



RAKUS

SUSTAINABILITY REPORT 2023

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Editorial Policy

This report contains the business, financial, and ESG information of RAKUS, and has been issued for the purpose of improving corporate value by engaging in dialogue with shareholders, investors, and other stakeholders about its contents.

Website

<https://www.rakus.co.jp/en/>

IR Information

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Scope of Report

This report covers RAKUS Co., Ltd. and its consolidated subsidiaries within and outside Japan as well as some other affiliates. The report applies to the period from April 2022 to March 2023.

* It also includes some information outside that period.

Performance Forecasts

Forecasts of performance contained in this report are determined based on information available at the time. Actual results may differ due to a variety of factors.



MISSION / VISION / VALUE

VISION

to 'Become a Company Representing Japan'

VALUE

Values that RAKUS Upholds (Management Philosophy)

VALUE 01

Fulfillment

VALUE 02

Nurture

VALUE 03

Improvement

VALUE 04

Integrity

VALUE 05

Evolution

MISSION

We constantly help companies grow their business
by providing IT services.

Value Creation Trajectory

Changes in Net Sales and Important Milestones

(Millions of yen)

Providing services that 'Raku' (ease) inefficient operations and achieving sustainable business growth

Since its founding 2000, the RAKUS Group has achieved steady growth with its two business pillars of its Cloud business and IT outsourcing business. In the Cloud business, we provide multiple services focused on entering markets in which we can win, particularly services that solve operational challenges that we have felt in operating our own business. The IT outsourcing business leverages the expertise gained when operating an IT engineering school, building a strong business model to train people without engineering experience who show potential to become IT engineers and dispatch them to companies.



November 2000	RAKUS was established
April 2001	IT engineering school business started Cloud business started
May 2002	IT outsourcing business started
March 2009	IT engineering school business was discontinued

April 2011	Subsidiary established in the US
May 2014	Subsidiary established in Vietnam
January 2015	All shares of US subsidiary were sold
December 2015	Listed on Tokyo Stock Exchange Mothers

February 2018	Blaynmail consolidated as subsidiary
July 2018	IT outsourcing business was succeeded to RAKUS Partners
March 2021	Changed to First Section of the Tokyo Stock Exchange
April 2022	Transition to Tokyo Stock Exchange Prime Market
July 2023	RAKUS HRTech consolidated as subsidiary

Message from the President

► Background to the identification of materiality

We have a Long-Term Vision to 'Become a Company Representing Japan'. Sustainable business growth and corporate value improvement in the mid- and long-term are important to achieve this.

This time, when transferring to the Prime Market of the Tokyo Stock Exchange in April 2022, we once again looked at the external environment surrounding RAKUS and the management resources found at RAKUS. Then, we identified materiality as challenges that we must address to create new value and achieve an affluent society. By addressing the materiality, we aim to achieve sustainable business growth and continue to improve corporate value, thereby achieving our Long-Term Vision.

Through this current process of identifying materiality, we uncovered risks and opportunities in relation to the sustainability of the business. We have started creating an organization to pursue sustainable improvement in corporate value, strengthening our adaptability to the changing market environment and customer needs while effectively and efficiently utilizing resources to appropriately control such risks and opportunities.

The materiality identified this time are not necessarily new or special, but are derived and stipulated from our reorganization of the initiatives we have taken to date to realize the RAKUS Mission of "We constantly help companies grow their business by providing IT services." We want to continue generating a lot of 'emotional fulfillment' through the future provision of IT services.

► Approach to investment in human capital

We see human resources as the source of our competitiveness. Our human resource strategy aims to harness the abilities and knowledge of each employee to the maximum extent possible.



Takanori Nakamura President and Representative Director

We support the career growth of employees by providing training for knowledge acquisition and leadership nurturing programs to develop employee skills. Furthermore, we recommend a balanced work style to encourage each employee to undertake voluntary learning. By creating an environment that facilitates leaving work on time and taking paid leave, employees will be able to carve out their own time and acquire the skills they think they need. We believe it accelerates the pace of individual growth, leading to the Company's growth.

We are also focused on employee engagement. We are strengthening recruitment to expand the organization, with midcareer hires accounting for more than 90% of new employees. Having a workforce comprised of employees from diverse backgrounds is a strength of the Company. We work towards increasing the sense of belonging and



employee motivation through measures including appropriate evaluation and compensation systems, convening events that encourage communication between employees and promoting diversity & inclusion initiatives. By leveraging this diversity, we generate new ideas and perspectives and increase our responsiveness to change and flexibility as a company.

Furthermore, we conduct 'strategic office work' to enable people who join the Company to successfully perform in the workplace as fast as possible. This is because we believe that on-the-job training (OJT) through close face-to-face communication and working in an environment where it is easy to ask questions accelerate the spread of the corporate culture and increase the speed of an individual's growth. On the other hand, we flexibly incorporate work styles that changed with the COVID-19 pandemic, nimbly revising the framework, and pursuing the best work styles even while the Company is growing, such as by introducing a system of optional work from home on Wednesdays.

▶ RAKUS' ideal culture

RAKUS' ideal culture is summarized in 11 individual Leadership Principles (P. 19). These Leadership Principles are a code of conduct and mindset that leaders must have and they express the value system that RAKUS holds dear in words.

- | | |
|--|----------------------------------|
| (i) Take ownership | (vii) Do what needs to be done |
| (ii) Aim for overall optimization | (viii) Accept others' views |
| (iii) Treat people with sincerity | (ix) Tolerate failure |
| (iv) Continue learning and growing | (x) Communicate ideas with words |
| (v) Start small and grow big | (xi) Focus on results |
| (vi) Consider the cost-benefit performance | |

By appropriately splitting the organization according to operations, even when rapidly growing the business, we have created an environment that enables each team to concentrate on its own mission. On the other hand, we are one organization, and it is

important to act from a company-wide perspective. Each employee has ownership awareness and thinks about the Company's growth by cooperating to achieve the overall target while fulfilling their own role.

Continuing to learn is also an important element. In the rapidly changing IT sector, past experiences of success do not necessarily have currency forever. That is why, we would like everyone regardless of their position to pursue their own growth and to take the trouble to constantly acquire new knowledge and skills.

In order to increase the probability of success of new initiatives, it is necessary to have a toleration for failure while focusing on results. RAKUS values the process of continuing to thoroughly rotate the PDCA cycle towards the goal. Failures occur even if reaching a logical hypothesis in circumstances where there are uncertainties, so learning from such failures leads to facing the next challenge and the achievement of growth. Even in regard to personnel evaluation, our evaluation is more focused on the initiatives to verify the hypothesis than the failure itself. By fostering a culture of toleration for failure, we believe we can achieve business growth while maintaining a sense of momentum even if we grow the size of our business.

We want to spread a corporate culture of each employee making decisions and acting in accordance with the Leadership Principles, and to build a foundation for our goal for RAKUS to become 'a Company Representing Japan'.

► Nomination and Compensation Committee

We established an optional Nomination and Compensation Committee from June 2023. By appointing an Outside Director as the Chairperson, we aim to increase management transparency and build an even better governance structure.

The Company does not have a stock-based compensation system for officers at present. This is because many of the current officers already hold a certain level of the Company's stock and there has been no problem with so-called agency problem. However, we anticipate a time in future when people with few stocks will become officers and the Nomination and Compensation Committee will be actively utilized in relation to

the ways to operate the officer compensation system, which we want to be in addition to the ample discussion at the Board of Directors.

In future, in light of the Committee's report, we aim to increase the transparency and fairness of the decision-making process for matters such as the composition of officers and the ways to operate the compensation system. We also aim to enhance the motivation of the management team and secure talented personnel.

► The approach for this year, which is the turning point for Medium-Term Management Targets

Under the current Medium-Term Management Targets, we have achieved more than 30% sales growth for the past two consecutive years and are making steady progress towards achieving the targets. In light of the results, we raised the lower bound for the five-year sales CAGR target from "26%-30%" to "27%-30%."

In the fiscal year ended March 31, 2023, the pace of acquiring new orders for a service declined with the inadequate function of the cycle for nurturing personnel due to the large recruitment as part of our active investment. However, we were able to solve that issue by the end of the fiscal year ended March 31, 2023 through measures such as quickly strengthening recruitment at management level and enhancing the enablement function, while advancing the business proficiency of members.

In light of this experience, our policy will be to continue expanding the organization for business growth, but in future, we will not simply target an increase in the number of personnel but conduct recruitment activities with an awareness of an environment that enables each individual to appropriately demonstrate performance.

In addition, up to now, our thinking has been to condone lower profits to achieve high sales growth. However, from this year, the fiscal year ending March 31, 2024, we will maintain sales growth towards the final year for the Medium-Term Management Targets, while focusing on increasing profits by also putting greater emphasis on investment efficiency.

As a result, we aim to achieve our target for the fiscal year ending March 31, 2026 of 10 billion yen in profit attributable to owners of parent.

Materiality

RAKUS' cherished thought: Let's recoup time to think about the future

Japan is facing a declining birthrate and workforce shortage, so it is important to increase the productivity of limited personnel. RAKUS aims to improve work efficiency through the cloud and IT technologies, to be of assistance in solving such social challenges.

Even so, what RAKUS is really providing is 'emotional fulfillment.' If it is possible to think more about the future with the time generated from increased efficiency, we must be able to create a more affluent society. We, who provide such services, continue to think and act as a team concerning how to generate more time efficiency ourselves.

Expanding the development of excellent service

We can provide the best service by completely capturing the issues and concerns through an understanding of customers' operations. Based on this approach, RAKUS is promoting greater digitalization of society through the development of excellent service.

Securing and nurturing diverse and talented personnel

Personnel able to understand customers' operation and provide a service are the important growth base for RAKUS. Service and personnel are the two wheels that drive business growth.

Providing opportunities for successful performance and growth

We actively provide personnel, which is our growth base, with positions in which they can successfully perform and opportunities where they will feel a real sense of growth. We achieve a spiral of expanding opportunities for successful performance and growth through business growth.

Providing stable service

We continuously provide stable and reliable service by building strong security. We continue to gain trust as a service contributing to growth that supports the operations of many customers.

Materiality

The RAKUS Group has arranged the risks and opportunities regarding the mid- and long-term corporate value and the sustainability of business activities to create new value and for sustainable growth to realize an affluent society, and has identified materiality.

Process of identifying materiality



External environment surrounding important management resources

Diversification of sense of values and work styles

Risk

- ▶ Decline in engagement
- ▶ Decline in labor productivity

Opportunity

- ▶ Secure personnel with diverse backgrounds

Technological evolution and commodification

Risk

- ▶ Decline in profit opportunities due to the commodification of provided services
- ▶ Increased risk from cyber attacks

Opportunity

- ▶ Increase in the opportunities to provide various services by leveraging cutting-edge technologies

Important management resources

Technology

Staying on top of the latest technological trends and tirelessly incorporating needed technology leads to sustainable growth. It is important to have the technological capabilities to provide services that are stable, low cost, and secure.

Human resources

Retaining talented employees and expanding the organization is essential for achieving sustainable growth. Many employees are midcareer hires with diverse experiences and specializations, and continuously increasing the number of employees is a source of our capability to grow.

Customer base

Addressing customer needs gives services competitive advantage, so expanding the customer base is an important part of our strategy. We have a large customer base compared to competitors. This enables us to identify detailed customer needs, which contributes to the enhancement of our services.

Partners

System partners and sales agents play a major role in accelerating growth. Our partner base continues to increase as we grow, as does our alliances with large companies that have high name recognition.

Finance

Maintaining and expanding a stable and solid financial base is key for achieving sustainable growth. We have continuously turned a profit since our second fiscal year in business. This has grown our equity capital, enabling us to continue to make large investments.

Progress in the declining birthrate and increasingly aged population

Risk

- ▶ Future market contraction
- ▶ Competing for personnel who have specializations

Opportunity

- ▶ Increased need for improvement in operational efficiency and greater productivity

Increased awareness of challenges for the global environment

Risk

- ▶ Listing up companies that are subject to negative screening in the capital markets and as potential customers

Opportunity

- ▶ Increased opportunities to be selected due to new evaluation criteria

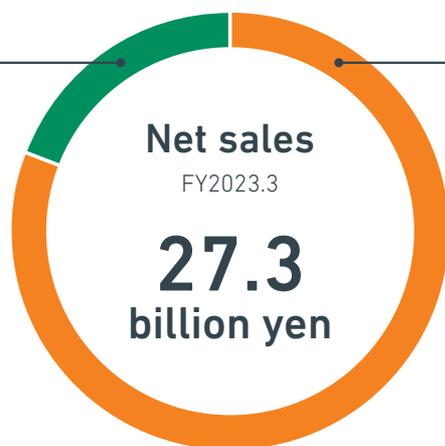
RAKUS at a glance

Making IT technology 'Raku' (easy) to use for corporate development.

We provide assistance in solving customer issues and business growth with cloud-based services and IT engineers.

IT Outsourcing Business

We nurture IT engineers and dispatch them to projects as "Raku Raku Partners, supporting everyone involved in IT."



Cloud Business

We plan, develop and operate in-house various cloud services (SaaS) that contribute to improving operational efficiency of companies and increasing added value.



Operating profit

1.6 billion yen

Ordinary profit

1.6 billion yen

Profit attributable to owners of parent

1.2 billion yen

Number of employees

Cloud Business

1,213

IT Outsourcing Business

859

Back-office Departments

125

Main Services of Cloud Business

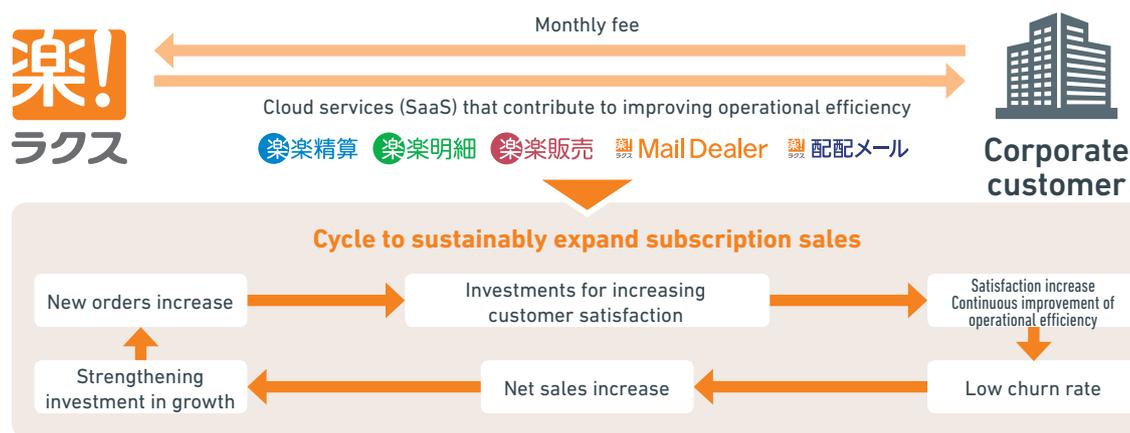
Service Name	Service Overview	Service Start Date	March 31, 2023
			Cumulative Number of Companies Using the Service
Raku Raku Seisan	Expense settlement system	July 2009	12,978
Raku Raku Meisai	Electronic billing system	August 2013	6,278
Raku Raku Hambai	Sales management system	October 2008	2,926
Hai Hai Mail	Email marketing service	May 2007	10,354
Mail Dealer	Email sharing management system	April 2001	8,031

IT Outsourcing Business

Service Overview	Service Features	March 31, 2023
		Number of Engineers
Hire inexperienced people, train them as IT engineers, and dispatch them	IT engineers × Specialize in technical expertise × Dispatch and stationed-type	781

Business Model and Performance of Cloud Business

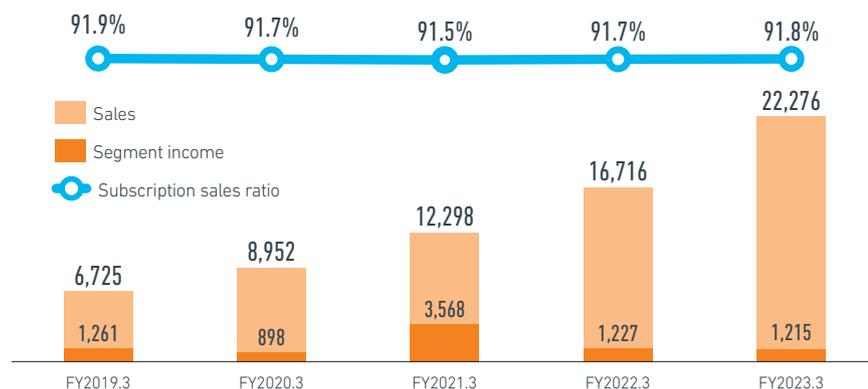
Business Model of Cloud Business



Our Cloud business offers subscription services to help companies improve operational efficiency through digitalization. The business model enables stable sales growth by accumulating new subscribers.

Maintaining a low churn rate is key in this model, so in order to keep the rate low, we constantly work to improve customer satisfaction, target segments with low business failure rates, and have established a pricing structure that makes it easy to continue using the service.

Changes in Sales, Segment Income, and Subscription Sales Ratio (Millions of yen)



Sales by Service (Millions of yen)

Service	FY2019.3	FY2020.3	FY2021.3	FY2022.3	FY2023.3
Raku Raku Seisan	2,579	3,935	5,559	7,658	10,343
Raku Raku Meisai	326	552	1,177	2,260	3,735
Raku Raku Hambai	556	770	1,124	1,624	2,298
Email distribution services	1,410	1,573	1,963	2,367	2,672
Mail Dealer	1,538	1,732	1,979	2,178	2,430
Others	314	390	493	626	796
Total of Cloud business	6,725	8,952	12,298	16,716	22,276

Features and Growth Strategy of Cloud Business

- 1 Offers subscription-based cloud services that contribute to improving operational efficiency
- 2 Best-of-breed focused
- 3 Aims for both profitability and high sales growth by managing a portfolio of multiple services
- 4 Strives for high sustainable sales growth by increasing the number of services

We offer multiple best-of-breed services that improve efficiency of specific operations, with the aim of taking the top share in each service area in the Cloud business.

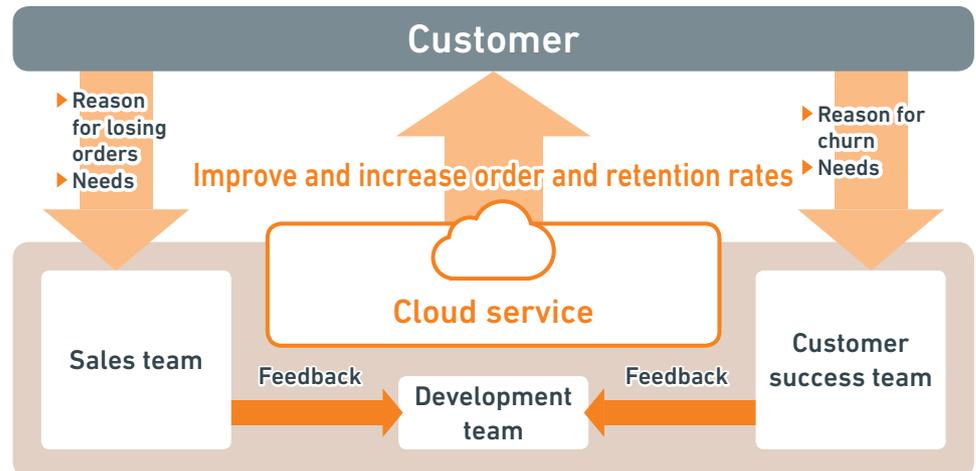
The biggest feature of our growth strategy is that we simultaneously roll out different services during their growth phase. If a new service achieves its product market fit, we invest in SG&A to help it grow big. During the “high growth phase,” the gross profit margin improves as sales increase and the service turns a profit. By investing the operating profit of services that have reached the “maturity phase” in new services, we generate profit and achieve sustainable growth for the business overall.

We will leverage the expertise we have gained from launching and growing a large number of cloud services over many years. Thus, we will strive to achieve sustainable business growth and expand our service lineup through M&As and others.

Growth Cycle of Cloud Business

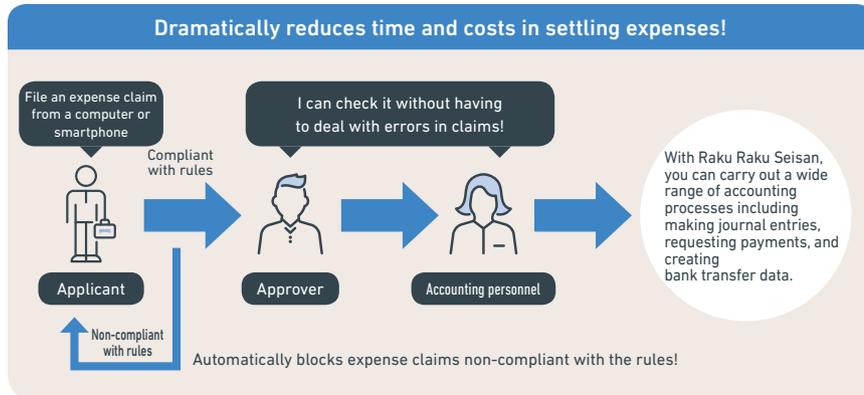


Service Improvement Cycle



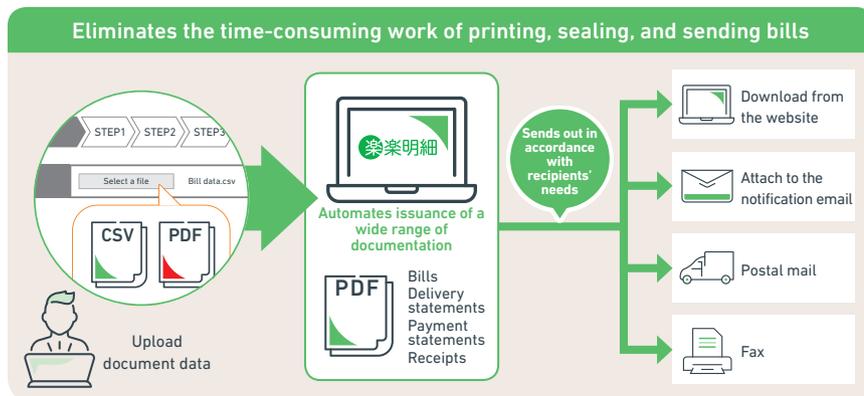
Main Services of Cloud Business

楽楽精算 Raku Raku Seisan



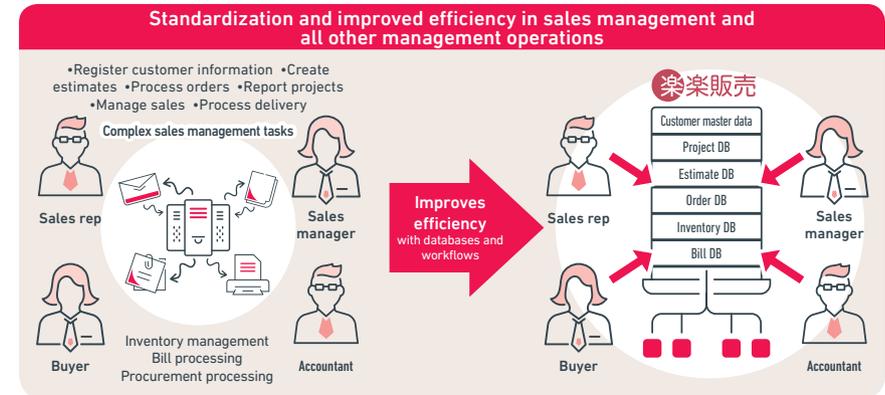
We achieve the flow for claiming, approving and settling settlement expenses on a web browser and reduce the paperwork and number of management hours. We also improve the efficiency of operations in the accounting department by preventing errors in the claim details and non-compliance with the rules through the system.

楽楽明細 Raku Raku Meisai



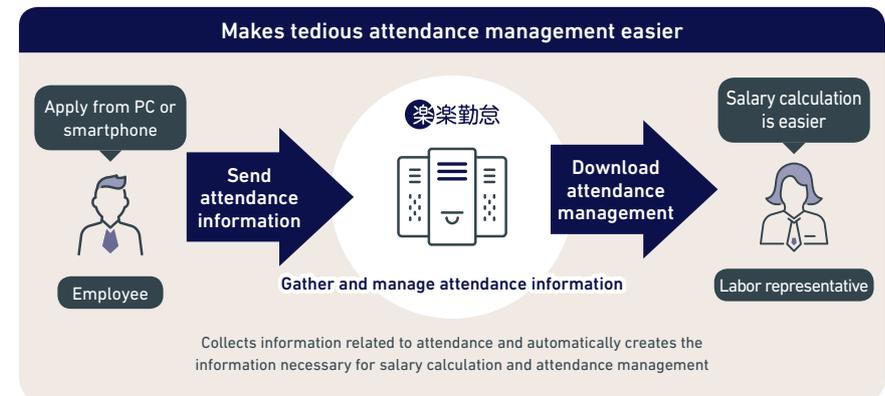
Just by entering document data such as bills and delivery statements, bills are issued according to the need for receipt. This eliminates the work of printing and sealing in-house and also reduces postage costs.

楽楽販売 Raku Raku Hambai



We develop systems that combine the web database and workflows for all sales management operations. We improve operational efficiency by automating routine work and sharing information in real time.

楽楽勤怠 Raku Raku Kintai



Central management of employee attendance information. It can flexibly accommodate employment types specific to individual companies, thereby improving efficiency of attendance management operations.

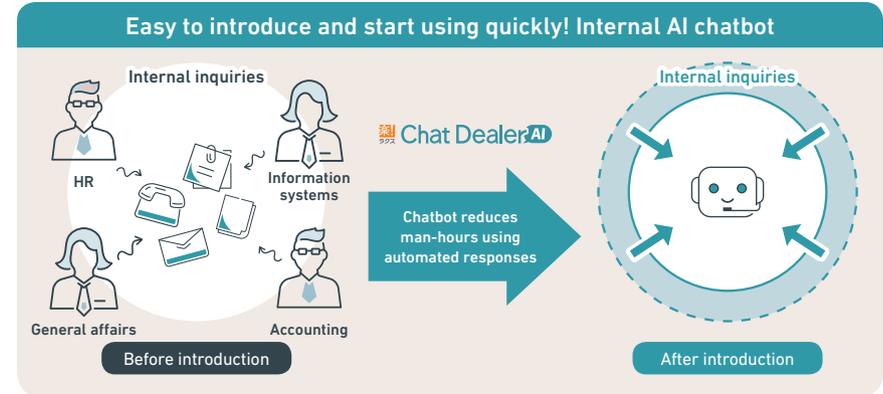
Main Services of Cloud Business

楽! Mail Dealer



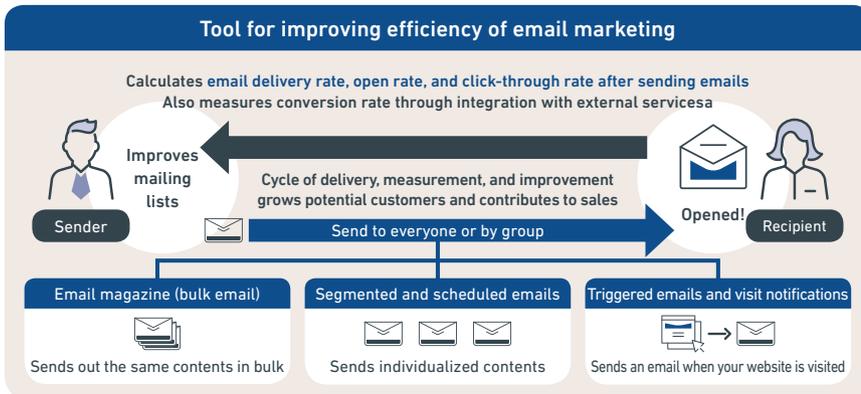
Central management of inquiries via email and telephone, chat and LINE. Sharing information within teams is simplified and also prevents human error in the lack of response and duplicate responses through systems.

楽! Chat Dealer AI



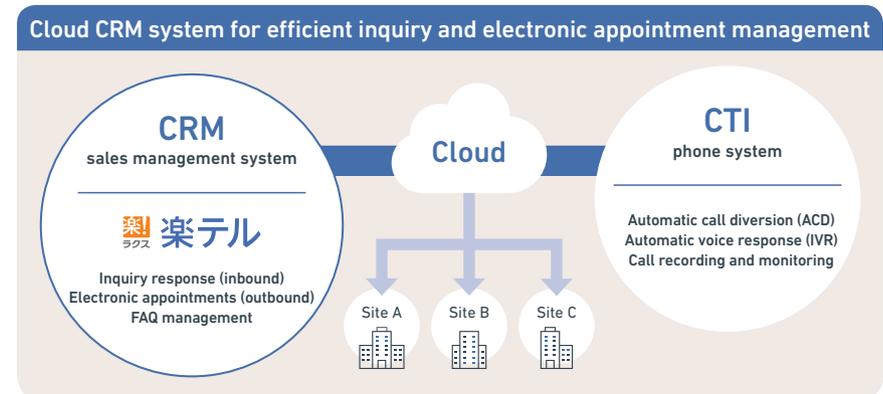
An AI chatbot that improves efficiency of internal response to inquiries. The chatbot's automated response cuts out wasteful operations and improves productivity.

楽! 配配メール Hai Hai Mail



We achieve improved efficiency for attracting customers and sales promotions via email with simple operations and functions as well as generous support. Able to continuously improve email marketing by being able to analyze the results and measure the effectiveness.

楽! 楽テル Raku Tel



"Raku Tel" is a cloud-based CRM system that supports the telephone response operations of call centers and help desks.

Business Model and Performance of IT Outsourcing Business(RAKUS Partners)



Contribute to solving IT issues by hiring and training inexperienced IT engineers and dispatching them to client companies

In the IT outsourcing business, we find and recruit people without engineering experience who show potential to become engineers from applicants wishing to change careers. Leveraging the expertise in nurturing engineers gained from the IT engineering school we operated when founded, we train IT engineers specializing in each field such as web development, infrastructure, machine learning and quality assurance and dispatch them ready-to-work at corporate customers.

In addition, we also conduct career support for IT engineers. By supplying IT engineers in short -supply, we contribute to solving IT issues at companies.

Sales and Segment Income

(Millions of yen)



Features of RAKUS Partners' Engineer Dispatching Service

STRENGTH

1

Careful hiring of excellent personnel

- Unlike registration-type personnel dispatching, personnel hired as employees of RAKUS Partners are dispatched.
- Since they are employees and not simply registered members, attendance is stable.

STRENGTH

2

Nurturing through a total of 480 hours of fully practical training

- We provide three months of specialized training in specialist fields such as web development, infrastructure, machine learning and quality assurance
- We introduce fully practical training on the skills required by customers

STRENGTH

3

Dispatching personnel aligned with the customers' needs

- We select engineers with an understanding of the strengths of each employee
- We promptly dispatch the appropriate personnel even when the customer has a need for more people

Medium-Term Management Targets

- 1 Five-year sales CAGR 27%–30%
- 2 Net income for FY2026.3: 10 billion yen or more
- 3 Net assets as of 2026.3: 20 billion yen or more

Our target is to achieve 27–30% sales CAGR. We invest actively over the first 4 years to meet the sales target. Then, we aim to achieve over 10 billion yen of net income in the final year by pursuing operational efficiency.

Note: The target will be revised if we acquire businesses.

Effects we would like to bring about by strengthening and expanding the balance sheet

- Reduction in borrowing costs by enhancing our creditworthiness
- Mitigation of the impact of impairment generated by large or multiple business acquisitions

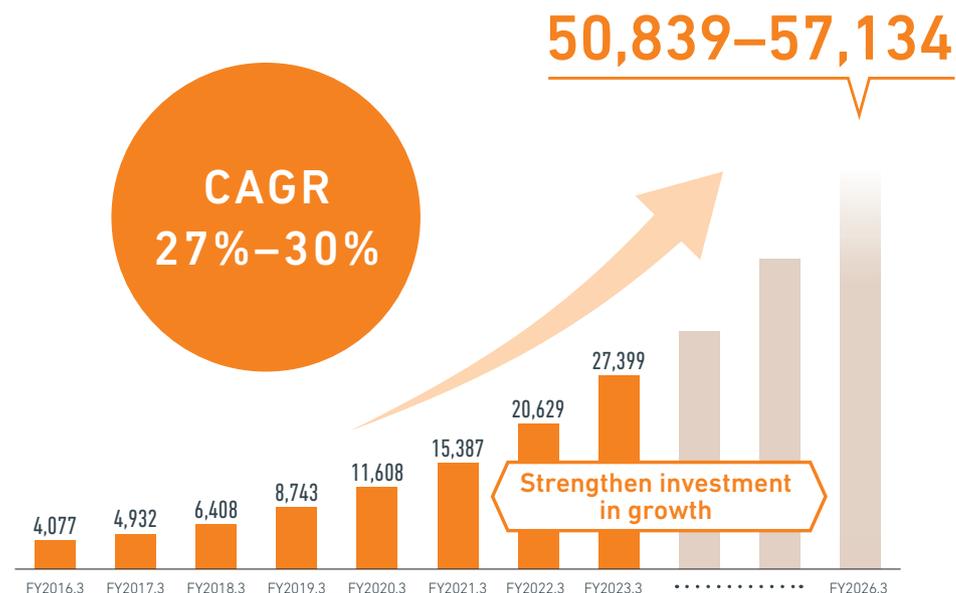
Note: Increase in the amount of goodwill we can handle



Our policy is to actively pursue M&A opportunities in the cloud (SaaS) business domain to contribute to our sales and profit in the mid- and long-term.

Changes in Net Sales and Its Targets

(Millions of yen)



Revise the organizational structure for strengthening the Raku Raku brand

We have achieved increased recognition of the Raku Raku brand and expanded our customer base through business growth of “Raku Raku Seisan” and “Raku Raku Meisai.” This time, we aim for further improvement in the productivity and profitability of the business overall, leveraging brand awareness and the customer base to the maximum extent possible by integrating functions that span services, while maintaining best-of-breed type initiatives in the Raku Raku brand services.



Corporate Officer
Head of Raku Raku Cloud
Business Headquarters

Koji Yoshioka

Approach to the Environment

The RAKUS Group has contributed to reducing environmental impact through the provision of IT services. The RAKUS Group established an environment policy in December 2022, which once again stipulated the approach to preservation of the environment through business activities.

Environment policy

Basic approach

The RAKUS Group contributes to solving global environmental issues such as by providing support to achieve paperless operations and promoting digitalization in society through business activities with the provision of IT services.

Details of initiatives

Preservation of the environment through the development and provision of services

We provide support for mitigating the impact of climate change and realizing the construction of a low carbon society through the development and provision of services that contribute to solving customers' issues.

Promoting environmental education

We aim to increase employee awareness of the environment and work on initiatives to conserve resources and energy.

Compliance with environmental laws and regulations

We comply with all types of environmental laws and regulations and take appropriate action.

Information disclosure and dialogue

We contribute to the realization of a sustainable society by disclosing information about our own environment-related initiatives and through dialogue with internal and external stakeholders.

Environmental impact data

The RAKUS Group has a policy to appropriately disclose business activity-related environmental data that we can obtain ourselves. We strive for deeper understanding of our initiatives through constructive dialogue with stakeholders.

	Unit	FY2021.3	FY2022.3	FY2023.3	
INPUT					
Electricity (Total Energy Consumption)	GJ	2,868	4,213	5,662	
Paper	kg	2,935	4,562	5,141	
OUTPUT					
CO ₂ emissions	Scope2	t-CO ₂	335	499	667
	Scope3*	t-CO ₂	304	429	705
	Scope2+3	t-CO ₂	639	928	1,372
Per net sales	t-CO ₂ /billion yen	0.550	0.603	0.455	

*Only Categories 6 (Business travel) and 7 (Employee commuting)

Approach to Social Challenges

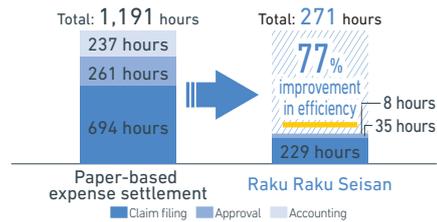
Cloud Business

In the Cloud business, we improve the efficiency of working hours by providing services that support greater operational efficiency of corporate customers. Furthermore, we also contribute to the reduction of paper usage by customers through the transition of operations previously done on paper to cloud services.

Improved efficiency of working hours

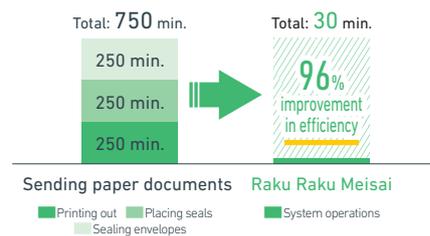
楽楽精算 Raku Raku Seisan

Example with 100 employees (per year)



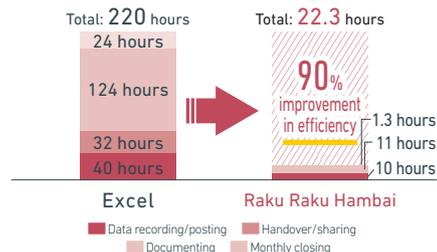
楽楽明細 Raku Raku Meisai

Example with 500 documents per month Assumes 1.5 minutes per document



楽楽販売 Raku Raku Hambai

Example of sales management operations (per month)



Paper reduction (yearly)

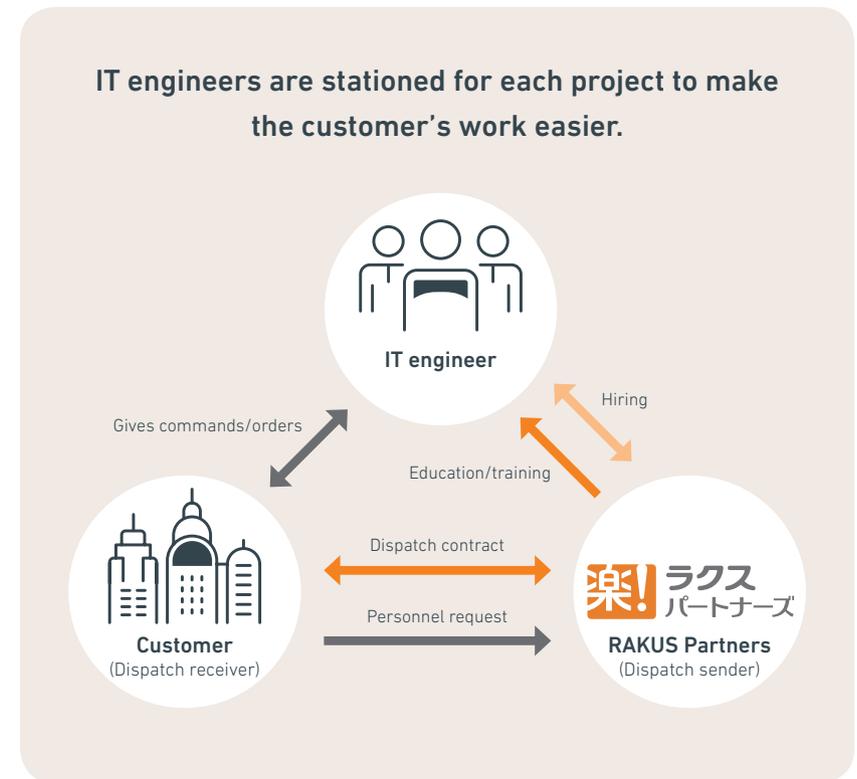
楽楽精算 楽楽明細

Reduction of 36 million sheets (Raku Raku Seisan)
Reduction of 22 million sheets (Raku Raku Meisai)

*Calculated based on data as of March 2023
*Reduction calculated based on the following concepts
Raku Raku Seisan: 1 expense account processed = 1 sheet
Raku Raku Meisai: 1 electronic bill issued = 1 sheet

IT Outsourcing Business

In the IT outsourcing business, we also contribute to solving the issue concerning the shortage of IT engineers, for which there is growing demand, by training IT engineers, while supporting the digitalization of companies through the dispatch of IT engineers.



Initiatives for Investment in Human Capital

RAKUS' Human Resources Strategy

Recruiting and training diverse personnel and providing a great workplace environment

The decline in the workforce due to a declining birthrate and increasingly aged population and the diversification of the sense of values and lifestyles has resulted in the need for increased productivity through progress in digitalization and the expansion of diverse employment opportunities as well as the provision of workplace environments that enable the adequate demonstration of abilities.

Rapid change continues in the business environment, including technological innovation, even in the IT sector where the RAKUS Group is growing its business.

In such circumstances, we set our materiality as "securing and training diverse and talented personnel" and "providing opportunities for successful performance and growth" to achieve high levels of business growth in a sustained manner.

We work to create a framework that enables the growth of each individual and to maximize the organization's performance by actively recruiting diverse personnel irrespective of gender or age, etc., while providing opportunities and an environment for employee growth and encouraging the voluntary growth of individual employees.

Structure for promoting the human resources strategy

We have established a specialist organization that specializes in "recruitment," "training and nurturing," and "evaluation" and work towards upgrading their respective operational levels. Through these initiatives, we have been able to achieve recruitment focused on midcareer hires who have diverse perspectives and abilities and to create an organization that flexibly responds to change in the business environment.

In addition, RAKUS Leadership Principles (code of conduct) are taken as the focus of initiatives for management and organically link to respective activities. By improving the growth of individual employees and organization performance, we encourage the fostering of a corporate culture that aims for sustained business growth.

We want to achieve employee success and to be seen as an attractive company from both within and outside the company!



Director,
Head of Business
Administration Headquarters

Takahiro Miyauchi

We believe it is important to respect the diversity and increase the ability of each employee and to become a company where there is motivation and pride in working so we can aim for sustained improvement in corporate value.

The RAKUS Group promotes growth and improvement in employees' willingness to take on challenges based on the Human Resources Policy of "Aiming to create an environment where employees can work with confidence over the long-term, while aiming to optimize the organization, systems, and development of capabilities so that each person is able to contribute to their utmost ability in their respective roles to the team, the organization and the profit of the Company." We strive for recruitment, training, allocation, career development, compensation

design, workplace environment and organization creation to enable each individual to achieve employee success.

In the fiscal year ended March 31, 2023, we recruited more than 700 people to the Group overall and improved compensation to strengthen the organizational structure. In addition, we have expanded measures to strengthen organizational capacity such as in training with enhancement of onboarding for new employees, management training for mid-level management and business leadership training programs for manager class.

For the working environment, we have enhanced the "RAKU Smile System" to achieve flexible work styles for the child-rearing generation, and introduced shift work systems in monthly and daily units that enable choice of diverse work styles and also introduced a system of optional work from home on Wednesdays.

In addition, to evaluate the utility of each measure, we regularly conduct various internal surveys. These include organizational diagnostics for each department, employee engagement surveys, career-related questionnaires, and practice surveys of the RAKUS Leadership Principles for management. We leverage continuous human resources management while conducting internal fact-finding surveys from both quantitative and qualitative perspectives.

The RAKUS Group will continue to actively invest in human capital, and aim to improve the productivity and competitiveness of the organization while hoping to grow to become 'a Company Representing Japan' so that we are seen as an attractive company from both within and outside the Company through the achievement of employee success.

Initiatives for Investment in Human Capital

RAKUS Leadership Principles

Our Leadership Principles are a code of conduct, highlighting the mindset that leaders of RAKUS should embrace. Leaders correctly understand these principles, which enables them to judge and act with a well-balanced approach from multiple perspectives. Each principle may appear obvious, but when put together create an unrivalled company. This gives us confidence that RAKUS will become 'a company representing Japan' in future.

VISION

to 'Become a Company Representing Japan'

RAKUS Leadership Principles

Guiding Principles upon which RAKUS Leaders Rely



VALUE



MISSION

We constantly help companies grow their business by providing IT services.

Initiatives for Investment in Human Capital

Recruitment and training initiatives

In regard to recruitment, we convey the state of RAKUS through activities such as Company briefings, technology events and casual interviews, working towards being chosen by people with a greater affinity for RAKUS. After joining the Company, we provide support to enable people to quickly demonstrate their strengths through orientation on joining the Company, welcome meetings, OJT and training introduced in each business department.

In regards to training, we clarify the target attributes for respective roles by hierarchy and occupation in the class definition guides and prepare a training program. The evaluation system consists of appropriate evaluation and feedback of respective employees from the two perspectives of competency (actions that lead to outcomes) and performance (outcomes). We foster a desire for growth and support the achievement of self-transformation through regular 1 on 1 meetings.

Education and training program

	Role	By role	By theme	By business department and occupation
Practical use of innovation	Manager	Drafting of strategies and tactics	Mental health and human rights D&I	Training by business department and occupation
		Support for career building		
		Support for development of members' abilities		
Application ability	Leader	Nurturing of managers	Mental health and human rights D&I	Training by business department and occupation
		Leadership fundamentals		
Basic skills	Staff	Development of competency	Mental health and human rights D&I	Training by business department and occupation
		OJT trainer program		

Measures for nurturing personnel

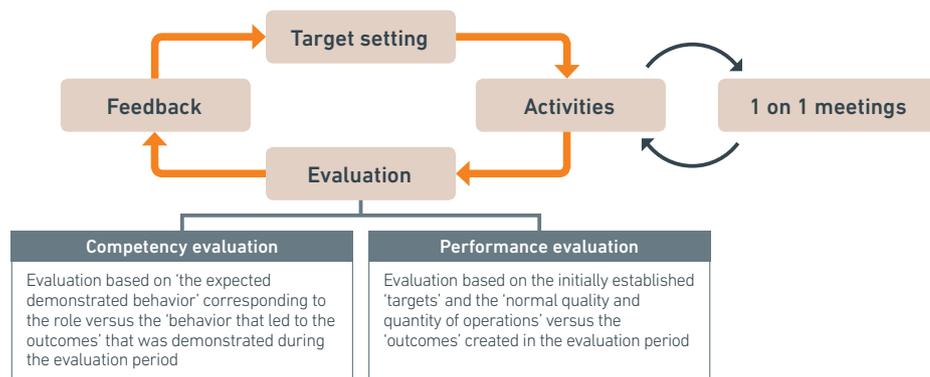
System	Details
Training by hierarchy and occupation	Develop abilities such as the knowledge and skills required by each hierarchy and occupation.
1 on 1 meetings	We encourage training and career development while securing the psychological security of members.
Manager onboarding interviews	We conduct interviews with management members twice in the first half-year after joining the Company to enable them to experience RAKUS culture and quickly demonstrate their capabilities.
Career questionnaire	Each employee reports on their own career aspirations and we support their future career formation.
Survey of RLP (RAKUS Leadership Principles) practice	We conduct regular reviews to ascertain if RLP, the RAKUS code of conduct for management, is achieved in practice in everyday operations to encourage the fostering of the corporate culture.
Management review	We visualize the state of management by managers and encourage initiatives to build better management and workplace environment.
In-house recruitment	We implement this for various newly established posts and duties associated with the expansion of the organization and encourage autonomous career formation of employees and foster their desire.
360-degree survey	We visualize the strengths and weaknesses of each employee for the important evaluation indicator of competency not only through feedback and advice from superiors but also from colleagues, other related departments and others.
Employee awards	<ul style="list-style-type: none"> Group President Award: An organization (section, team, project, etc.) that contributed greatly to the growth of the RAKUS Group Challenge Award: An individual or organization who took on the challenge of a highly uncertain initiative and achieved an outcome or a "good failure" that will become food for the future Special Award: An individual or organization that steadily contributes to the RAKUS Group in an unsung role

Initiatives for Investment in Human Capital

Evaluation system

We have installed an evaluation system based on two axes of “competency” and “performance” to correctly evaluate employees and to provide support that leads to the next step.

In addition to the outcomes during the evaluation period, we value the type of behavior that generated such outcomes. We create an environment able to take on the challenge of initiatives not only from a short-term perspective but also from a long-term perspective by appropriately rotating the activities cycles through these two axes.



Corporate culture

A feature of RAKUS corporate culture is the coexistence of venture thinking and a stable management base.

We have achieved efficient work styles and clearly delineate between working and not working by 'thinking logically and being thorough about PDCA.'

In addition, given that we have been joined by many midcareer hires, we believe it necessary to share time and space and have close communication to achieve a high growth rate, so select 'strategic office work.' On the other hand, we have introduced a selective-type work system for shift work and the child-rearing generation and put our efforts into creating an easy to work environment.

We achieve flexible work styles aligned with an individual's work-life balance

System	Details
RAKU Smile (Selective-type work system for the child-rearing generation)	Eligible employees can select “work hours” and “evaluation style” to respond to the flexible work styles of the child-rearing generation.
Monthly Shift/Timely Shift	Ability to select shift work by month or day without being asked the reason, to support flexible work styles.
Sick Leave	A system for taking leave for personal injury or illness of the individual or family members residing in the same household. Five days per year separate from annual paid leave.
Supporting in-house circle activities	We encourage interaction between employees and subsidize activity expenses for activities that build relationships of trust.

Column

At RAKUS Partners, which is growing its IT outsourcing business, people without engineering experience undergo about 3-months of training by full-time instructors to be trained as IT engineers. They are also encouraged to obtain qualifications to improve their skills, and in the fiscal year ended March 31, 2023, 230 engineers acquired qualifications in areas such as machine learning, AWS-related and national qualifications.



RAKUS Partners
Director

Daisuke Mori

We also put effort into career support for engineers and introduced a mentor system from 2016 as part of these initiatives. Even after our trained engineers are dispatched to companies, we provide opportunities to consult with more senior engineers, and this is embedded in the RAKUS Partners' culture. Some mentors provide coaching and training, and we also pay allowances. Apart from this, the person responsible for career support also conducts regular interviews and we support the achievement of each engineer's career vision.

Initiatives for Investment in Human Capital

HR-related data (Consolidated)

Item	Unit	Category	FY2021.3	FY2022.3	FY2023.3
Number of employees	People	Overall	1,230	1,688	2,197
		Men	889	1,214	1,556
		Women	341	474	641
Ratio of female managers	%		3.3	4.7	5.7
Ratio of employees with disabilities	%		1.48	2.12	2.36
Average number of years of continuous service	Years	Overall	3.1	2.7	2.7
		Men	3.3	2.8	2.9
		Women	2.7	2.5	2.4
Average age	Age	Overall	31.4	30.9	30.9
		Men	31.9	31.6	31.5
		Women	30.0	29.3	29.5
Wage difference between men and women*	%		76.9	77.8	82.2
Turnover rate	%		8.9	10.0	13.1
Percentage of paid leave taken	%		81.4	85.6	91.5
Monthly average overtime working hours	Hours		15.3	15.2	14.6
Ratio of childcare leave taken	%	Overall	35.8	42.7	56.6
		Men	19.0	30.9	43.7
		Women	100	100	100
Ratio of persons who return to work after taking childcare leave	%	Overall	92.9	100	100
		Men	100	100	100
		Women	90.9	100	100

*Ratio of female wages to male wages

HR-related data (Non-consolidated)

Item	Unit	Category	FY2021.3	FY2022.3	FY2023.3
Number of employees	People	Overall	714	956	1,253
		Men	490	673	874
		Women	224	283	379
Ratio of female managers	%		3.7	4.5	4.9
Average number of years of continuous service	Years	Overall	3.0	2.7	2.7
		Men	3.2	2.8	2.8
		Women	2.4	2.5	2.4
Average age	Age	Overall	32.5	32.3	32.3
		Men	33.4	33.3	33.1
		Women	30.5	30.0	30.3
Turnover rate	%		6.3	9.6	13.0
Percentage of paid leave taken	%		82.3	87.6	93.1
Monthly average overtime working hours	Hours		20.3	19.9	19.8

External assessment

Ranking of Companies that are the Best Workplaces by Great Place to Work® Institute

- “Best Company” Japan (large companies) 2023 (6th consecutive year)
- “Best Company” Asian Region (large companies) 2022



Organizational Structure and Governance Policy

The RAKUS Group's basic philosophy of corporate governance is to have a lasting organizational structure that enables accurate decisions to be made in response to changes in the social and economic environment. We believe that making accurate decisions with efficiency, justice, transparency, fairness, and promptness benefit all stakeholders including shareholders, business partners, and employees.

Basic Corporate Governance System and Reasons for Adoption

Overview of Corporate Governance System

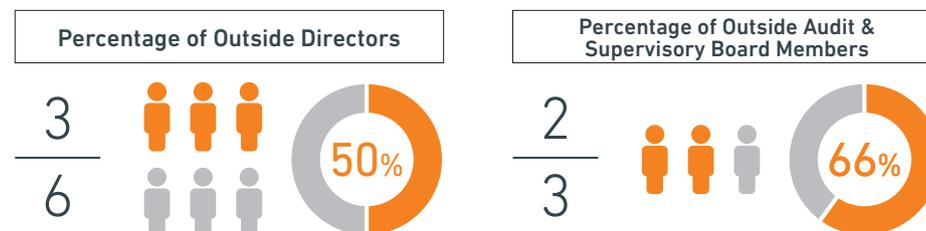
RAKUS is a company with an Audit & Supervisory Board. The Audit & Supervisory Board Members attend important meetings such as the Board of Directors meetings, and monitor decision-making processes and the performance of executive tasks from an independent standpoint. The Board of Directors is chaired by President and Representative Director Takanori Nakamura. It holds meetings at least once per month as a rule, where it formulates corporate management policies and plans, confirms the status of executive tasks, deliberates and decides legal matters and important corporate management-related matters, and monitors the performance of each Director's duties.

The Internal Audit Division conducts internal audits of our divisions and subsidiaries on matters such as legal compliance and operational efficiency, and offers concrete advice and suggestions on making improvements.

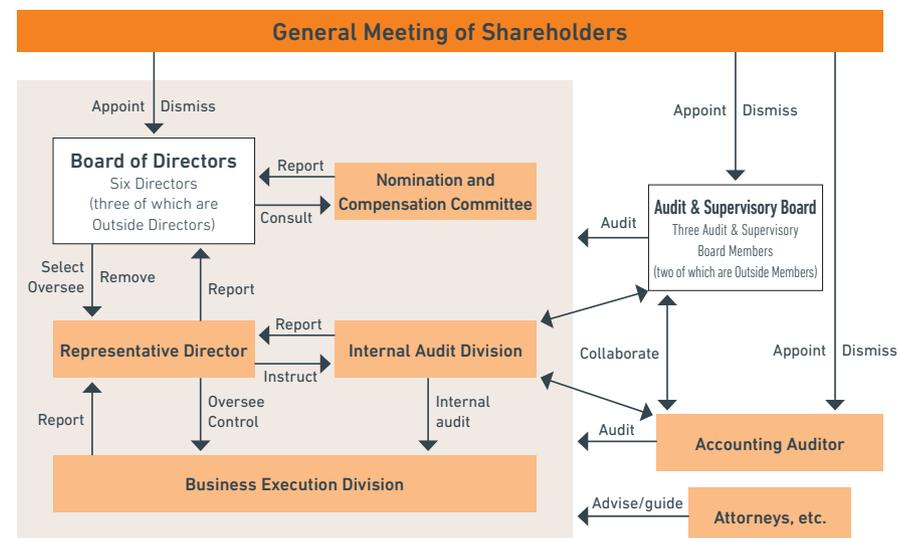
Reasons for Adopting Corporate Governance System

We adopted a corporate governance system that we believed was the best system for achieving our company's purpose at the time. Therefore, we will revise the system as needed in response to changes in the social and legal environment.

RAKUS ensures that it is run soundly and transparently by ensuring the proper functioning of the monitoring and oversight functions of corporate management by the Audit & Supervisory Board Members, which includes Outside Audit & Supervisory Board Members. We also appoint Outside Directors to improve the monitoring and oversight of decision of business execution and corporate management by the Board of Directors. We have decided to adopt the company with the Audit & Supervisory Board because we determine that the most appropriate governance system is one based on monitoring and oversight by Outside Directors that are independent from executives, the Audit & Supervisory Board Members, and the Audit & Supervisory Board.



Organizational Structure



Establishment of Nomination and Compensation Committee

Purpose of Establishment

We established it for the purpose of ensuring fairness, transparency, and objectivity in procedures relating to nomination and compensation, etc. of Directors and Audit & Supervisory Board Members and further enhancing the corporate governance system.

Role of the Committee

Upon consultation with the Board of Directors, deliberates, decides and reports to the Board of Directors on mainly the following matters.

- (1) Policies and procedures for the appointment and dismissal of Representative Director and the nomination of candidates for Directors and Audit & Supervisory Board Members
- (2) Draft proposals for the appointment and dismissal of Directors and Audit & Supervisory Board Members to be submitted to the General Meeting of Shareholders
- (3) Matters concerning the succession plan for the Representative Director
- (4) General policy for determination of the compensation of Directors and Audit & Supervisory Board Members
- (5) Draft proposal on compensation of Directors and Audit & Supervisory Board Members to be submitted to the General Meeting of Shareholders

Composition of the Committee

It is composed of three or more members (Directors and Audit & Supervisory Board Members) appointed by a resolution of the Board of Directors, and at least half of them shall be Outside Directors and Audit & Supervisory Board Members notified to the Tokyo Stock Exchange as Independent Officers.

A Chairman shall be appointed from among Independent Outside Directors by a resolution of the Board of Directors.

Skills Matrix

The Board of Directors as a whole is comprised of officers with consideration given to the balance of their knowledge and experience in company management, business strategy, risk management, finance and accounting, personnel training and technology, needed to verify and prepare the mid- and long-term management strategy.

Officer Skill Matrix (As of June 23, 2023)

		Corporate Management & Management Strategy	Business Strategy & Marketing	Legal & Risk Management	Finance & Accounting	Human Resources & Human Resource Development	Digital Transformation & Technology	Qualifications
Director	Takanori Nakamura	●	●	●		●	●	
	Shinichiro Motomatsu	●	●			●	●	
	Takahiro Miyauchi	●		●	●	●		
Outside Director	Kenji Ogita	●	●					
	Yukihiko Kunitomo	●	●					
	Reika Saito			●				Attorney at law
Audit & Supervisory Board Member	Toshihiro Nojima			●	●			
Outside Audit & Supervisory Board Member	Koji Matsuoka	●			●			Certified Public Accountant Certified Tax Accountant
	Natsuro Abe	●	●					

Policy on Remuneration for Officers

RAKUS prioritizes aligning the interests of shareholders and investors and those of the top management. The current top management team, not including outside officers, hold a certain number of the Company shares. Thanks to the growth of our businesses, the continuous increase of dividend income and the improvement of corporate value have led to an increase in the value of shares held. This means that the responsibility and results of management are linked to assets held. On the other hand, also from the perspective of protecting minority shareholders, we established the "Nomination and Compensation Committee" as an advisory panel to the Board of Directors from June 2023, and the Company is taking greater fairness, transparency, and objectivity in the compensation decision-making process.

In addition, monetary remuneration of officers is set at within the scope of about 3.5 times the average annual wage of employees, which serves to boost motivation to improve corporate value while at the same time maintaining a level that does not produce too wide of a gap with employees.

(Millions of yen, unless otherwise stated)

Category	Total remuneration	Total remuneration by type			No. of eligible officers (Persons)
		Fixed Compensation	Performance-linked Compensation	Non-monetary remuneration, etc.	
Directors (Excluding Outside Directors)	65	62	—	3	3
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members)	4	4	—	—	1
Outside Officers	8	8	—	—	5

The details of the total "non-monetary remuneration, etc." by type of remuneration, etc. takes account of the provision of company housing within a commutable distance to the office where work is executed, with the amount after deducting a levy for use of the company housing based on the Company's designated criteria from the rent for such company housing taken to be the amount of non-monetary remuneration.

Attendance at Meetings of the Board of Directors and the Audit & Supervisory Board

	Attendance at Meetings of the Board of Directors	Attendance at Meetings of the Audit & Supervisory Board
Representative Director Takanori Nakamura	28/28 meetings	
Director Shinichiro Motomatsu	28/28 meetings	
Director Takahiro Miyauchi	— *	
Outside Director Kenji Ogita	27/28 meetings	
Outside Director Yukihiko Kunimoto	28/28 meetings	
Outside Director Reika Saito	23/23 meetings *	
Full-time Audit & Supervisory Board Member Toshihiro Nojima	28/28 meetings	13/13 meetings
Outside Audit & Supervisory Board Member Koji Matsuoka	28/28 meetings	13/13 meetings
Outside Audit & Supervisory Board Member Natsuro Abe	28/28 meetings	13/13 meetings

* Director Takahiro Miyauchi was appointed as Director after the 23rd Annual General Meeting of Shareholders held in June 2023, so the number of times he attended the meetings in the previous fiscal year is not shown. In addition, Outside Director Reika Saito was appointed as Director after the 22nd Annual General Meeting of Shareholders held in June 2022, so the number of times she attended the meetings after her appointment is shown.

Promoting Fair Business Activities

The RAKUS Group promotes fair business activities to remain a company trusted by society. We aim to improve awareness of respect for human rights and compliance through measures such as education and training of all employees and officers.

Human Rights Policy

Basic approach

The RAKUS Group understands that its business activities could have a direct or indirect impact on human rights and has prescribed the "RAKUS Human Rights Policy" to ensure the respect of the human rights of all peoples involved in the business, and strives for initiatives that respect human rights.

In addition, we adhere to the "United Nations Guiding Principles on Business and Human Rights" and respect international standards relating to human rights including the "International Bill of Human Rights" (International Declaration of Human Rights and International Covenants on Human Rights), and the "International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work."

Scope of application

This policy applies to all employees and officers of the RAKUS Group. In addition, we also expect all business partners involved with the Company to understand and support this policy.

Details of initiatives

- We recognize that initiatives in our business activities for matters such as discrimination, harassment, and occupational health and safety are important elements of our responsibility for human rights.
- In the process of implementing this policy, we aim to improve the initiatives for respect of human rights through dialogue with relevant stakeholders inside and outside the Company.
- We undertake appropriate education and training for the effective implementation of this policy for the entire RAKUS Group.
- We will take appropriate remedial action and strive to correct the situation in the event that it becomes clear that business activities of the RAKUS Group have had or have promoted a negative impact on human rights.

Compliance

Basic approach

The RAKUS Group recognizes that compliance by all employees and officers with laws and rules such as internal regulations, and social norms goes without saying, and that the thorough implementation of appropriate activities based on the high standards of ethics that society expects of us is the foundation of company management.

Details of initiatives

- To promote an understanding of the code of ethics and compliance regulations, etc. we regularly conduct education, training and enlightenment activities as well as constant self checks of behavior based on "compliance self-check sheets."
- We have enacted a whistleblowing system concerning organizational and individual breaches of laws and regulations, preparing a structure that aims for the quick detection and correction of breaches of laws and regulations.
- We have stipulated our "Basic Policy on Antisocial Forces," and clarified our policy in relation to antisocial forces that threaten the order and safety of civil society.
- We clearly state our approach to bribery in our code of ethics and compliance regulations and aim for thoroughness in anti-corruption.

Directors/Audit & Supervisory Board Members (As of June 23, 2023)

President and Representative Director

Takanori Nakamura

● Born January 27, 1973 ● Shares held: 62,202,700

April 1996 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
 September 1997 Established Digital Network Service GSK
 January 2000 Established Infocast Co., Ltd.; Director
 November 2000 Established RAKUS; President and Representative Director (current position)

[Important concurrent positions]

Chairman, RAKUS Vietnam Co., Ltd.
 Director, RAKUS Light Cloud Co., Ltd.
 Director, RAKUS Partners Co., Ltd.
 Director, RAKUS Mirai Co., Ltd.

Director/Head of RAKUS Cloud Business Headquarters

Shinichiro Motomatsu

● Born March 3, 1974 ● Shares held: 8,814,300

April 2001 Joined RAKUS
 July 2012 Corporate Officer
 April 2021 Corporate Officer, Head of Cloud Business Headquarters
 June 2021 Director, Head of Cloud Business Headquarters
 February 2023 Director, Head of RAKUS Cloud Business Headquarters (current position)

Director/Head of Business Administration Headquarters

Takahiro Miyauchi

● Born May 22, 1968 ● Shares held: 51,300

March 2013 Joined RAKUS
 June 2014 Corporate Officer
 June 2023 Director, Head of Business Administration Headquarters (current position)

Outside Director

Kenji Ogita

● Born July 6, 1958 ● Shares held: 64,000

March 1986 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
 June 2005 Joined Digital Garage, Inc.
 June 2005 Director, Ibex&rims Inc.
 July 2005 Director, DG Incubation, Inc.
 September 2005 Representative Director, DG & Partners, Inc.
 March 2007 Director, TransWARE CO., LTD. (currently QUALITIA CO., LTD.)
 February 2015 Outside Director, RAKUS (current position)
 August 2020 Representative Partner, Antelope LLC (current position)

Reasons for selection

Kenji Ogita was selected to be an Outside Director due to his experience serving as Director at other companies, and his ability to use his broad insight to give feedback and advice, oversee from a neutral and objective standpoint, and make holistic decisions based on his unique career.

Outside Director

Yukihiko Kunimoto

● Born August 21, 1960 ● Shares held: 0

April 1984 Joined Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.)
 January 2006 Established Independents Co., Ltd. (currently Kips Co., Ltd.);
 Representative Director (current position)
 June 2020 Outside Director, RAKUS (current position)

Reasons for selection

Yukihiko Kunimoto was selected to be an Outside Director due to his ability to oversee the management of RAKUS and give advice on a wide range of management issues from an out-of-the-box perspective based on his extensive experience and keen insight as the head of another company.

Directors/Audit & Supervisory Board Members (As of June 23, 2023)

Outside Director

Reika Saito

● Born February 7, 1980 ● Shares held: 0

*Reika Saito's name is recorded as Reika Koumori in the family registry.

September 2007	Joined Ogasawara & Konno Law Firm
October 2008	Joined the International Legal Affairs Bureau, Ministry of Foreign Affairs of Japan (with limited term)
October 2009	Returned to Ogasawara, Konno & Rokugawa Law Firm
February 2012	Joined the Dispute Settlement Center for Nuclear Damages (part-time)
September 2012	Assigned overseas to Israel and Egypt
January 2018	Returned to Ogasawara, Konno & Rokugawa Law Firm
February 2021	Partner, Amita International Law Firm
June 2022	Outside Director, RAKUS (current position)

[Important concurrent positions]

Outside Audit & Supervisory Board Member, Grooves Inc.

Director, Forum on Future Vision

Reasons for selection

In addition to her professional knowledge and experience as an attorney-at-law, Reika Saito has experience as an Outside Audit & Supervisory Board Member at another company. The Company therefore nominated her for Outside Director, judging that she can provide supervision from an independent and objective standpoint and advice from a legal perspective on overall management.

Full-time Audit & Supervisory Board Member

Toshihiro Nojima

● Born June 29, 1973 ● Shares held: 2,160,000

April 1997	Joined The Yasuda Fire and Marine Insurance Co., Ltd.(currently Sompō Japan Partners Inc.)
January 2000	Established Infocast Co., Ltd.; Director
November 2000	Established RAKUS; Director
August 2008	Director and General Manager, Accounting & Finance Department
June 2011	Audit & Supervisory Board Member (current position)

[Important concurrent positions]

Auditor, RAKUS Vietnam Co., Ltd.

Audit & Supervisory Board Member, RAKUS Partners Co., Ltd.

Audit & Supervisory Board Member, mj Capital Inc.

Audit & Supervisory Board Member, RAKUS Mirai Co., Ltd.

Outside Audit & Supervisory Board Member

Koji Matsuoka

● Born August 5, 1974 ● Shares held: 509,000

April 1997	Joined Asahi & Co. (currently KPMG AZSA LLC)
November 2000	Audit & Supervisory Board Member, RAKUS (current position)
March 2005	Representative, Matsuoka CPA Office (current position)

[Important concurrent positions]

Outside Director, ROCKWAVE Co., Ltd.

Outside Audit & Supervisory Board Member, Asahi Life Science Co., Ltd.

Outside Audit & Supervisory Board Member, Aisawa Construction Ltd.

Outside Audit & Supervisory Board Member, Adachi Co., Ltd.

Audit & Supervisory Board Member, Dream Factory Inc.

Director and Audit & Supervisory Committee Member, HouseFreedom Co., Ltd.

Reasons for selection

A certified public accountant, Koji Matsuoka was selected to be an Outside Audit & Supervisory Board Member due to his considerable capabilities and experience in overseeing the performance of Directors' duties and ensuring transparency, efficiency, and impartiality in decision making.

Outside Audit & Supervisory Board Member

Natsuro Abe

● Born July 19, 1975 ● Shares held: 64,000

May 1998	Joined Andersen Consulting Ltd. (currently Accenture Japan Ltd.)
August 2002	Joined Y's table corporation
October 2004	Director, Yume no Machi Souzou linkai Co., Ltd. (currently Demae-can Co., Ltd.)
April 2009	Representative Director, Y's & partners Co., Ltd. (currently PLATFORM HOLDINGS Co., Ltd.) (current position)
June 2014	Audit & Supervisory Board Member, RAKUS (current position)
October 2021	Representative Director, ANDB Co., Ltd. (current position)
October 2021	Representative Director, RESPa Co., Ltd. (current position)

Reasons for selection

Natsuro Abe was selected to be an Outside Audit & Supervisory Board Member due to his experience serving as Director at another company, and his ability to use his broad insight to give feedback and advice, oversee from a neutral and objective standpoint, and make holistic decisions based on his unique career.

Financial Data

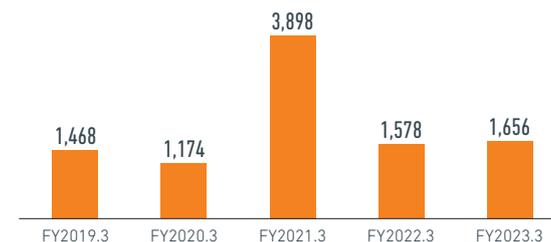
Net sales (Millions of yen)



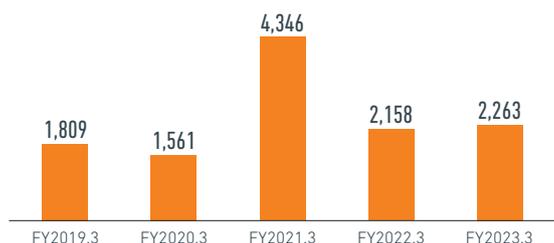
Gross profit (Millions of yen)



Operating profit (Millions of yen)



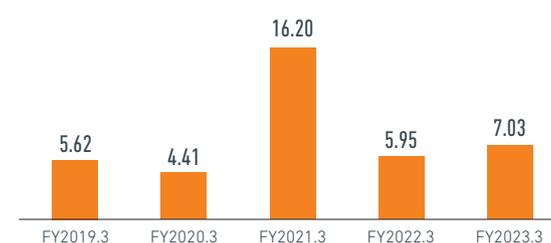
EBITDA (Millions of yen)



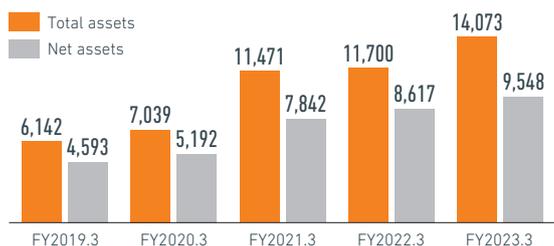
Profit attributable to owners of parent (Millions of yen)



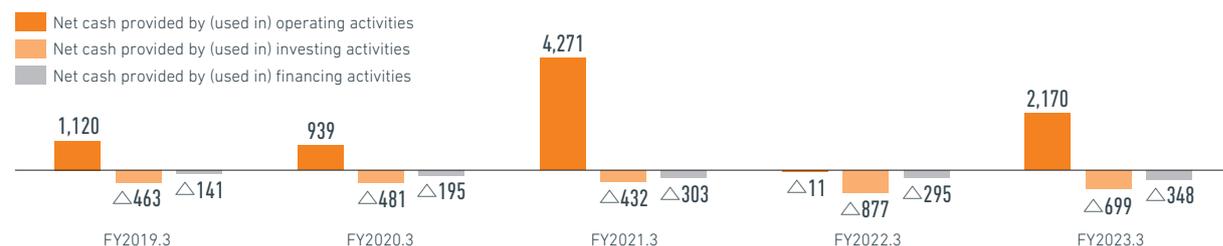
EPS(Earnings per share) (yen)



Total assets/Net assets (Millions of yen)



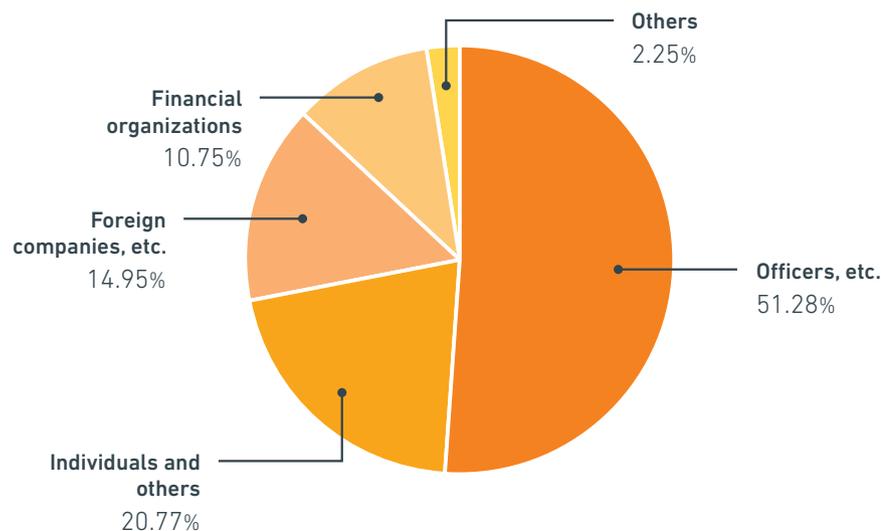
Cash Flows (Millions of yen)



Capital Structure and Dividends

Capital Structure

(As of March 31, 2023)



Top Ten Major Shareholders

(As of March 31, 2023)

Shareholder Name	No. of Shares Held	Shareholding Ratio*
Takanori Nakamura	62,202,700	34.33%
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,835,400	7.08%
Yoshifumi Matsushima	9,340,000	5.15%
Hideyuki Inoue	9,040,400	4.99%
Shinichiro Motomatsu	8,814,300	4.86%
Fumihiko Asano	8,000,000	4.41%
Custody Bank of Japan, Ltd. (Trust Account)	4,866,800	2.69%
Noritsugu Ogawa	2,970,000	1.64%
ML PRO SEGREGATION ACCOUNT (Standing proxy: BofA Securities Japan Co., Ltd.)	2,479,300	1.37%
RAKUS Employee Shareholding Association	2,443,900	1.35%

*Shareholding ratio is calculated after deducting treasury shares (1,610 shares).

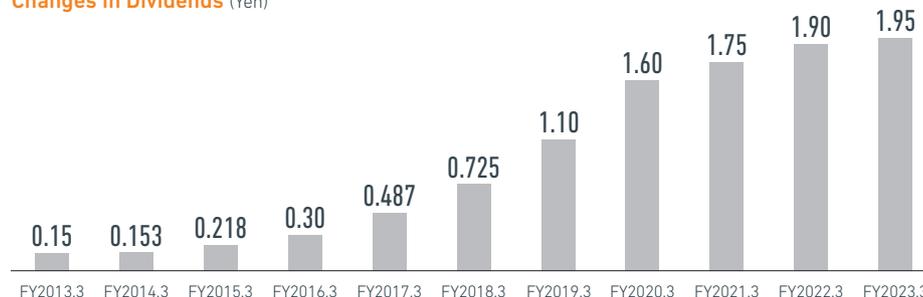
Dividend

Dividend Policy

RAKUS recognizes that providing returns to shareholders is the most important issue for management and has established a basic policy of paying continuous and stable dividends while maintaining internal reserves required for conducting business and strengthening the management base in order to achieve profitable growth.

We will implement dividends of surplus aiming to provide a consolidated dividend payout ratio exceeding 10% based on appropriate distribution of profit according to the expansion of performance. We also set the lower limit of annual dividends per share at the previous year's level in principle to continually increase dividends with consideration for continuity and stability of dividends.

Changes in Dividends (Yen)



Note: Figures after retroactively adjusting to reflect stock split

Company Outline & Group Structure

Company Name	RAKUS Co., Ltd.
Foundation	November 1, 2000
Capital	378,378,000 yen
Fiscal Year	From April 1 of each year to March 31 of the following year
Number of Employees <small>as of the end of March 2023</small>	Consolidated: 2,197
	Non-consolidated: 1,253
Stock Listing	Tokyo Stock Exchange Prime Market
Securities Code	3923
Shareholder Registry Administrator	Mitsubishi UFJ Trust and Banking Corporation
Auditing Firm	KPMG AZSA LLC

Group Companies	Business	Shareholding Ratio
RAKUS Light Cloud Co., Ltd.	Cloud-based software service provider	100%
RAKUS Partners Co., Ltd.	IT engineer dispatching	100%
	IT engineer career change support	
RAKUS HRTech Co., Ltd.	Cloud-based software service provider	100%
RAKUS Mirai Co., Ltd.	Production and sales of food products and operation of restaurants	100%
RAKUS Vietnam Co., Ltd.	Cloud service development	100%

Office Locations

