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## Summary of Financial Results for the Nine Months Ended April 30, 2018 (Based on Japanese GAAP)

June 14, 2018

Company name: RAKSUL INC.  
 Listed stock exchange : Tokyo  
 Stock code: 4384 <https://corp.raksul.com/>  
 Representative: Representative Director, President and CEO Yasukane Matsumoto  
 Inquiries: Director, CFO Yo Nagami TEL +81-3-6632-9048  
 Scheduled date to file Quarterly Securities Report: June 14, 2018  
 Scheduled date of dividend payments: –  
 Supplementary materials: Yes  
 Meeting for institutional investors and analysts: Yes

*(Figures are rounded down to the nearest million yen)*

### 1. Financial Results for the Nine Months Ended April 30, 2018 (August 1, 2017 – April 30, 2018)

#### (1) Operating results (cumulative)

*(Percentages show the change from the same period of previous fiscal year)*

	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended April 30, 2018	7,938	–	(56)	–	(80)	–	(84)	–
Nine months ended April 30, 2017	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended April 30, 2018	(4.31)	–
Nine months ended April 30, 2017	–	–

#### (2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2018	5,070	3,101	61.1
As of July 31, 2017	4,869	3,009	61.8

Reference: Shareholders' equity April 30, 2018: 3,100million yen July 31, 2017: 3,007 million yen

### 2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended July 31, 2017	–	0.00	–	0.00	0.00
Year ending July 31, 2018 (actual)	–	0.00	–		
Year ending July 31, 2018 (forecast)				0.00	0.00

Note: Amendments to dividend forecast compared with the most recent disclosure: None

### 3. Forecast for the Fiscal Year Ending July 31, 2018 (August 1, 2017 - July 31, 2018)

*(Percentages show the change from the same period of previous fiscal year)*

	Net sales		Operating profit		Ordinary profit		Net profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,515	37.0	50	–	9	–	6	–	0.31

Note: Revisions of most recent financial results forecast: None

#### 4. Others

- (1) Application of special accounting methods for preparing quarterly financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- |  |      |
|--|------|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | None |
| Changes in accounting policies due to other reasons:   | None |
| Changes in accounting estimates:   | None |
| Restatement of prior period financial statements:  | None |
- (3) Number of shares outstanding (common shares)
- 1) Number of shares outstanding at the end of period (including treasury stock)
- |                 |                   |                |                   |
|-----------------|-------------------|----------------|-------------------|
| April 30, 2018: | 25,017,000 shares | July 31, 2017: | 14,775,900 shares |
|-----------------|-------------------|----------------|-------------------|
- 2) Number of treasury stock at the end of period
- |                 |          |                |          |
|-----------------|----------|----------------|----------|
| April 30, 2018: | — shares | July 31, 2017: | — shares |
|-----------------|----------|----------------|----------|
- 3) Average number of shares outstanding during the period
- |                                   |                   |                                   |                   |
|-----------------------------------|-------------------|-----------------------------------|-------------------|
| Nine months ended April 30, 2018: | 19,528,805 shares | Nine months ended April 30, 2017: | 14,775,900 shares |
|-----------------------------------|-------------------|-----------------------------------|-------------------|

This quarterly report of financial results is out of scope from quarterly review procedures conducted by independent auditors.

**\* Cautionary statement with respect to forward-looking statements**

The forecasts above are based on the judgments made in accordance with information currently available. Forecasts therefore include risks and uncertainties. Actual figures may differ from these forecasts due to subsequent changes in the circumstances.

**Quarterly Financial Statements**  
**Balance Sheets**

(In thousands of yen)

	As of July 31, 2017	As of April 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	3,025,445	2,796,961
Accounts receivable - trade	728,219	1,019,428
Prepaid expenses	42,160	47,731
Income taxes receivable	7,636	—
Consumption taxes receivable	9,739	—
Other	19,490	19,152
Allowance for doubtful accounts	(191)	(268)
Total current assets	3,832,500	3,883,005
Non-current assets		
Property, plant and equipment		
Buildings	56,569	191,309
Accumulated depreciation	(13,093)	(23,667)
Buildings, net	43,475	167,642
Machinery and equipment	582,936	582,936
Accumulated depreciation	(105,377)	(149,097)
Machinery and equipment, net	477,558	433,838
Tools, furniture and fixtures	25,706	33,180
Accumulated depreciation	(10,169)	(15,021)
Tools, furniture and fixtures, net	15,536	18,159
Leased assets	170,000	170,000
Accumulated depreciation	(42,500)	(55,249)
Leased assets, net	127,500	114,750
Total property, plant and equipment	664,070	734,389
Intangible assets		
Software	66,601	54,287
Total intangible assets	66,601	54,287
Investments and other assets		
Investment securities	90,000	90,000
Shares of subsidiaries and associates	82,440	127,666
Guarantee deposits	134,149	181,551
Total investments and other assets	306,589	399,218
Total non-current assets	1,037,262	1,187,896
Total assets	4,869,763	5,070,901

(In thousands of yen)

	As of July 31, 2017	As of April 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	597,255	828,411
Short-term loans payable	260,000	220,000
Current portion of long-term loans payable	194,868	197,218
Lease obligations	33,767	35,836
Accounts payable - other	344,822	199,460
Income taxes payable	2,765	26,133
Accrued consumption taxes	—	76,300
Advances received	33,680	34,976
Provision for point card certificates	4,486	—
Other	24,231	40,883
Total current liabilities	1,495,876	1,659,219
Non-current liabilities		
Long-term loans payable	286,298	156,814
Lease obligations	77,958	50,816
Asset retirement obligations	—	102,751
Total non-current liabilities	364,256	310,381
Total liabilities	1,860,133	1,969,601
Net assets		
Shareholders' equity		
Capital stock	100,000	188,598
Capital surplus		
Legal capital surplus	3,922,672	2,995,937
Other capital surplus	160,076	—
Total capital surpluses	4,082,749	2,995,937
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(1,175,411)	(84,173)
Total retained earnings	(1,175,411)	(84,173)
Total shareholders' equity	3,007,338	3,100,362
Subscription rights to shares	2,291	938
Total net assets	3,009,629	3,101,300
Total liabilities and net assets	4,869,763	5,070,901

**Statements of Income (cumulative)**

(In thousands of yen)

	Nine months ended April 30, 2018
Net sales	7,938,376
Cost of sales	5,951,524
Gross profit	1,986,851
Selling, general and administrative expenses	2,043,517
Operating loss	(56,665)
Non-operating income	
Interest income	45
Dividend income	780
Miscellaneous income	1,211
Total non-operating income	2,036
Non-operating expenses	
Interest expenses	10,464
Share issuance cost	15,128
Miscellaneous loss	193
Total non-operating expenses	25,786
Ordinary loss	(80,416)
Loss before income taxes	(80,416)
Income taxes - current	3,757
Total income taxes	3,757
Loss	(84,173)