoB Platforms

- We continue to drive digitalization of large conventional BtoB industries

Domestic
Business Stationery
and Commercial
Printing Market



Domestic Offline
Advertising Market



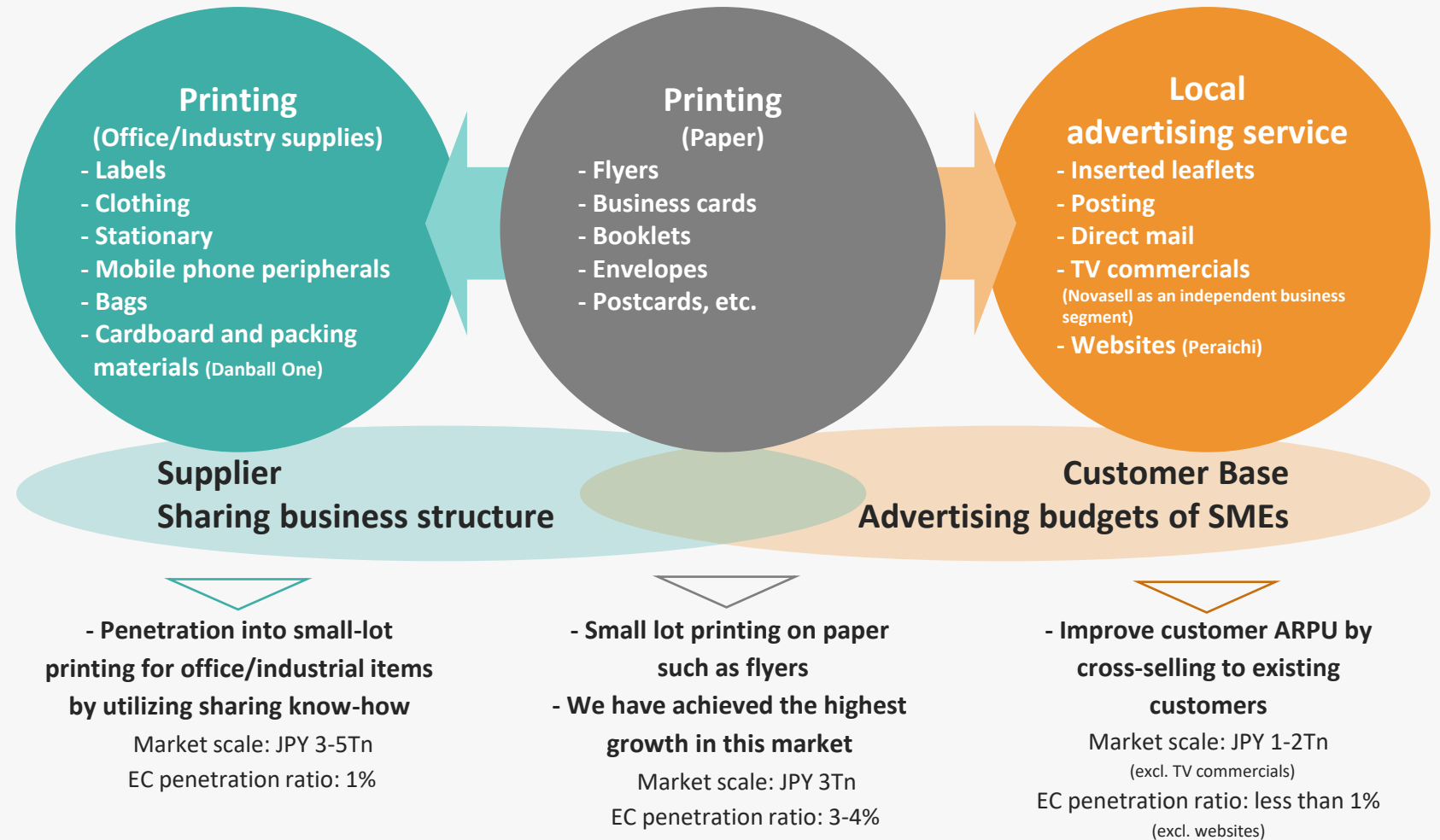
Domestic Trucking Market



Market and Growth Strategy

By utilizing the customer and supplier base we have acquired through our flyer printing business, we aim to expand TAM and increase revenue per customer through the following expansions:

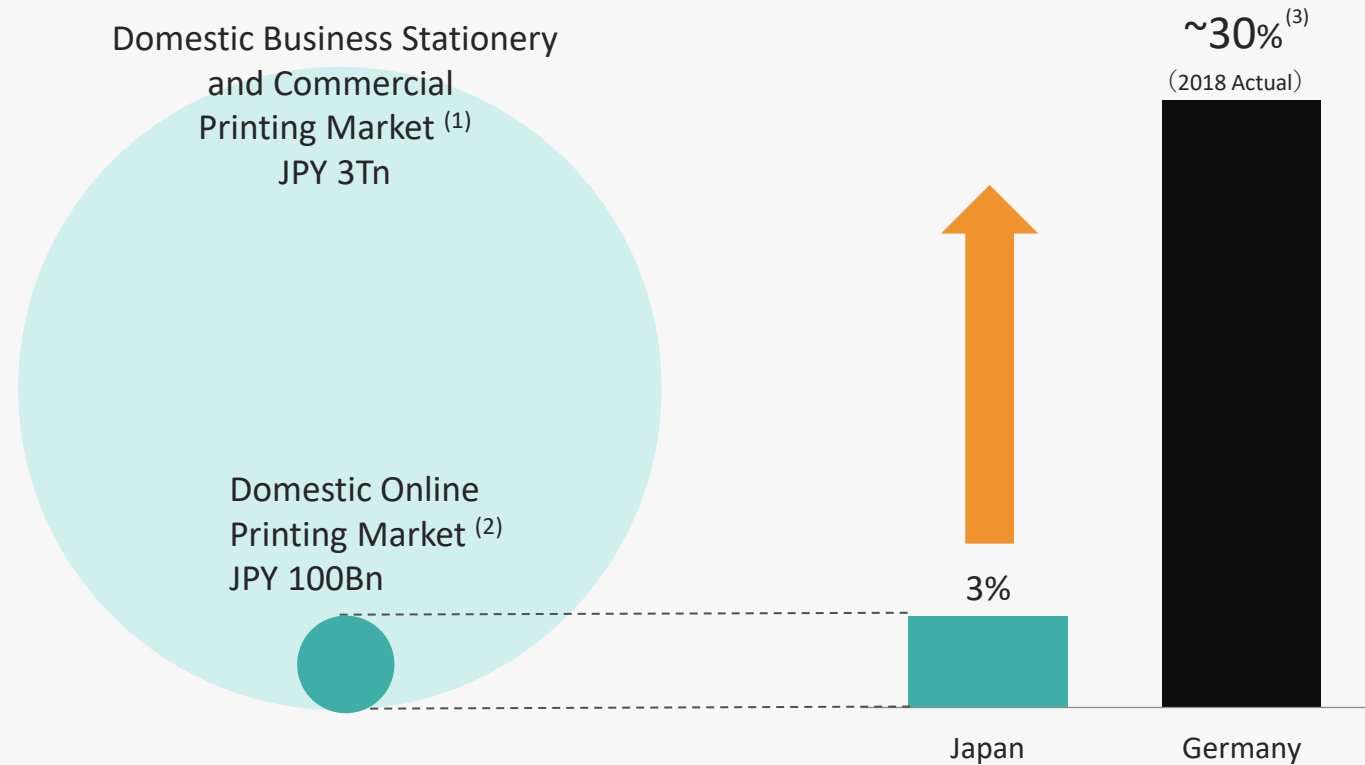
- 1) Increase ARPU of existing customers by expanding offline advertising services
- 2) Expand the customer base by launching additional unique product lines





TAM Expansion Driven by Further EC Penetration

- There is still huge potential for e-commerce penetration in the printing industry



Source Yano Research Institute, METI

Note

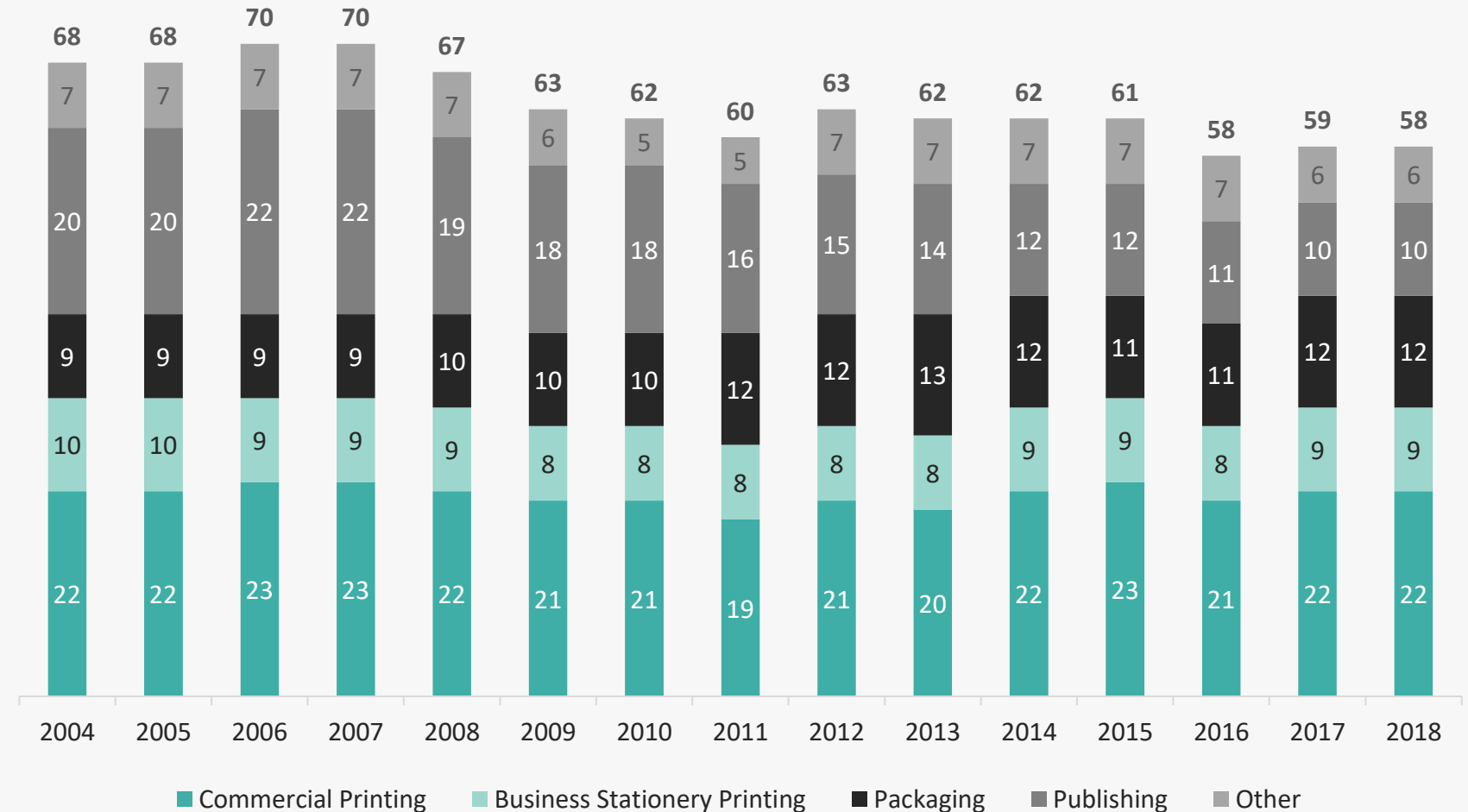
- (1) Source: Calculated based on "Current Production Statistics: Paper, Printing, and Plastic" (METI)
 (2) Source: Calculated based on the financial information of domestic online printing companies (2019)
 (3) Source: zipcon consulting (2019)



Historical Trends of Japanese Printing Market

- The overall printing market size decreased due to the shrinking publishing segment, while the segment size of business stationery printing and commercial printing (i.e. RakSul's target segments) remained roughly flat

(in JPY 100Bn)

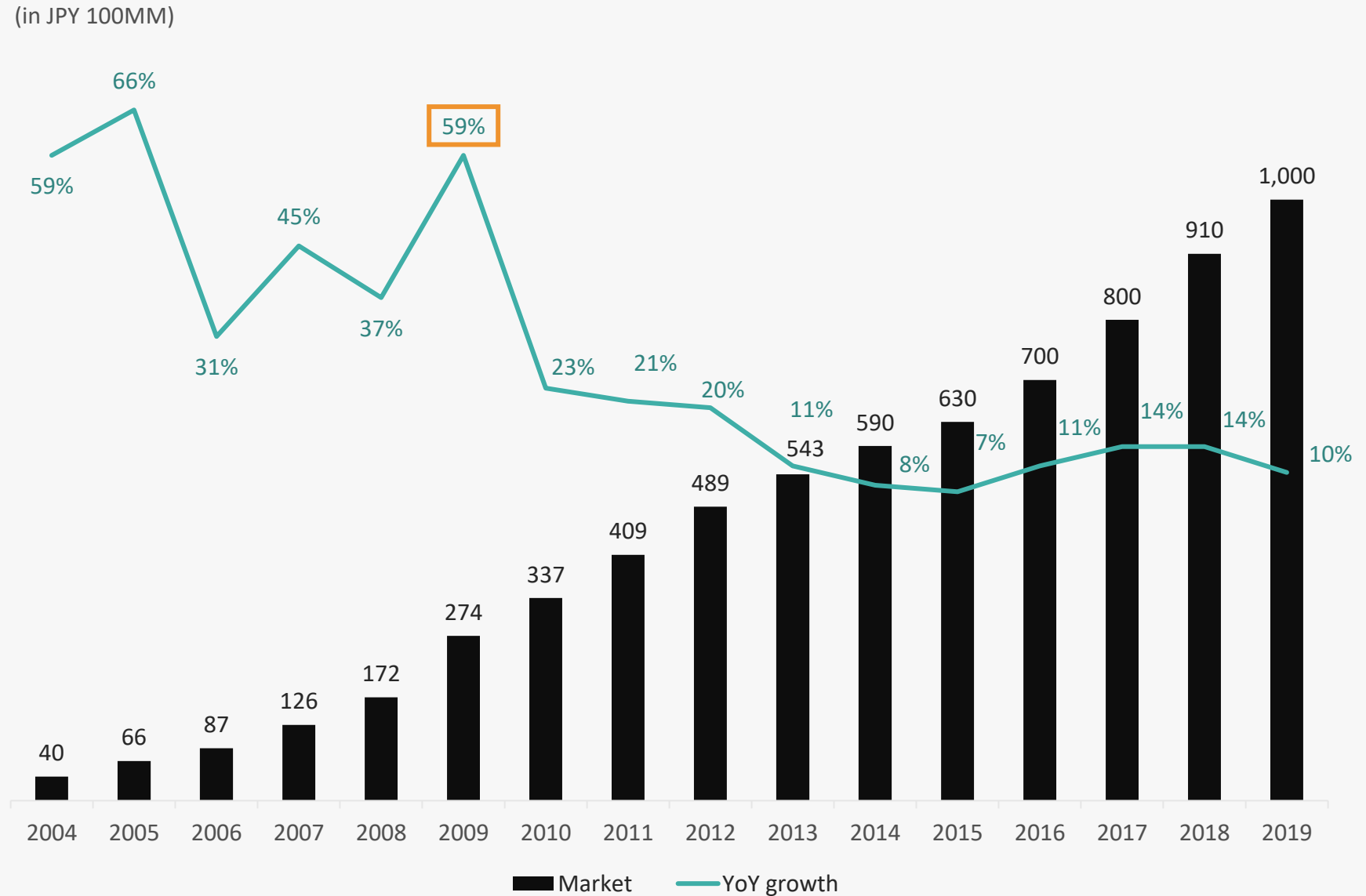


Source: Overall printing market: calculated based on "Current Production Statistics: Paper, Printing, and Plastic" (METI) on a basis of production volume



Estimated Market Size and YoY Growth of the Domestic Printing EC Market

- There was significant growth in the printing EC market during the post-financial crisis recession



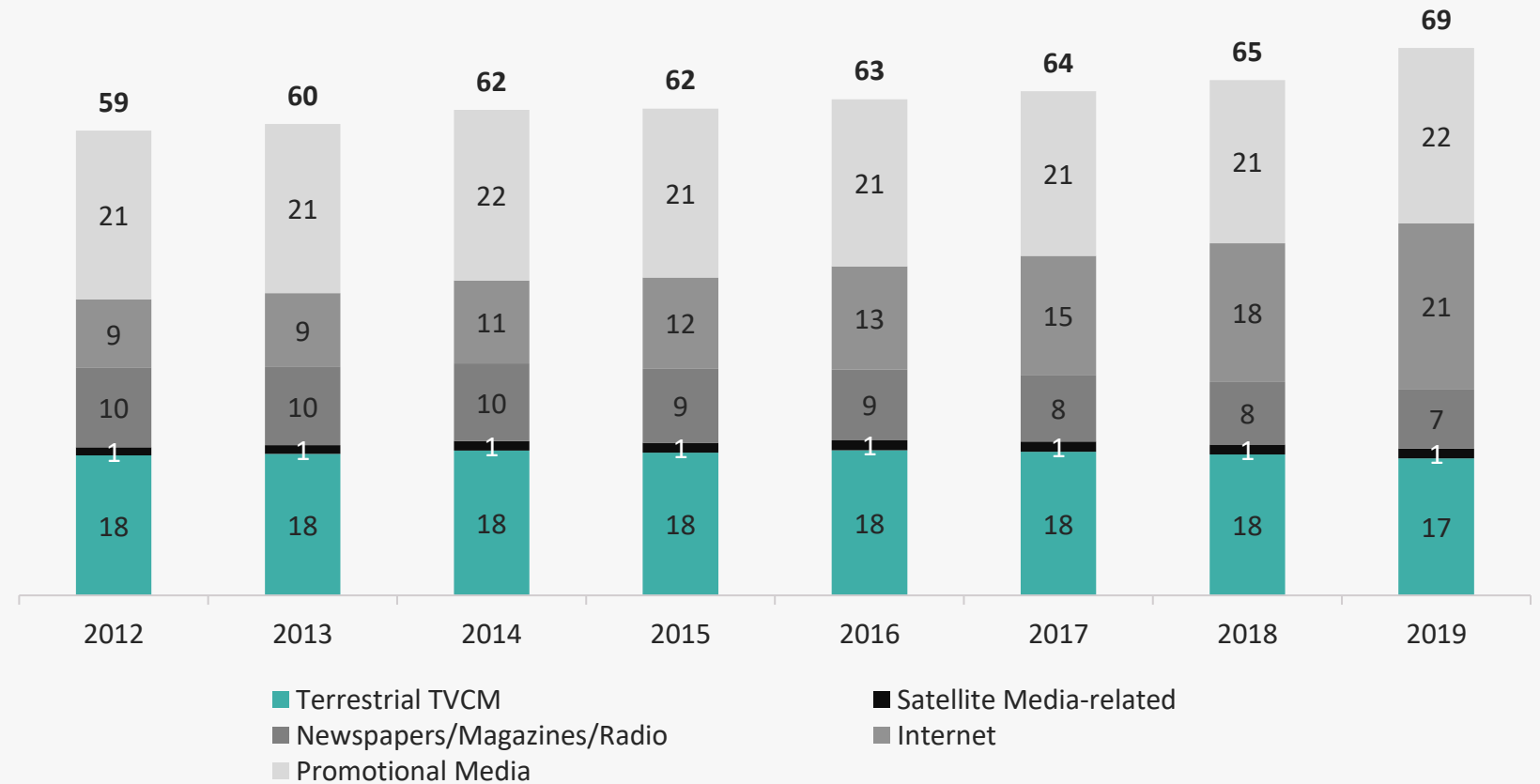
Source: Yano Research Institute (2004-2014), calculated based on financial information of domestic online printing companies (2015-2019)



Domestic Advertising Market

- While the Internet Advertising market grew, the Terrestrial TV Commercial market has remained roughly flat

(in JPY 100Bn)





Service Offerings

- We started with last-mile services, then expanded into intra-city and inter-city services

	Hacobell's Target Market		
	Last mile	Intra-city	Inter-city
Vehicle type	Light van	Small and Medium truck (2t - 4t)	Large truck (10t)
Unit price	JPY 5,000 - 10,000	JPY 20,000 - 40,000	JPY 50,000 - 100,000
Market size	JPY 4Tn ⁽¹⁾	JPY 10Tn ⁽¹⁾	
			
Suppliers / Partners	Enterprises and individuals	Enterprises only	Enterprises only

Source: Japan Trucking Association

Note

(1) Estimated based on "Japan trucking industry 2018 - current status and issues" published by Japan Trucking Association



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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.

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