



Financial Results for the 3rd Quarter of Fiscal Year Ending July 31, 2018

RAKSUL INC.

(TSE Mothers : 4384)

June 14, 2018

AGENDA

1. Company Overview

2. Financial Highlights

3. Growth Strategies

4. Reference Materials

1. Company Overview

Our Vision & What We Do

Vision

Better Systems, Better World

Our strong belief is redesigning the structure and value chain of conventional industries such as printing and logistics with the help of internet

Printing EC Marketplace



Raksul

Launched in March 2013



“Uber of Logistics”

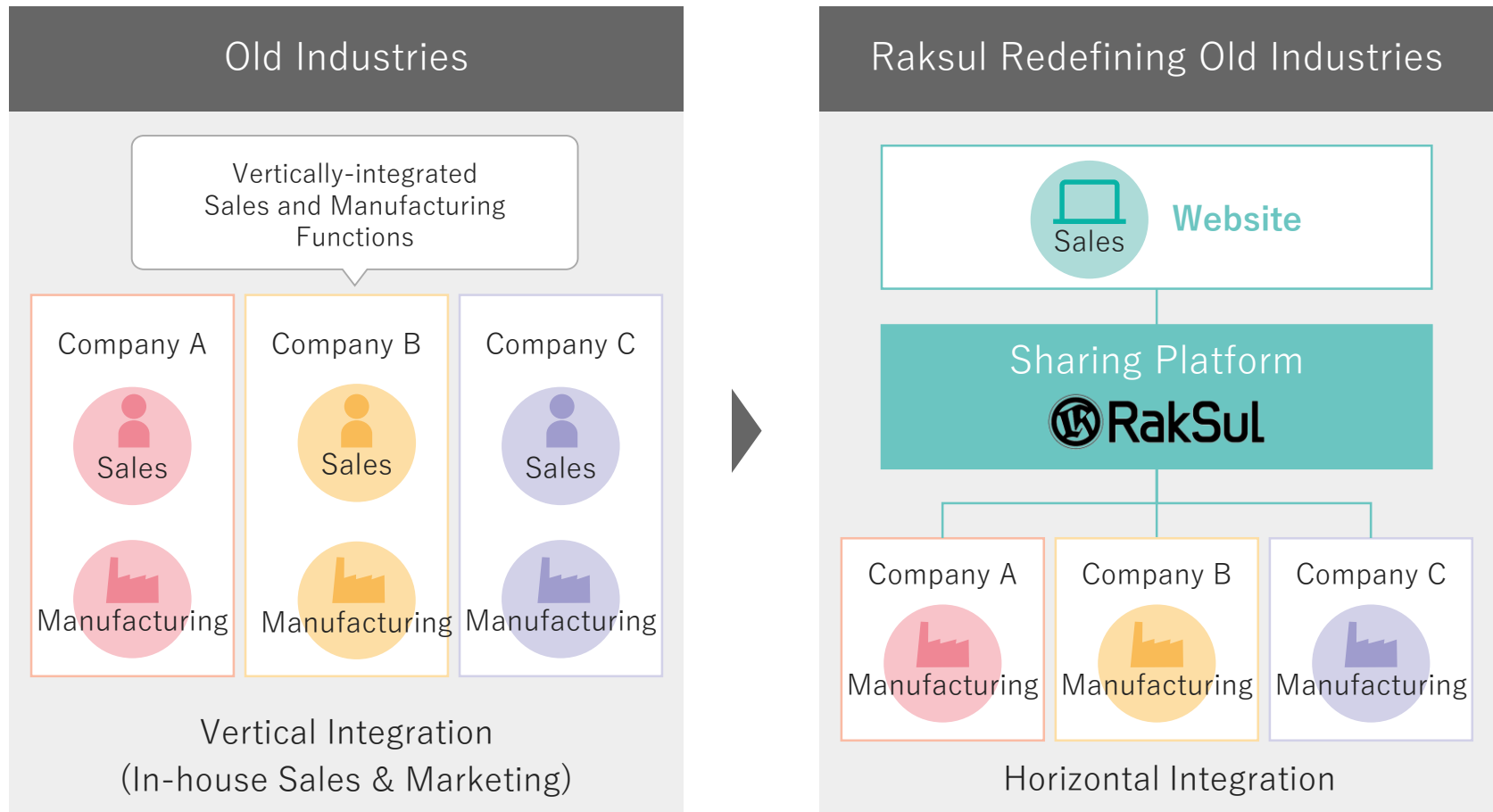


Launched in December 2015



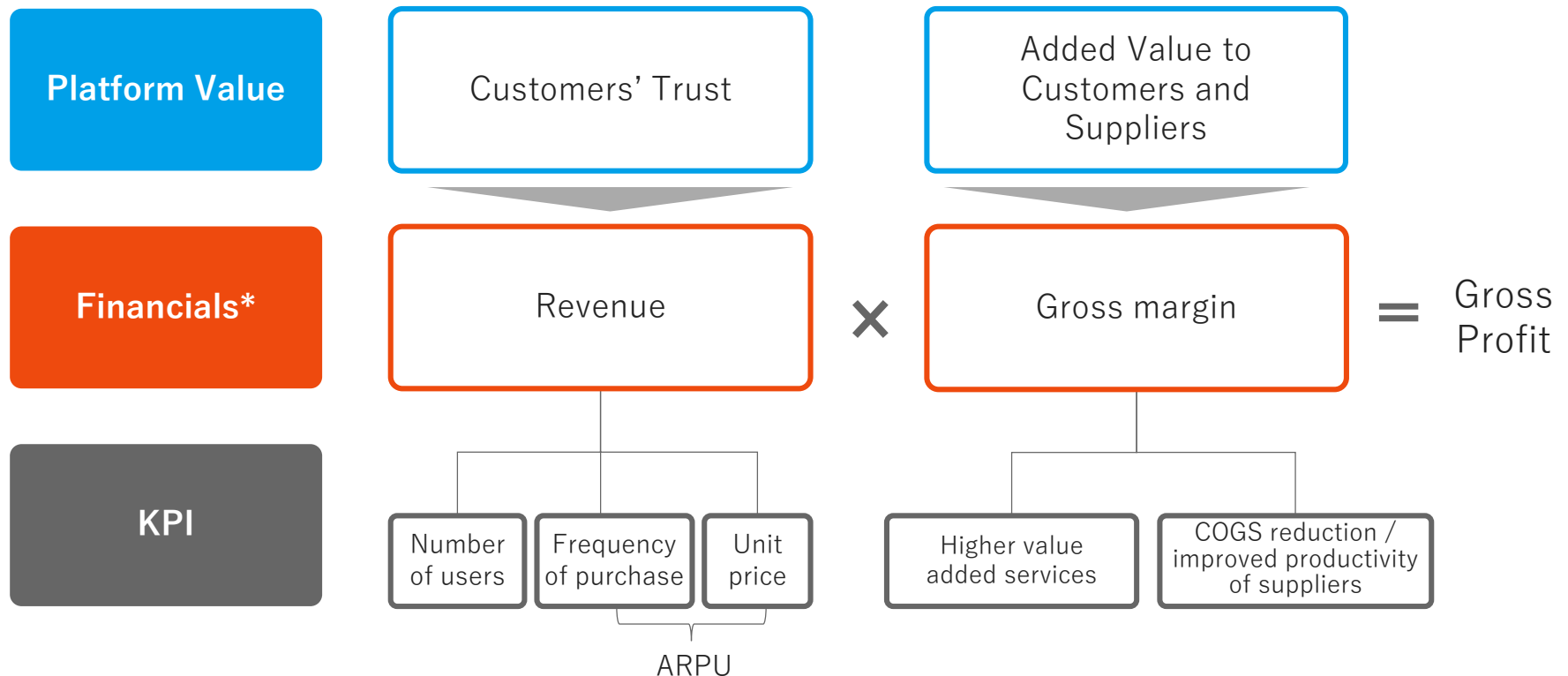
Raksul Redefining Old Industries

In old industries, each company vertically integrates sales and manufacturing functions. With the internet, we create the new platform that aggregates and connects supply directly with demand



Raksul Value Creation Formula

Achieve growth in revenue and gross profits through winning customers' trust and maximizing added value to customers and suppliers



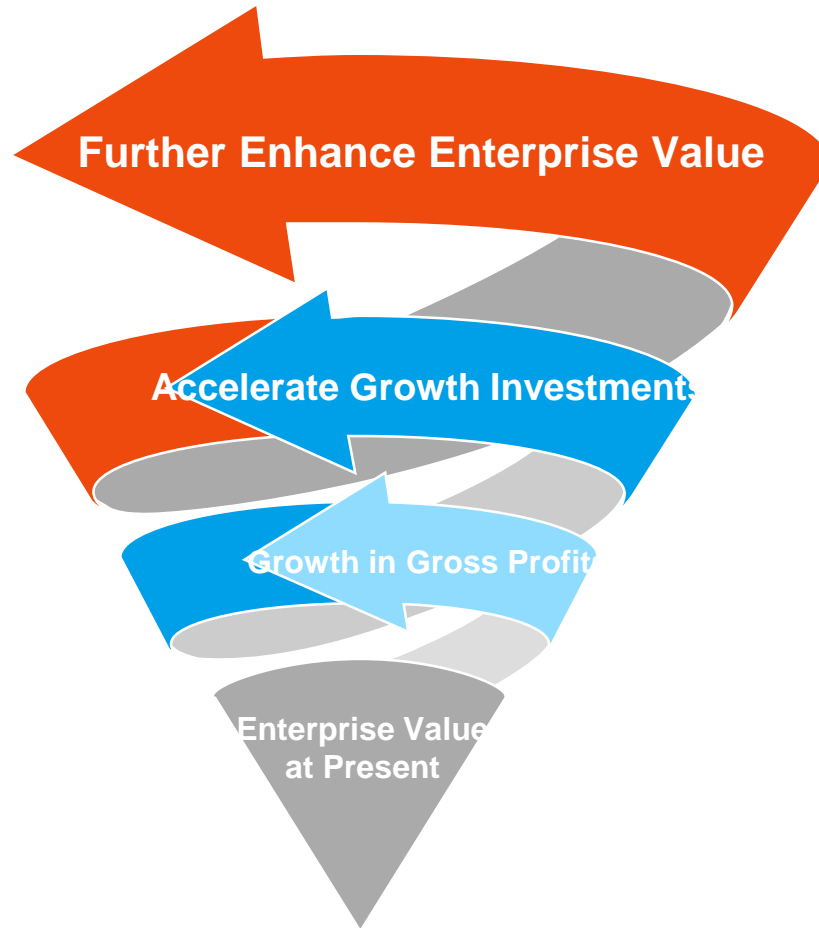
*** Accounting standards applied to our revenue and gross profit**

Revenue: revenues earned from Users by both Raksul and Hacobell are booked as gross revenue

Gross profit: gross profit = gross revenue - cost of sales

Our Upward Spiral of Value Creation

Maximizing gross profits accelerates both growth of operating profit and investments to generate greater platform value in a balanced way



2. Financial Highlights

Quarterly Financial Highlight ①

Revenue: JPY 3,034 Million(+41.5% compared to FY16 3Q)

Gross profit: JPY 760 Million (+52.8% compared to FY16 3Q)

Operating profit: JPY 64 Million

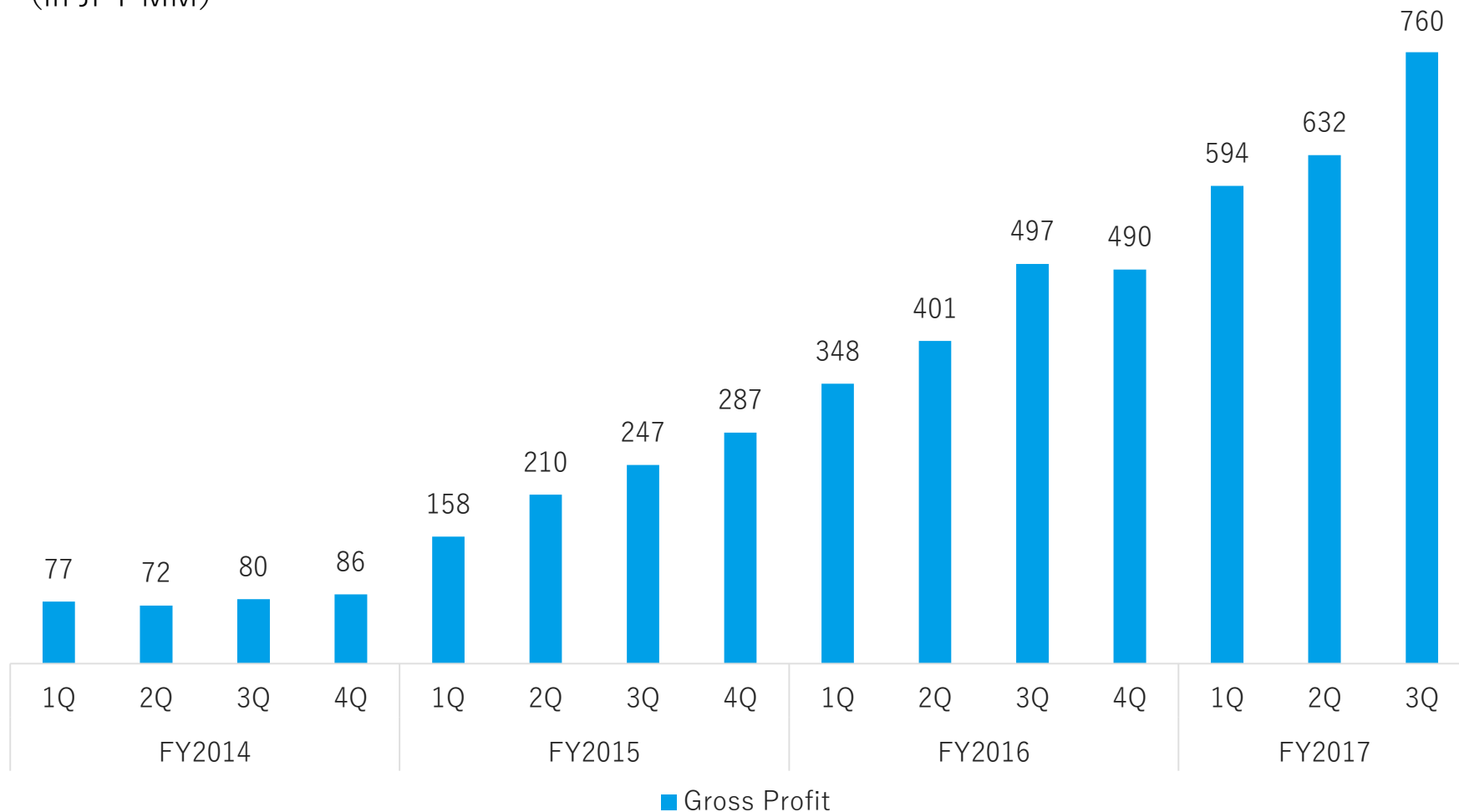
(in JPY MM)	FY2017 3Q (2018/2-2018/4)					FY2017 YTD (2017/8-2018/4)				
	Actual	FY2016 3Q		FY2017 2Q		Actual	FY2016 3Q		FY2017 Plan	
		Actual	QoQ	Actual	QoQ		Actual	YoY	Plan	Progress Rate
Revenue	3,034	2,144	+41.5%	2,514	+20.7%	7,938	5,506	+44.2%	10,515	75.5%
Gross Profit	760	497	+52.8%	632	+20.3%	1,986	1,247	+59.2%	2,571	77.3%
Gross Margin	25.1%	23.2%	+1.9pt	25.1%	+0pt	25.0%	22.7%	+2.3pt	24.5%	-
Operating Profit	64	-371	-	103	-37.2%	-56	-886	-	50	-
Ordinary Profit	49	-376	-	99	-50.3%	-80	-901	-	9	-
Net Profit	47	-376	-	97	-50.9%	-84	-901	-	6	-

	FY2015 3Q	FY2016 3Q	FY2017 3Q
Number of registered users on printing platform	258,476	405,383	611,137
		+ 146,907 Compared to FY2015 3Q	+ 205,754 Compared to FY2016 3Q

Quarterly Financial Highlight ②

Increase in gross profit - the source of our enterprise value

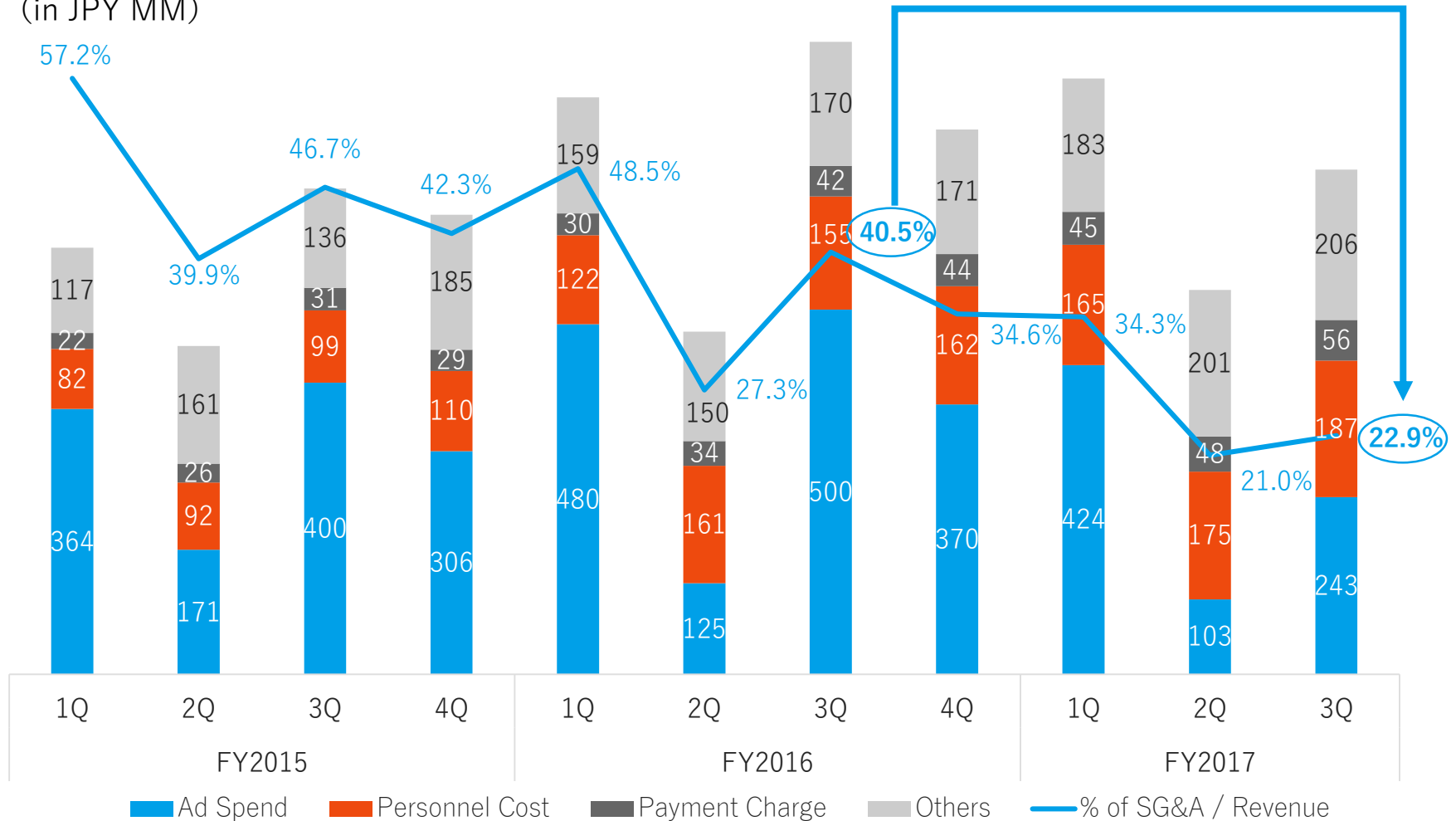
(in JPY MM)



Quarterly Financial Highlight ③

Decreasing % of SG&A expenses per revenue

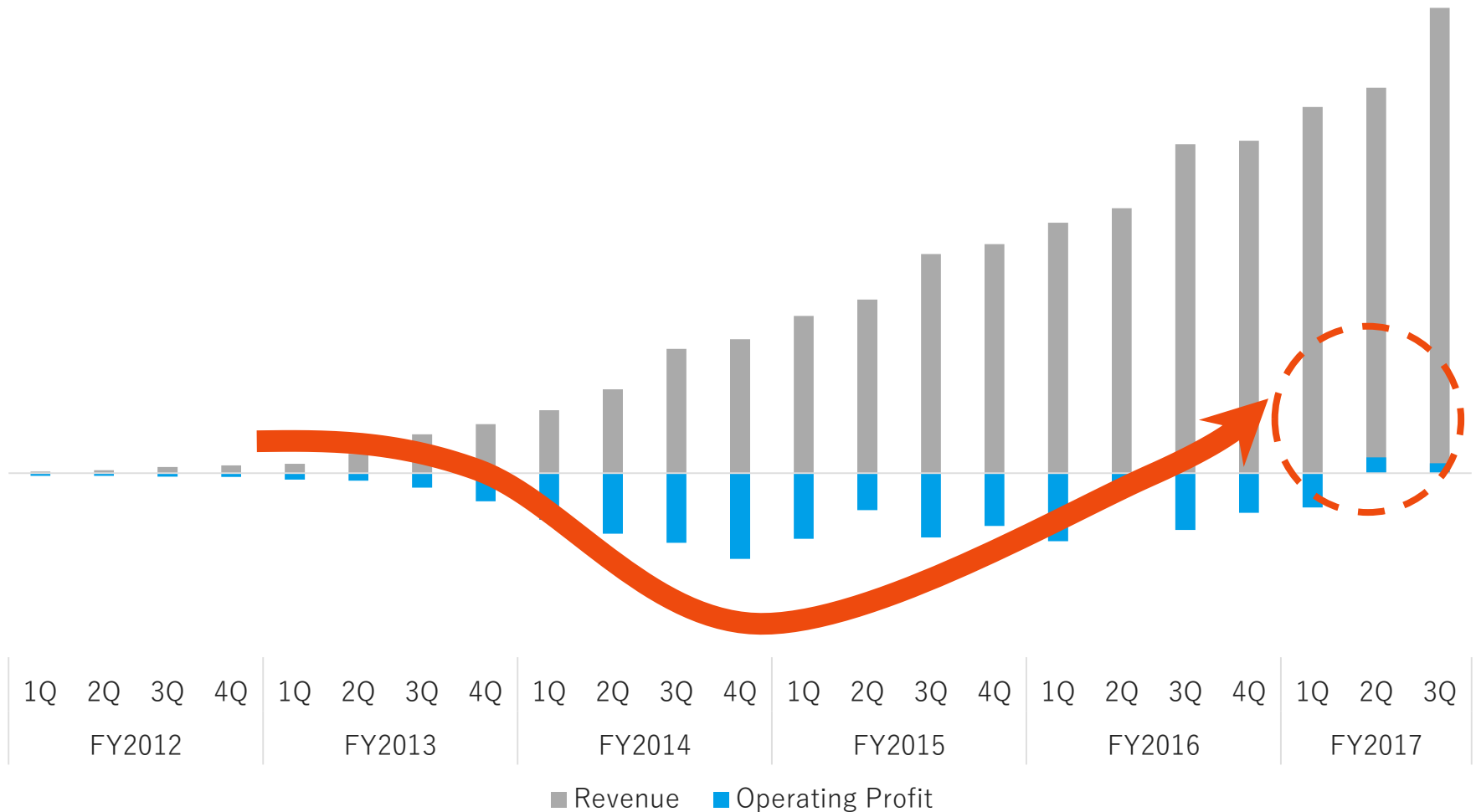
(in JPY MM)



Quarterly Financial Highlight ④

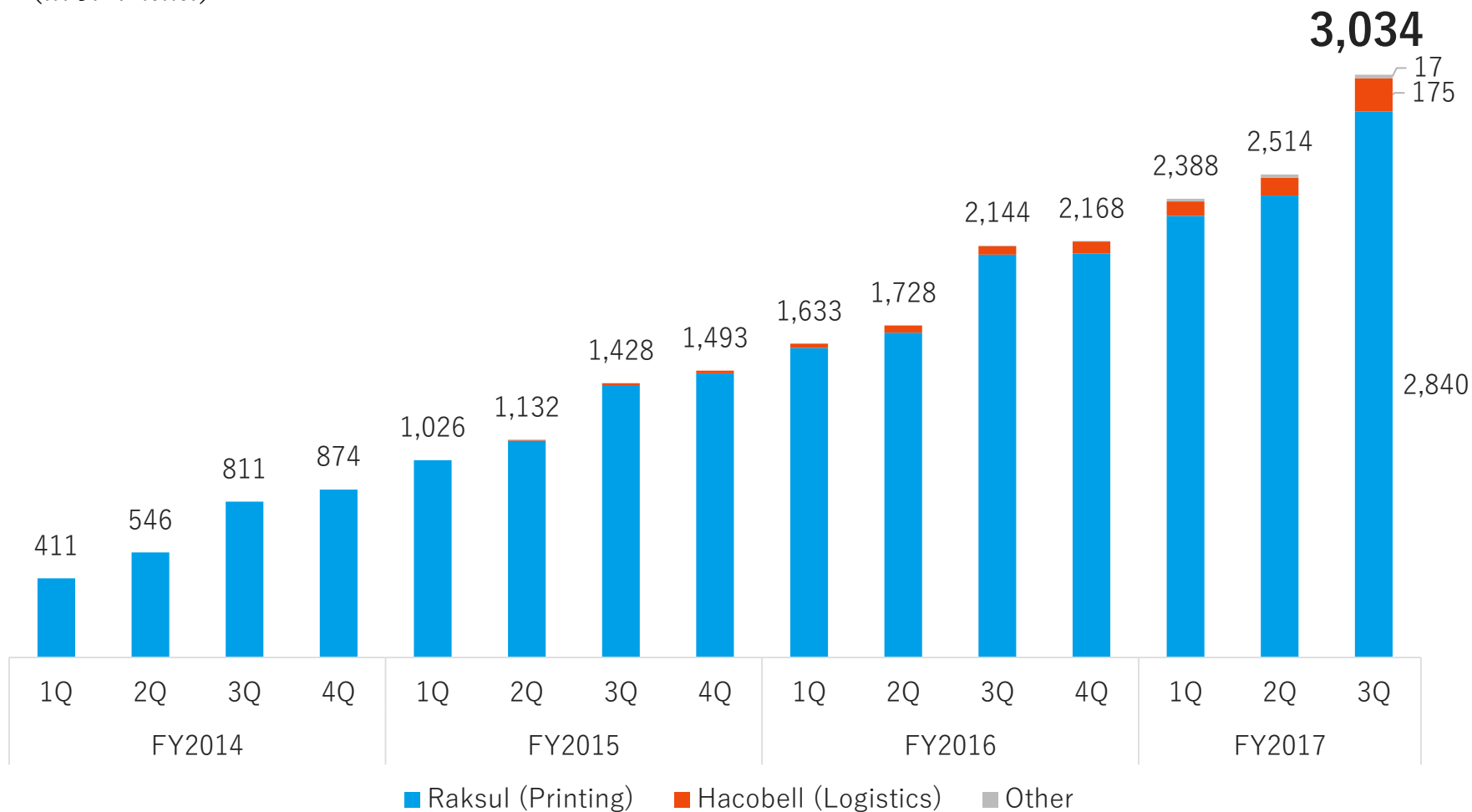
Positive operating profit since FY2017 2Q

Entering into a profitable phase after cultivating a J-curve of JPY 5 Billion in total

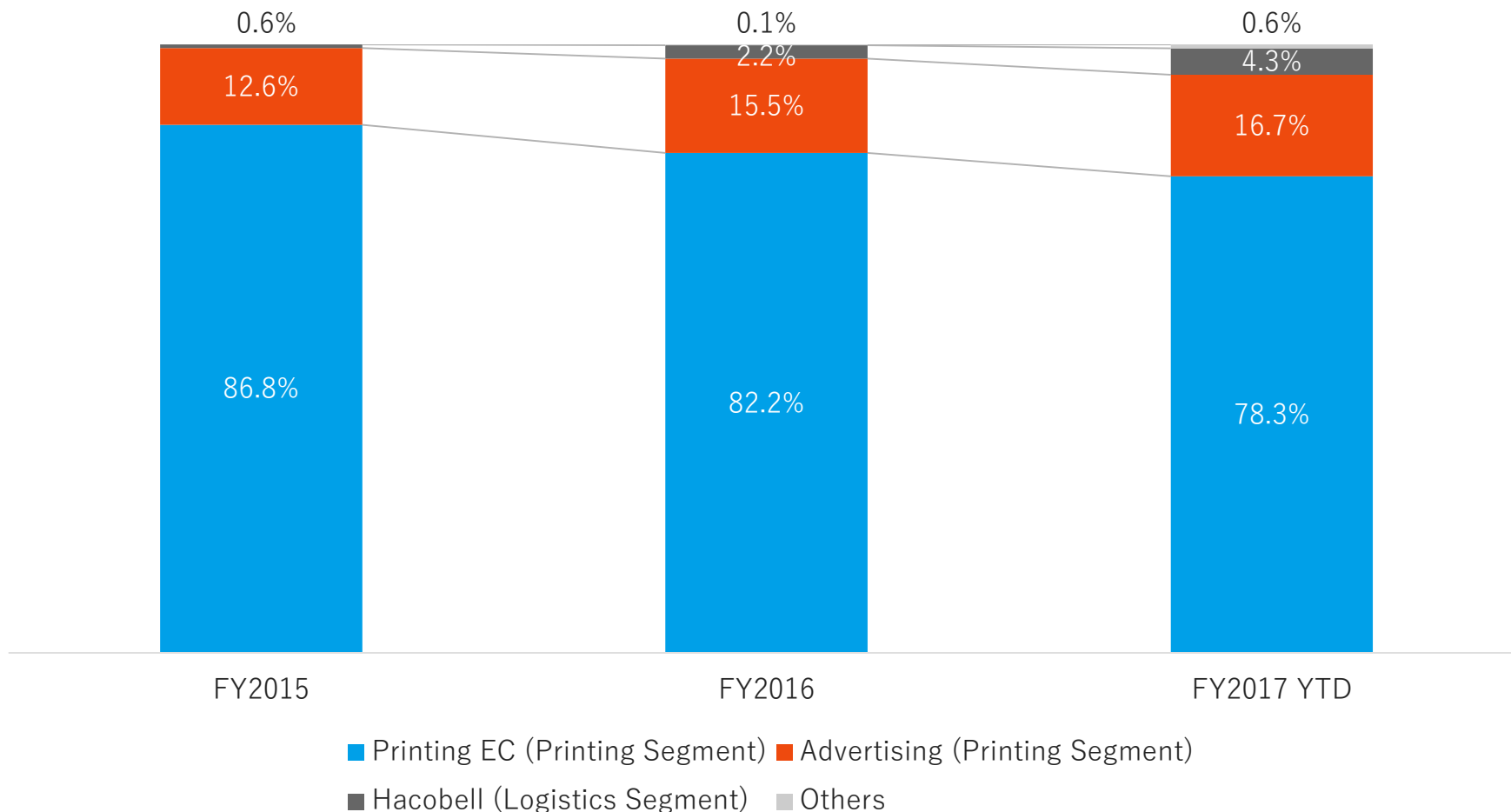


Increasing speed of revenue growth

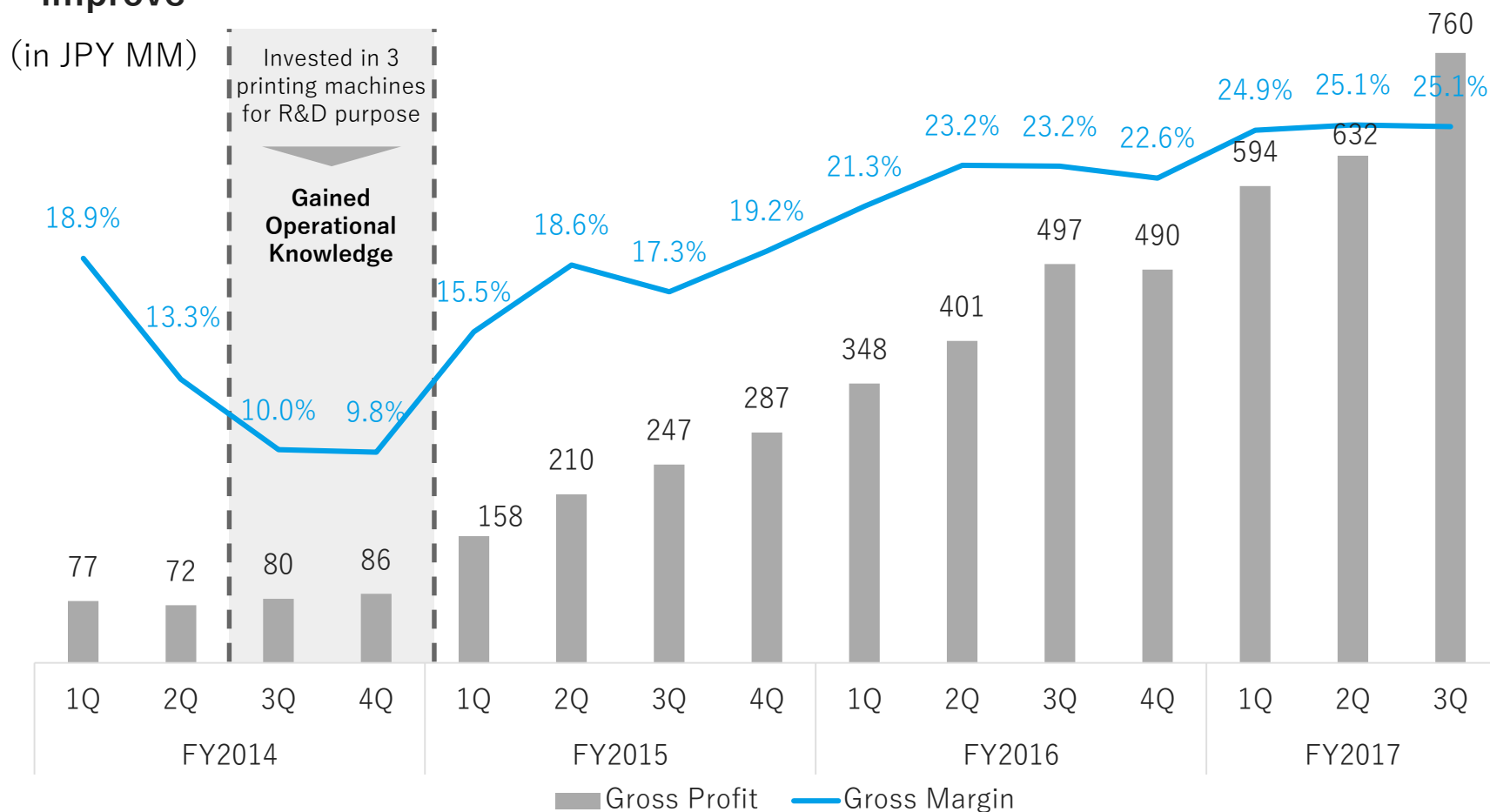
(in JPY MM)



Our newer platforms will rapidly expand while the printing EC service continues its growth, creating multiple strong revenue streams



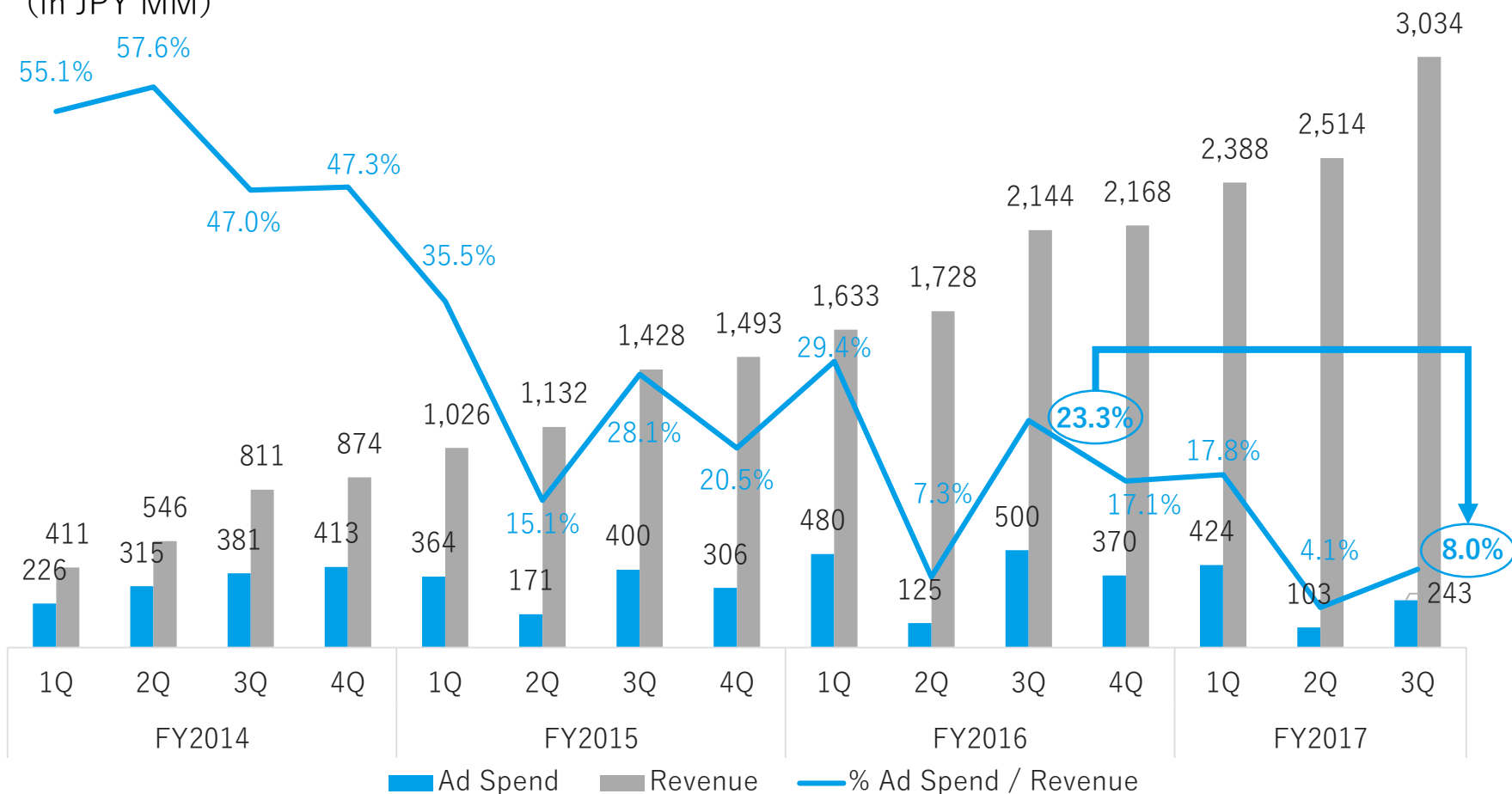
The short-term company gross margin may not improve as much, due to the changes in business mix; however, we expect the mid-term gross margin to improve





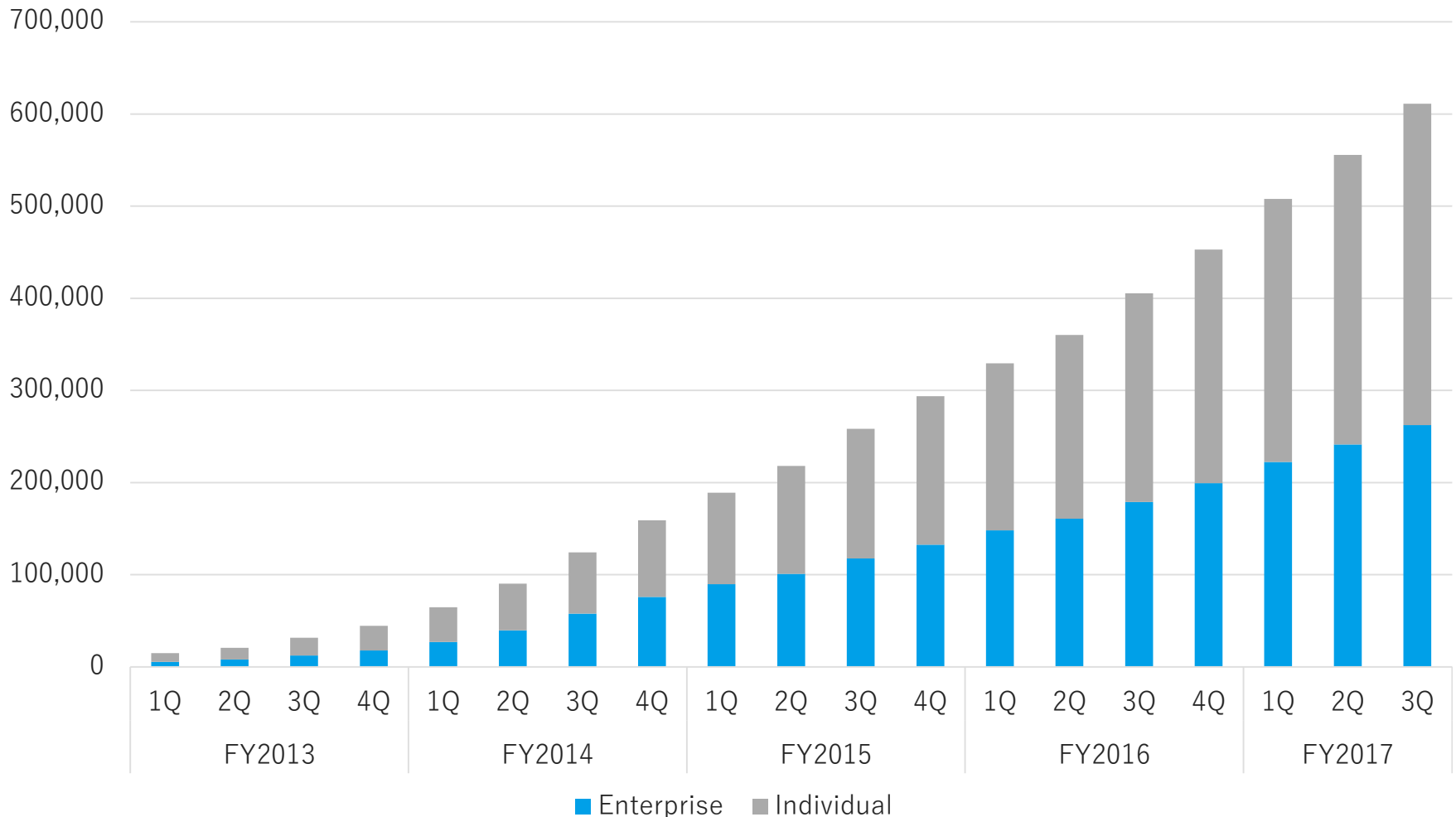
Efficiency of advertising spend continues to improve, driving down % ad spend per revenue

(in JPY MM)



Number of Registered Users on Our Printing Platform

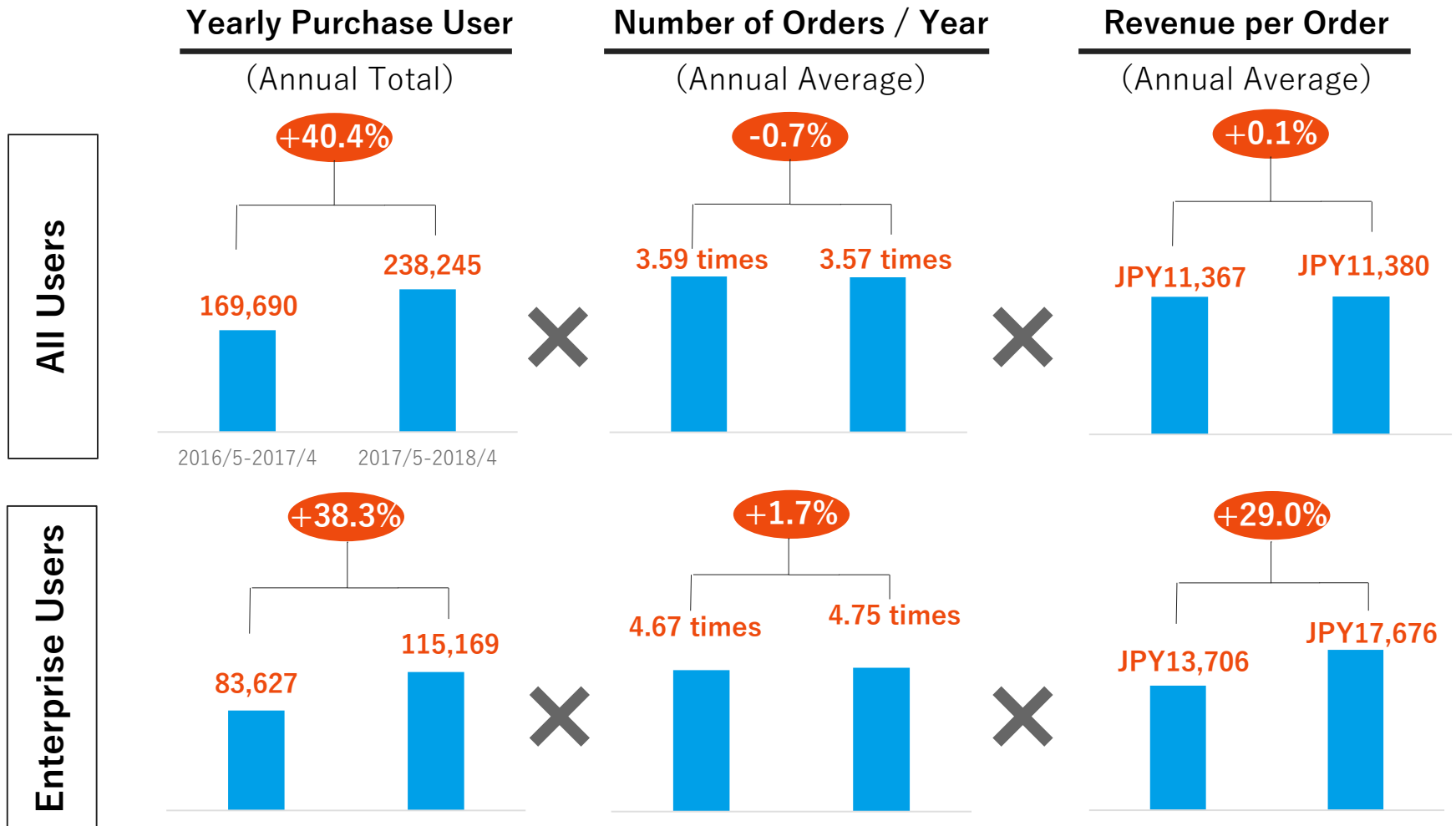
Speed of user acquisition accelerated by improvement in efficiency of advertising spend⁽¹⁾



Note

(1) This refers to users of the printing platform only; users of “Hacobell” service is not included

While the number of annual orders per user decreased due to an increase in the number of individual users, the KPIs of our core user group (enterprise users) are improving

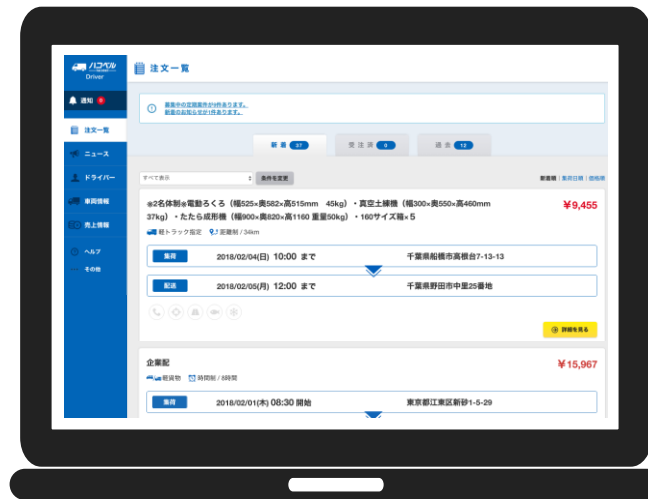
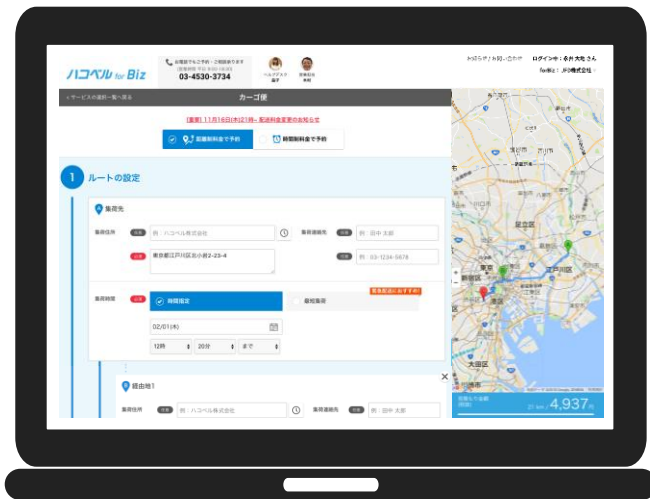


“Hacobell” is a logistics platform connecting users with drivers, enabling instant matching of delivery orders and real-time management of multiple shipments

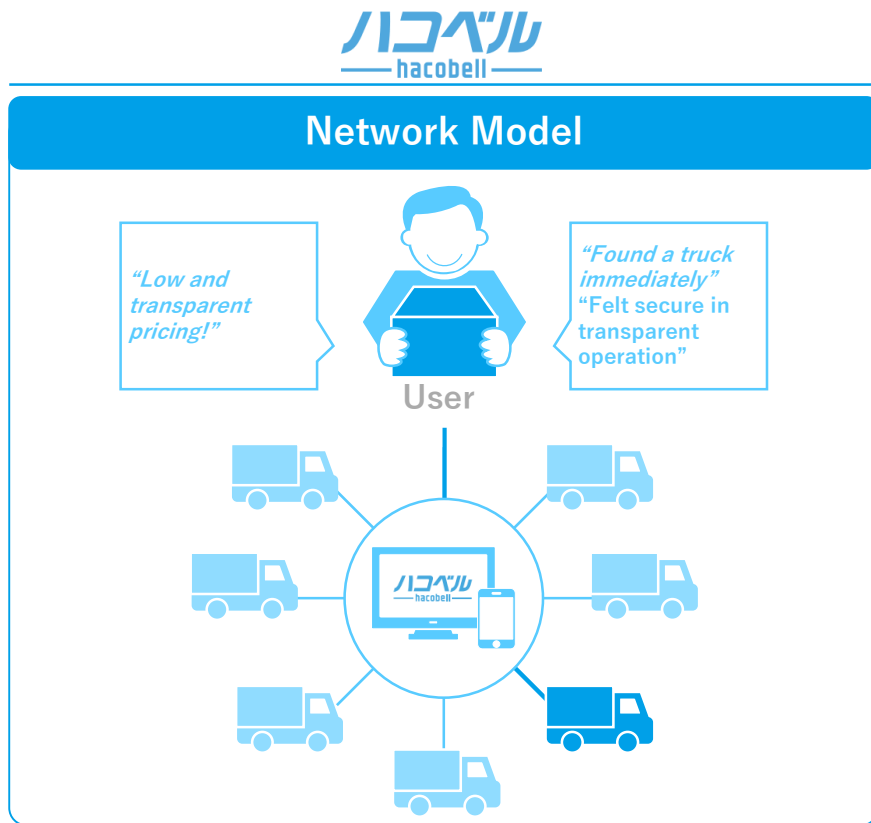
Users can order online

Logistics company can confirm each assignment online

Sharing real-time information with customers



Remove layers of intermediaries from the pyramid value-chain by connecting drivers directly to end users; increase convenience and improve productivity for all



- ✓ **Sharing economy enhance efficiency**
 - On-demand
 - Transparent
- ✓ **Digitalization enhance productivity**
 - Real Time
 - Easy to Manage
 - Higher Quality (driver rating)

Primary focus on inner-city transportation and last-mile delivery for B2B customers

Shipment for major housing equipment manufacturer to construction site

Shipment of 20 air-conditioners



Mid-sized truck (4-ton truck)
Load items at factory in Chiba
then deliver to construction site
in Tokyo

Shipment for major lunch box delivery company to consumers

Shipment of 20 lunch boxes



Cargo Van (350kg)
Pick up lunch boxes at
restaurant in Aoyama to
customers in Yaesu, Kanda,
Bakuro-cho and Ueno

Last mile delivery for major trucking company

Parcel delivery service



Cargo Van (350kg)
Major trucking company uses
Hacobell for 4 hours during its
evening peak hour



ヤマトホールディングス

In July 2017, commenced business partnership with Yamato Holdings, a leading logistics company in Japan, aiming for transformation in the logistics industry through building open innovation platform

1

Improvement
Yamato HD's
Operation

Leverage Hacobell's technologies for the daily operation of Yamato HD

2

Business
Development

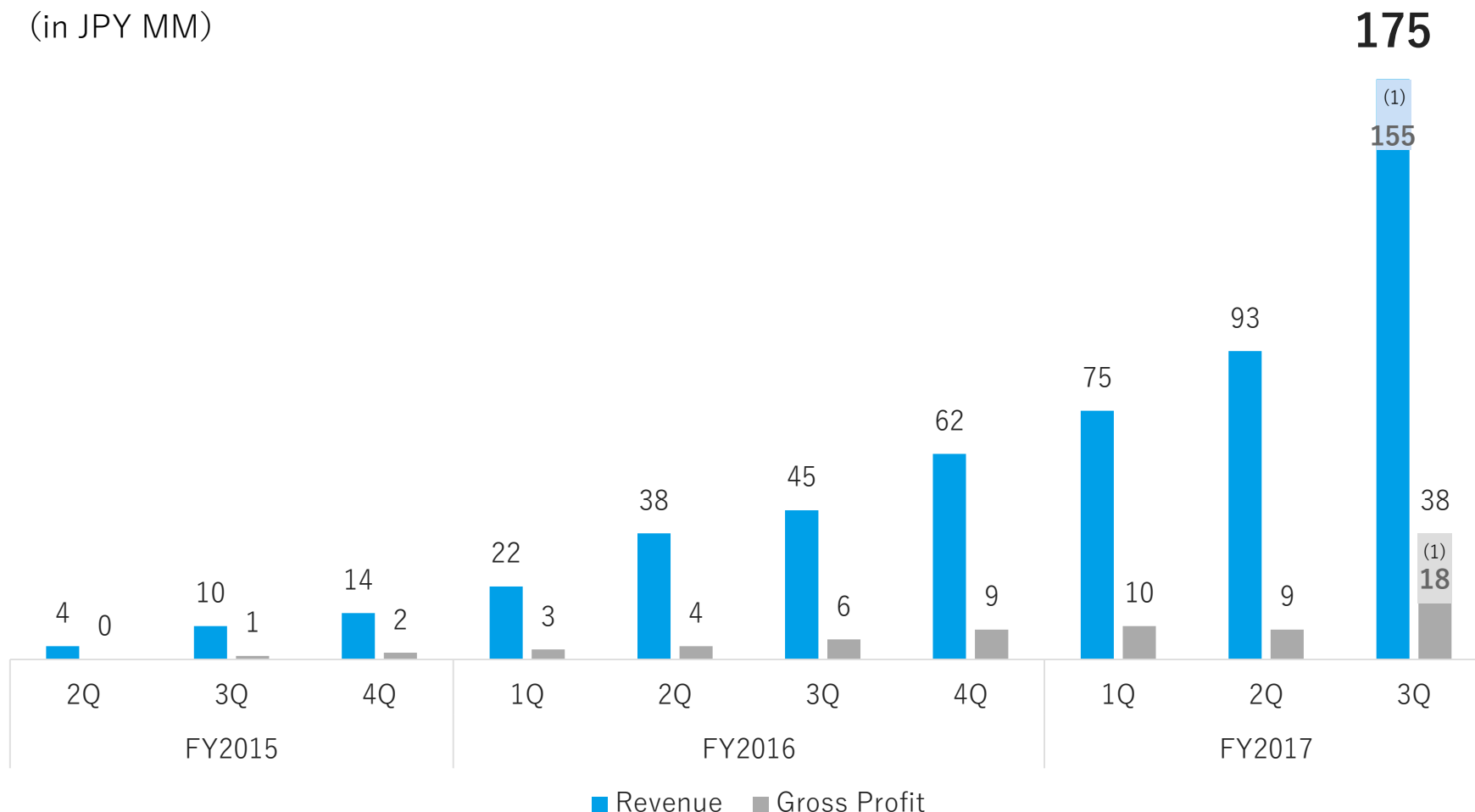
Build BtoB logistics platform based on the combination of Yamato HD's operations capabilities and Hacobell's technologies

Revenue and Gross Profit of Hacobell

Entering into scaling phase in 3Q

2Q and 3Q are the peak season while 1Q and 4Q are the low-season

(in JPY MM)



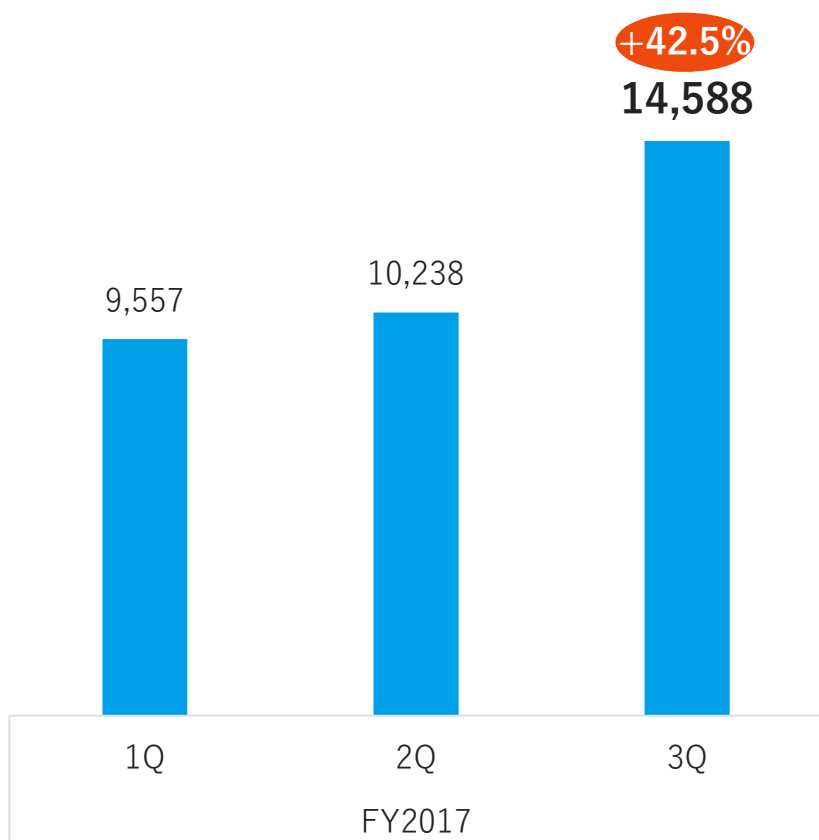
Note

(1) Including revenue from system development for Yamato HD

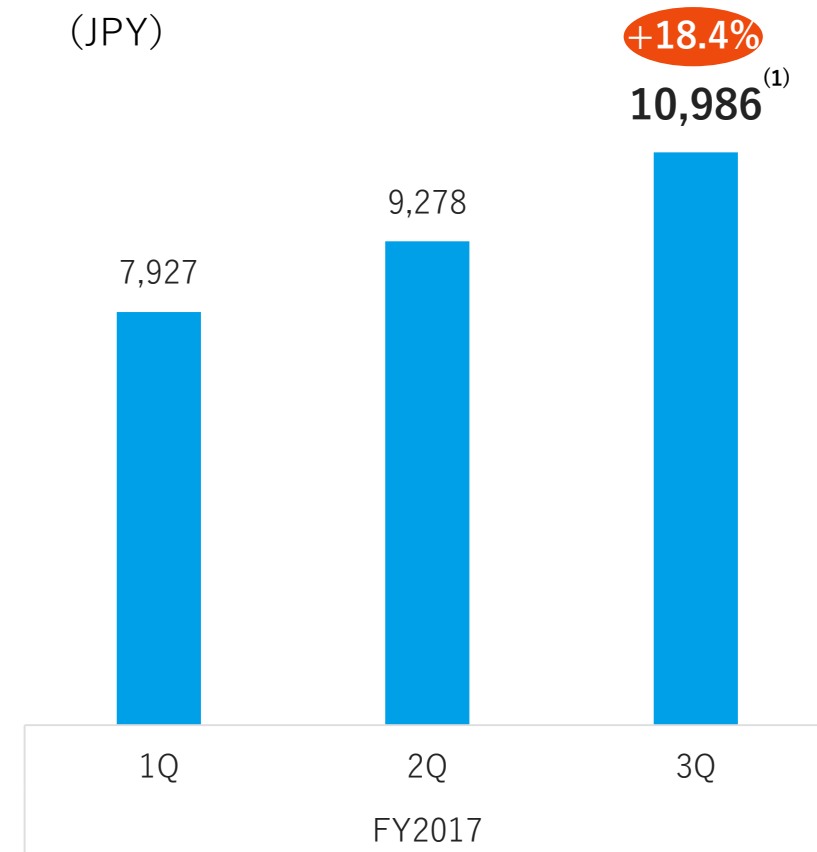
Number of Orders and Value per Order

Compared to the previous quarter, the number of orders increased by +42.5% and revenue per order increased by +18.4% in 3Q

Number of Orders



Revenue per Order



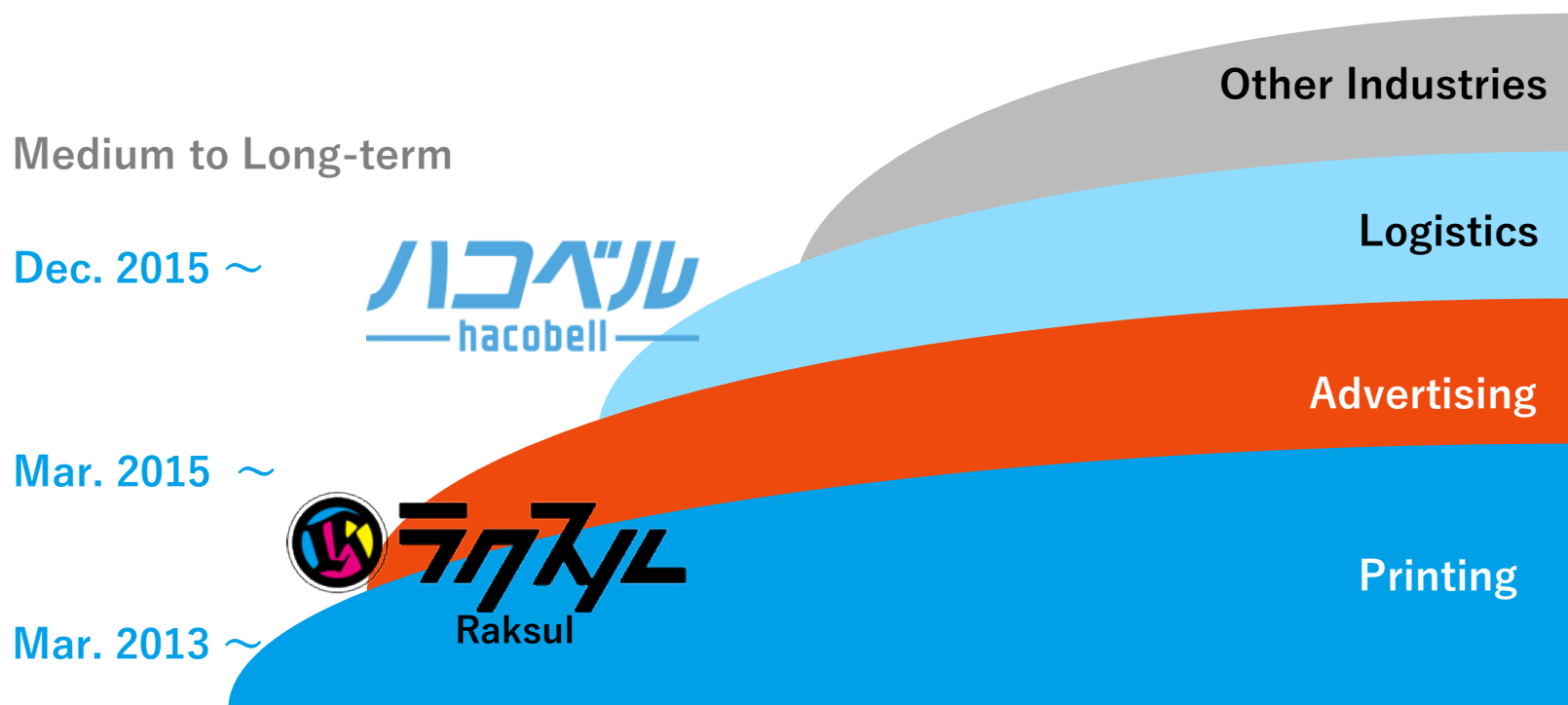
Note

(1)Excluding revenue from system development for Yamato HD

3. Growth Strategies

Sustainable Growth Through BtoB Platform That Disrupts Various Industries

Expand platform services into other industries in the medium to long term



Attractive Market Opportunity for BtoB Platform

Digitalizing large and traditional markets

Domestic
Business Stationery
and Commercial
Printing Market



Domestic Offline
Advertising Market



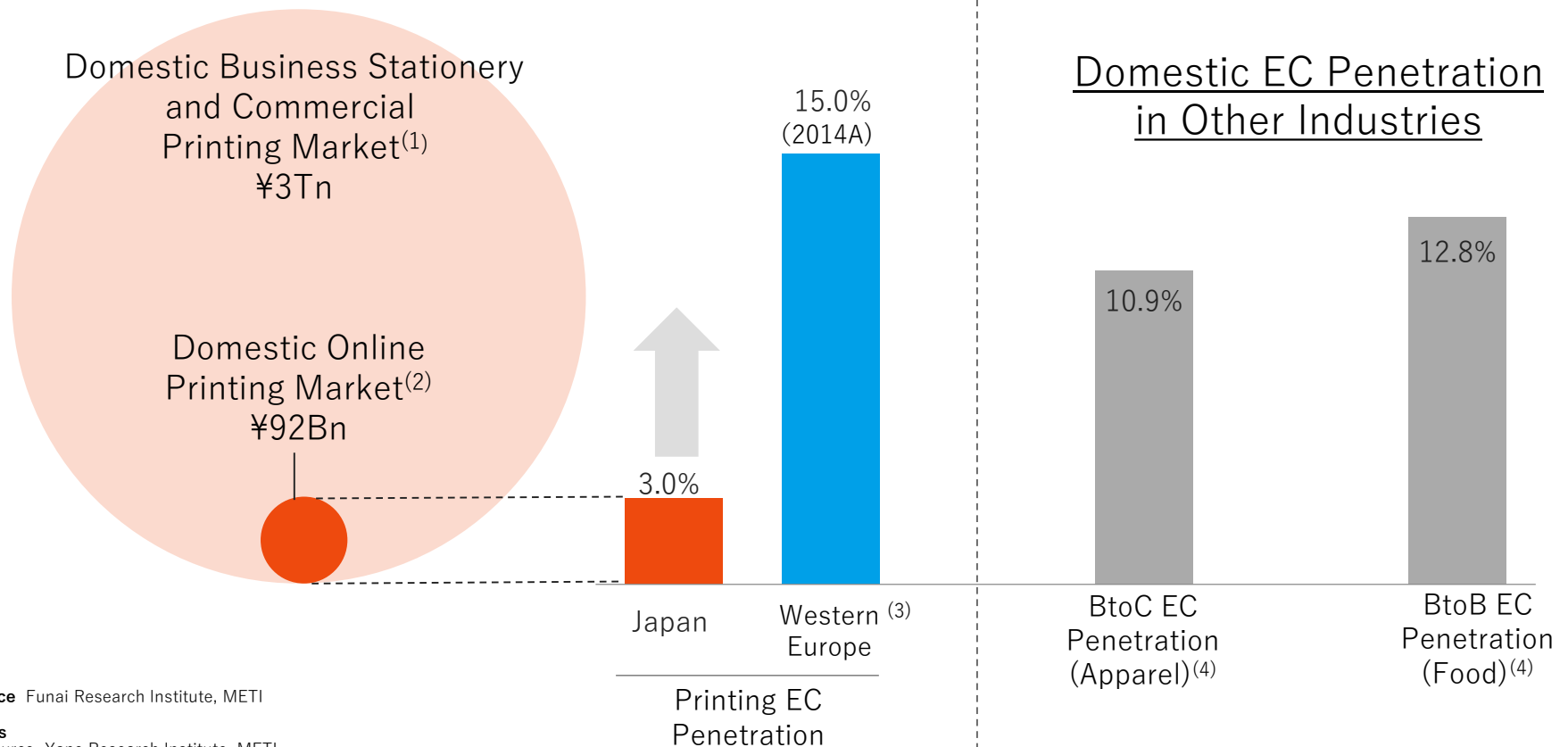
Domestic Trucking Market



Source METI, Dentsu, MLITT (Ministry of Land, Infrastructure, Transport and Tourism)

TAM Expansion Driven by Further EC Penetration

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



Source Funai Research Institute, METI

Notes

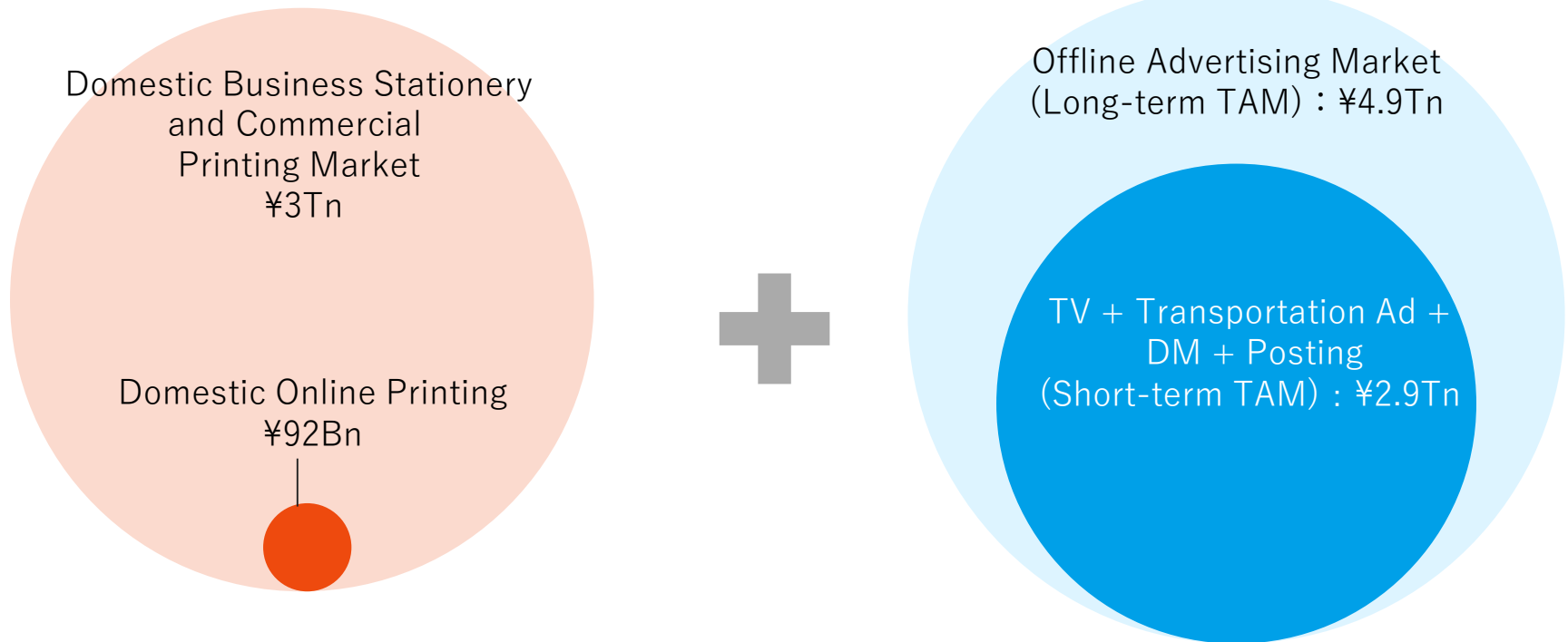
- (1)Source Yano Research Institute, METI
- (2)Source: Funai Research
- (3)Source: zipcon consulting (2017)
- (4)Source: Ministry of Economy, Trade and Industry (2016)

One-Stop Service (Advertising Business) Further Extends Our Opportunities

Besides printing, we are promoting EC model in the offline advertising market

Printing

Advertising



Source Yano Research Institute, Dentsu "Advertising Expenditures in Japan" (2017), METI

4. Reference Materials

Company Overview

Name:	RAKSUL INC.
HQ:	Shinagawa-ku, Tokyo, Japan
Foundation:	September 2009
Management	Yasukane Matsumoto, Founder and CEO
Team:	Yo Nagami, CFO Masaki Tabe, CMO Kozo Fukushima, COO Yusuke Izumi, CTO Yusuke Asakura, Outside director, ex-CEO of mixi Genichi Tamatsuka, Outside director, ex-CEO of Lawson, Lotteria, ex-COO of Fast Retailing Naomi Mori, Corporate Auditor Hiroyuki Yamada, Corporate Auditor Masahiro Kotosaka, Corporate Auditor
# of Employees:	188 (As of April 2018)

Management Team



Yasukane Matsumoto – Founder and CEO

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



Masaki Tabe – CMO

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



Yusuke Izumi - CTO

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



Genichi Tamatsuka – Outside Director

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



Kozo Fukushima - COO

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



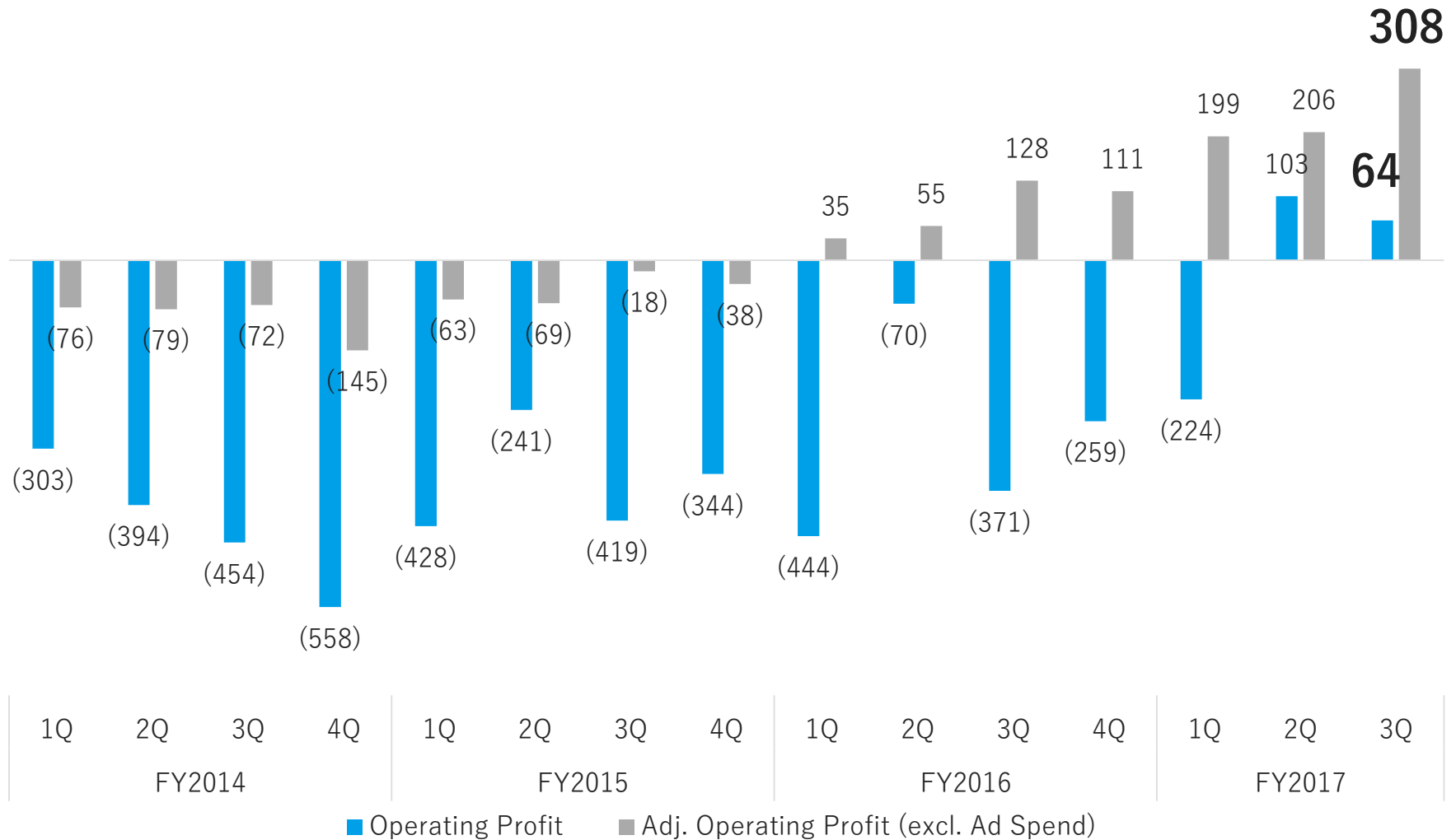
Yusuke Asakura – Outside Director

- Joined Raksul as outside director in May 2015
- Visiting scholar of Stanford University since 2014
- Previously served as President and CEO of Mixi, President, CEO of Naked Technology, ex-consultant of McKinsey & Company
- Graduated from The University of Tokyo



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

(in JPY MM)



Balance Sheet

(in JPY MM)	End of FY2017 3Q	End of FY2016	Comparison (%)
Current Assets	3,883	3,832	+1.3%
Cash & Deposits	2,796 ⁽¹⁾	3,025	-7.6%
Non-Current Assets	1,187	1,037	+14.5%
Total Assets	5,070	4,869	+4.1%
Current Liabilities	1,659	1,495	+11.0%
Non-Current Liabilities	310	364	-14.8%
Net Assets	3,101	3,009	+3.1%
Capital Stock	188	100	+88.0%
Capital Surplus	2,995	4,082	-26.6%
Total liabilities & Net Assets	5,070	4,869	+4.1%

Note

(1)Cash & bank deposits increased by JPY 3,468 Million due to our IPO after 3Q end



Better Systems, Better World

Disclaimer

Handling of this material

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The factors which may affect actual results include but not limited to: Japanese and global economic conditions, conditions of markets in which Raksul operates.

Raksul is not obligated to update or revise any contents of the forward-looking statements within this material, even in cases such as where new information becomes available or future events take place.

Information within this material on other topics besides Raksul is quoted from published information and other sources. As such, the accuracy, appropriateness, etc. of such information has not been verified, nor are any guarantees provided thereof.

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