



October 10, 2024

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(TSE Prime Market Code No. 4384)  
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### **Frequently Asked Questions from Our Investors (as of October 2024)**

The following is a list of questions we have received from investors over the past month and our answers to them.

<b>Q1</b>	Convertible bond issued in 2019 is to be redeemed on November 29th. What is the company's policy?
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**There are no plans for refinancing, as the company expects to redeem the loan and has ample liquidity on hand.**

The Euro-Yen convertible bonds due 2024 issued in 2019 will mature on November 29, 2024. Our stock price is currently below the conversion price, and we basically assume that the bond is to be redeemed on the due date. Our recent and future M&A and other investments, we will continue to use cash flow from existing businesses, liquidity of more than 10 billion yen on hand after redemption, and borrowings on a case-by-case basis. Hence we do not currently plan to refinance after the CB redemption. We will continue to make risk-optimized investments and procure funds with cost of capital in mind.

<b>Q2</b>	What is your view on organic growth in the procurement platform business, and is there any seasonality?
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**In the procurement platform business (Raksul business), growth will be driven by an increase in the number of users due to the shift of corporate procurement activities to e-commerce, an increase in the number of items purchased per customer through cross-selling, and an increase in the unit price through increasing portion of revenues coming from large enterprises.**

In the 4Q results announced on September 12, the organic growth rate for the Raksul business was 17.2%, up from 16.3% in the 3Q. We expect the growth rate to be generally close to the current level for FY2025, and the growth drivers are as described above. There is a tendency for our 2Q and 3Q to be peak seasons, including March and December, when corporate procurement demand increases.

<b>Q3</b>	What is your view on the growth potential of the marketing platform business this fiscal year?
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**While there is a certain amount of volatility, we are assuming a revenue growth rate of around 20% for FY2025.**

Looking at the previous Novasell business on a quarterly basis, there has been volatility in the agency business depending on the project, but full-year gross profit has continued to grow by double digits for five consecutive fiscal years since the business was launched due to the strengthening of proposal capabilities, bundling with SaaS, and the in-house media buying. From the 1Q onward, we will revise the reporting segment to include Peraichi and the marketing business for SMEs. We aim to achieve growth in consolidated revenue and gross profit close to the groupwide growth, while reducing volatility.

<b>Q4</b>	What is the time frame for the new businesses (software and finance) announced at 4Q earnings call?
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**Software business:** We are gradually rolling out the software interface, by connecting digital marketing and on-site video shooting services for SMEs already offered on Raksul.com with a unified UI. The platform will be gradually expanded to allow users to manage customers, content, advertisements, and other functions on the platform.

**Financing business:** Business is expected to launch within calendar year 2025 after initial development and obtaining necessary permits and approvals.

<b>Q5</b>	What is your future policy regarding shareholder returns and dividends?
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**There has been no change in policy since March 2024, when we published our "Medium-Term Capital Allocation."**

Our peripheral areas offer numerous attractive growth investment opportunities, and we plan to primarily use our funds for ongoing M&A activities and business expansion. Simultaneously, our business growth positions us to generate continuously increasing cash flow. As a result, we will return profits to shareholders, mainly through share buybacks, with a minimum of 2.5 billion yen allocated over the five-year period from FY2024 to FY2028. We also recognize the importance of dividends, given our ability to generate sustainable profit. While share buybacks will remain our primary method of returning profits to shareholders, we aim to provide stable and expanding dividends that align with our profit growth.

<b>Q6</b>	Will your M&A policy change as a result of the update to your medium-term strategy? What is the current situation regarding sourcing?
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**We will continue to pursue a strategy of M&A centered on expansion into adjacent domains and supply enhancement.**

We announced our medium-term goal to become an "End-to-End Technology Platform for Small Business" in our full-year financial results on September 12. Our M&A strategy aligns with this direction, focusing on two key areas: "expansion into adjacent domains" (exemplified by the acquisition of Hankoya.com) and "supply enhancement" (as seen with RAKSUL FACTORY INC. and A-LINK Services Co., Ltd. acquisitions). We are actively sourcing through various channels, aiming to complete multiple M&A deals this fiscal year, and progress is promising. It is important to note that our current fiscal year performance forecast does not account for M&A contributions or associated costs—these will be variable factors affecting our projections.