

Company name: RAKSUL INC.
 Representative: Yo Nagami
 Representative Director, President and CEO
 (TSE Prime Market Code No. 4384)
 Contact: Shinnosuke Nishida
 CAO, SVP of Corporate

Notice Regarding Acquisition of Shares (Subsidiarization) of A-LINK Services Co., Ltd.

RAKSUL INC. (the “Company”) hereby announces that the Board of Directors meeting has resolved today to acquire all shares of A-LINK Services Co., Ltd. (the “A-LINK Services”) and make it a subsidiary of the Company. Although this matter does not fall under the timely disclosure standards of the Tokyo Stock Exchange, the Company is voluntarily disclosing this information because it is deemed useful.

1. Reason for the Acquisition of Shares

RAKSUL Group (the “Group”) announced the “Medium-Term Financial Policy” in March 2024 and aim to further strengthen its competitive edge and customer value through continuous M&As in addition to organic growth of existing businesses.

A-LINK Services, based in Sabae-city, Fukui, designs, manufactures, imports, and sells tote bags, and operates an e-commerce website “Tote Bag Kobo” specializing in original prints of tote bags and eco-bags.

The Company has decided that making A-LINK Services a wholly-owned subsidiary will enable the Company to expand its share of the tote bag market, a main category in the custom merchandise (novelty) domain of the Company, create synergies between the two companies, and add value to customers, thereby contributing to the Group’s corporate value.

2. Overview of the subsidiary to be acquired

(1) Company name	A-LINK Services Co., Ltd.		
(2) Location	16-52-1, Yoshitani-cho, Sabae-city, Fukui, Japan		
(3) Representative	Representative Director and President Yoshihisa Yamamoto		
(4) Business overview	Manufacture and sale of original tote bags and operation of e-commerce website “Tote Bag Kobo”		
(5) Share Capital	JPY 10 MM		
(6) Date of establishment	December 24, 2009		
(7) Major shareholders and shareholding ratio	CL Co., Ltd. 100%		
(8) Relationship with the Company	Capital relationship	Not applicable.	
	Personnel relationship	Not applicable.	
	Business relationship	Not applicable.	
(9) Financial position and operating results for the last three years			
Fiscal Year	Fiscal year ending November 30, 2021	Fiscal year ending November 30, 2022	Fiscal year ending November 30, 2023
Net assets	JPY 686 MM	JPY 776 MM	JPY 960 MM
Total assets	JPY 809 MM	JPY 967 MM	JPY 1,157 MM
Net assets per share	JPY 686,652	JPY 776,102	JPY 960,724
Net sales	JPY 908MM	JPY 1,180 MM	JPY 1,505 MM

Operating profit	JPY 66 MM	JPY 135 MM	JPY 256 MM
Ordinary profit	JPY 68 MM	JPY 136 MM	JPY 285 MM
Net profit	JPY 45 MM	JPY 89 MM	JPY 184 MM
Net profit per share	JPY 45,565	JPY 89,449	JPY 184,622
Dividend per share	—	—	—

(Note) The above figures have not been audited on a non-consolidated basis by an auditor. Consumption taxes are accounted for using the tax inclusive method.

3. Outline of the counterparty of the share acquisition

(1) Company name	CL Co., Ltd.
(2) Location	61, Yoshitani-cho Sabae-city, Fukui
(3) Representative	Representative Director and President Yoshihisa Yamamoto
(4) Share Capital	JPY 5 MM
(5) Date of establishment	January 6, 2023
(6) Major shareholders and shareholding ratio	Yoshihisa Yamamoto 100%
(7) Relationship with the Company	There is no capital, personnel, or business relationship to be stated between the Company and the shareholder or its close relative.

4. Number of shares to be acquired, status of shares held before and after the acquisition, and acquisition price

(1) Number of shares held before the change	0 (Number of voting rights: 0) (Ownership ratio of voting rights: 0.0%)
(2) Number of shares to be acquired	1,000 (Number of voting rights: 1,000)
(3) Acquisition cost	Acquisition price: JPY 1,270 MM Advisory fees, etc. (approximate amount): JPY 100 MM Total (approximate): JPY 1,370 MM The share acquisition price does not include the earnout consideration. The agreement is for an earn-out consideration of up to 150 million yen if the conditions are met, which has not been finalized at this time.
(4) Number of shares held after the change	1,000 (Number of voting rights: 1,000) (Ownership ratio of voting rights: 100.0%)

(Note) The amount of goodwill arising from the acquisition of the shares of A-LINK Services is to be approximately JPY 770 MM. As the Company has sufficient cash on hand, the Company will not procure funds for the purpose of allocating the funds to acquire the shares.

5. Schedule of the Share Acquisition

Resolution of the Board of Directors	June 11, 2024
Date of execution of the Merger agreement	June 11, 2024
Date of execution of share transfer	June 28, 2024 (Scheduled)

6. Future Outlook

The impact of the Share Acquisition on the Company's consolidated financial results for the fiscal year ending July 31, 2024 will be minimal. If there is a need to revise the financial results forecast or any matter to be announced in the future, the Company will promptly make an announcement.