



FY 4/2023 (ending April 2023)
Q1 Financial Results

August 31, 2022

RACCOON HOLDINGS, Inc. Code: 3031 TSE Prime Market

FY 4/2023 Q1 Results

- Domestically in FY 4/2023 Q1, the seventh wave of the novel coronavirus (COVID-19) spread rapidly nationwide, but there were no restrictions on activities such as a declaration of a state of emergency. Because of this, the corporate environment for companies using the Company's services has continued to improve due to the normalization of economic activities. As a result of the above, both the EC business (+10.4% YoY) and the Financial business (+15.2% YoY) started successfully, recording double-digit growth.
- Net sales derived from the GMV of COVID-19-related special demand products (masks and sterilization goods) in the EC business, which accounted for 8.4% during the peak period, decreased to 1.3%. On the other hand, net sales excluding special demand products grew strongly with a 13.4% increase year on year.
- Domestically, in SUPER DELIVERY in the EC business, the value of transactions per customer decreased due to seasonal factors as usual, and GMV decreased quarter on quarter by 3.7%. With the continued steady increase in the number of buying customers, the impact of COVID-19-related special demand products (masks and sterilization goods) has faded, resulting in a positive increase of 14.1% year on year (-12.5% YoY for Q1 of the previous fiscal year).
- Overseas, in SUPER DELIVERY in the EC business, there has been a temporary decline in the growth rate in Asia, which has been affected by impacts such as the increasing number of COVID-19 cases in Taiwan and lockdowns in China. North America continues to grow steadily despite being affected by the impact of surging shipping costs.

- For Paid in the Financial business, although the value of transactions decreased slightly by 0.04% quarter on quarter due to impacts of seasonal factors, due to the steady increase in the number of member companies, it is growing steadily with a 21.5% increase year on year and 22.4% increase in net sales year on year.
- For the Financial business, although credit lines are actively issued to not miss opportunities for business growth, the number of bankruptcies is increasing domestically against the backdrop of the prolonged COVID-19 pandemic, but the Company's credit control is functioning well. As a result, the Company's rate of cost of sales has not changed and remains lower than pre-pandemic levels.
- For the overseas gross merchandise of the EC business, although shipping costs borne by the Company increased due to the surge in international shipping costs due to surging crude oil prices in the previous fiscal year, as a result of reviewing the level of shipping charges, selling, general and administrative expenses were limited.

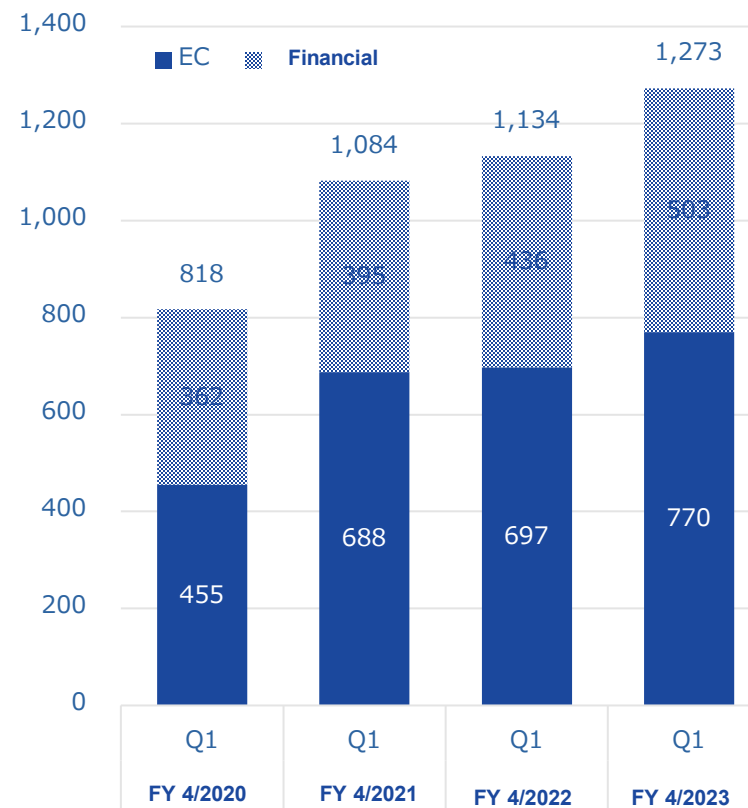
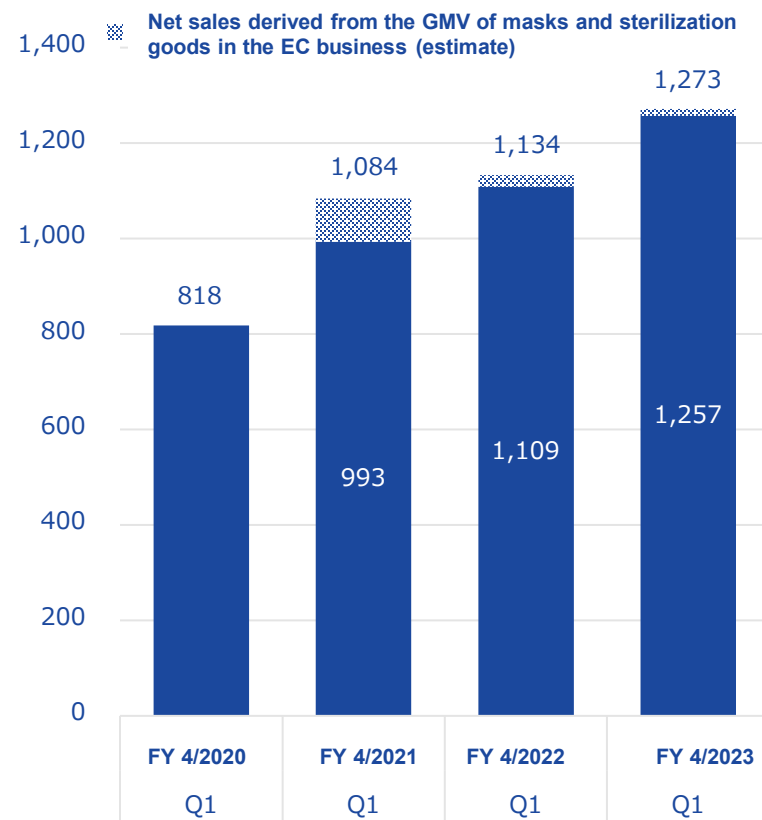
Successful start recording double-digit growth in net sales and operating income

	FY 4/2023 Q1	FY 4/2022 Q1	YoY	Earnings forecasts
Net sales	1,273	1,134	12.3%	5,500
Operating income	314	259	21.4%	1,300
Operating margin	24.7%	22.9%	1.9pt	23.6%
Ordinary income	312	257	21.4%	1,300
Net income attributable to owners of parent	199	169	18.0%	810
Net sales of the EC business	770	697	10.4%	
Segment profit of the EC business	330	266	24.0%	
Net sales of the Financial business	503	436	15.2%	
Segment profit of the Financial business	133	116	14.6%	

Net Sales Analysis

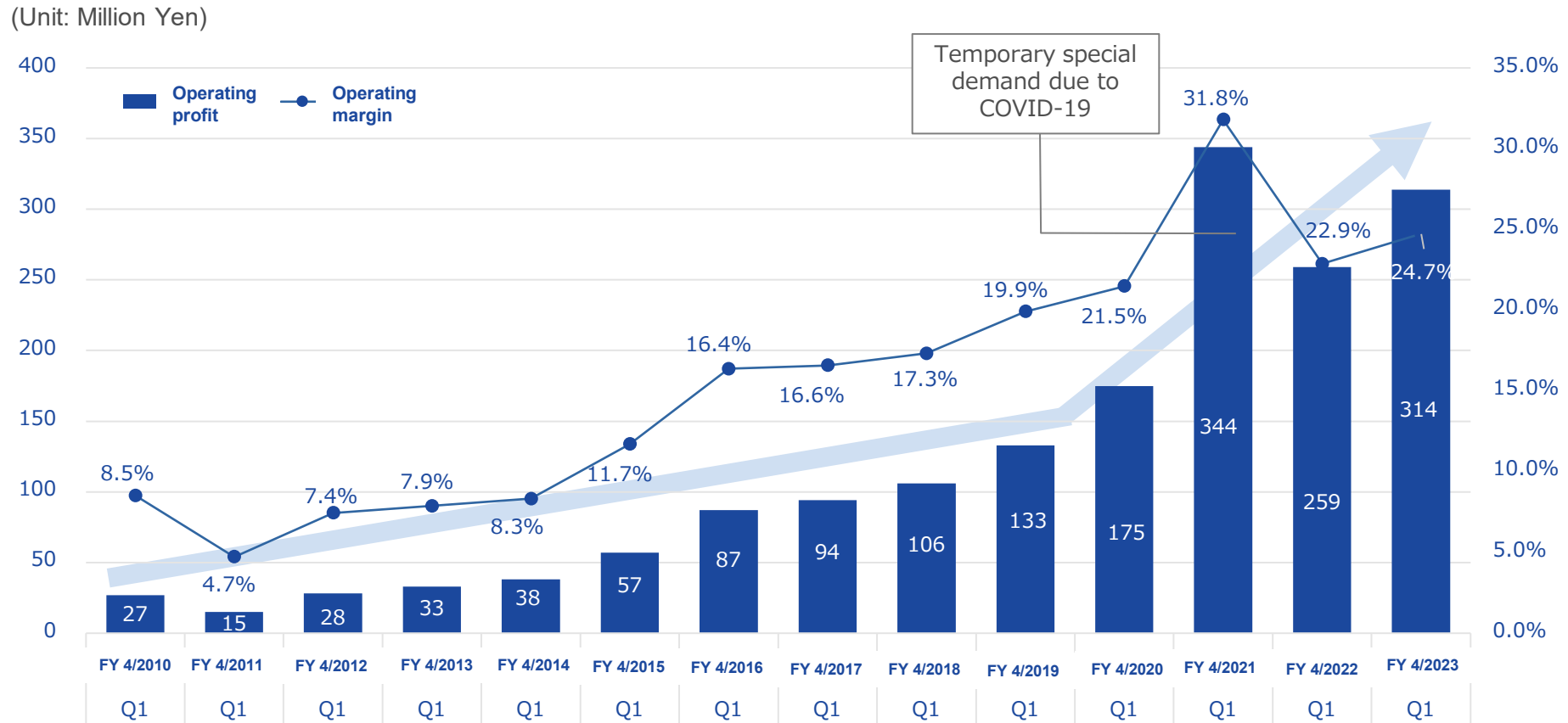
Although impact of special demand products for COVID-19 has dissipated, the growth rate triggered by COVID-19 continued to improve, and net sales of both the EC business and Financial business increased

(Unit: Million Yen)



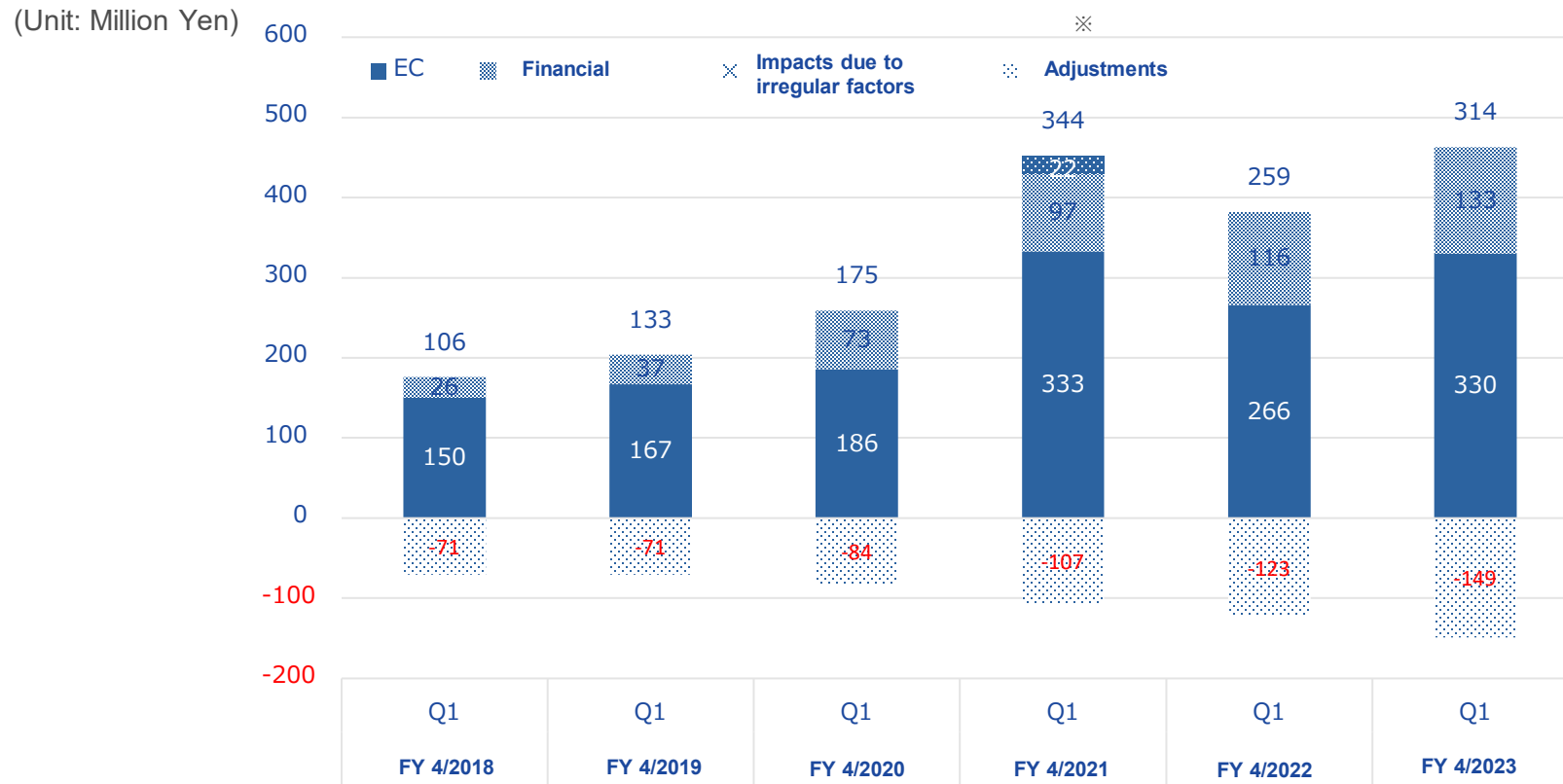
Operating Income Analysis (1)

The operating margin was 24.7%, up 1.9pts year on year



Operating Income Analysis (2)

Even with an increase in adjustments, a head office cost, due to an increase in personnel expenses for actively hiring engineers, operating income increased 21.4% year on year as a result of increased profit in each business

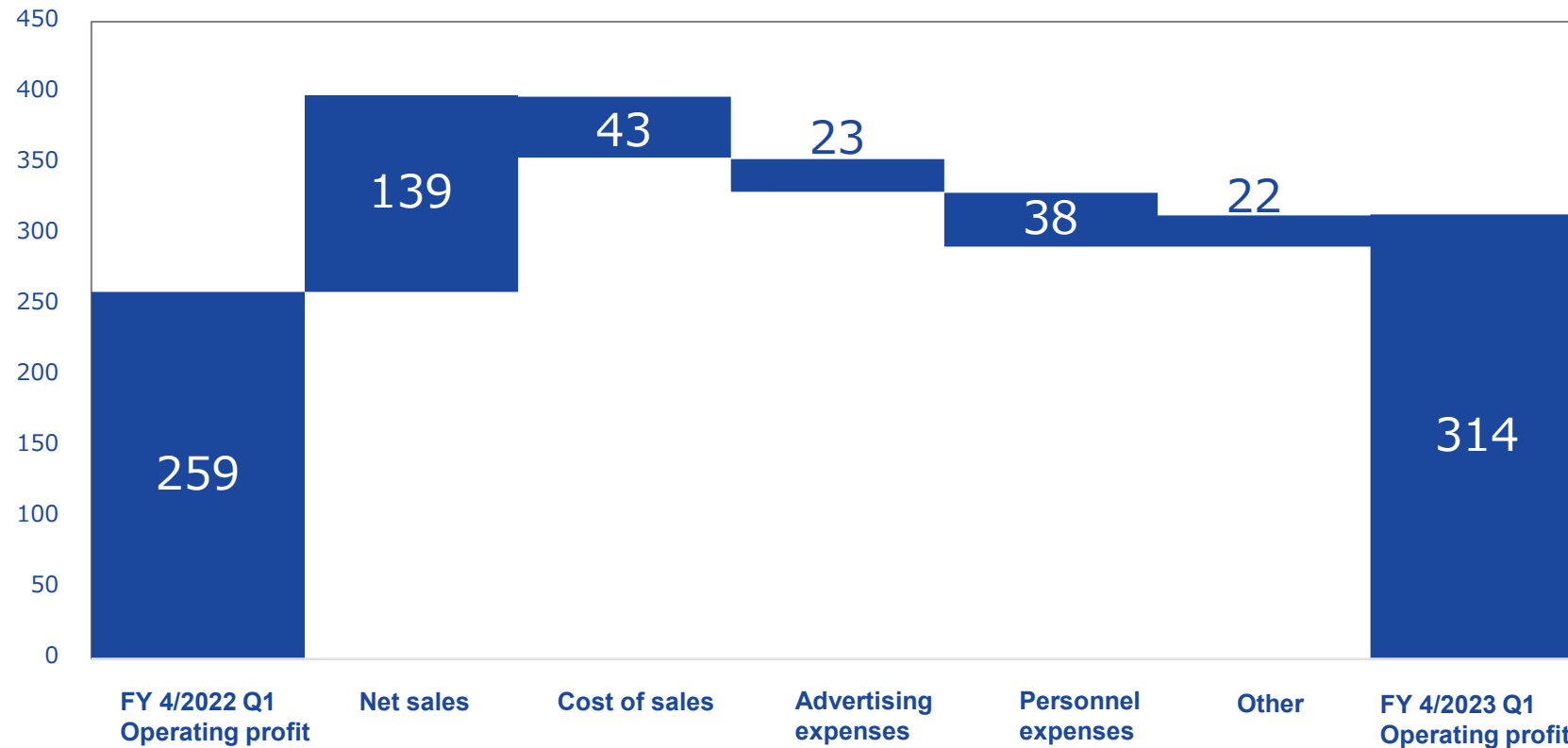


* Profit from irregular factors due to the partial reversal of allowance for guarantees, allowance for claim compensation, and allowance for doubtful accounts, which totaled 41 million yen in preparation for the possibility that the COVID-19 infections would be prolonged in FY 4/2020 Q4.

Factors Behind Change in Operating Profit (Year-on-Year Comparison)

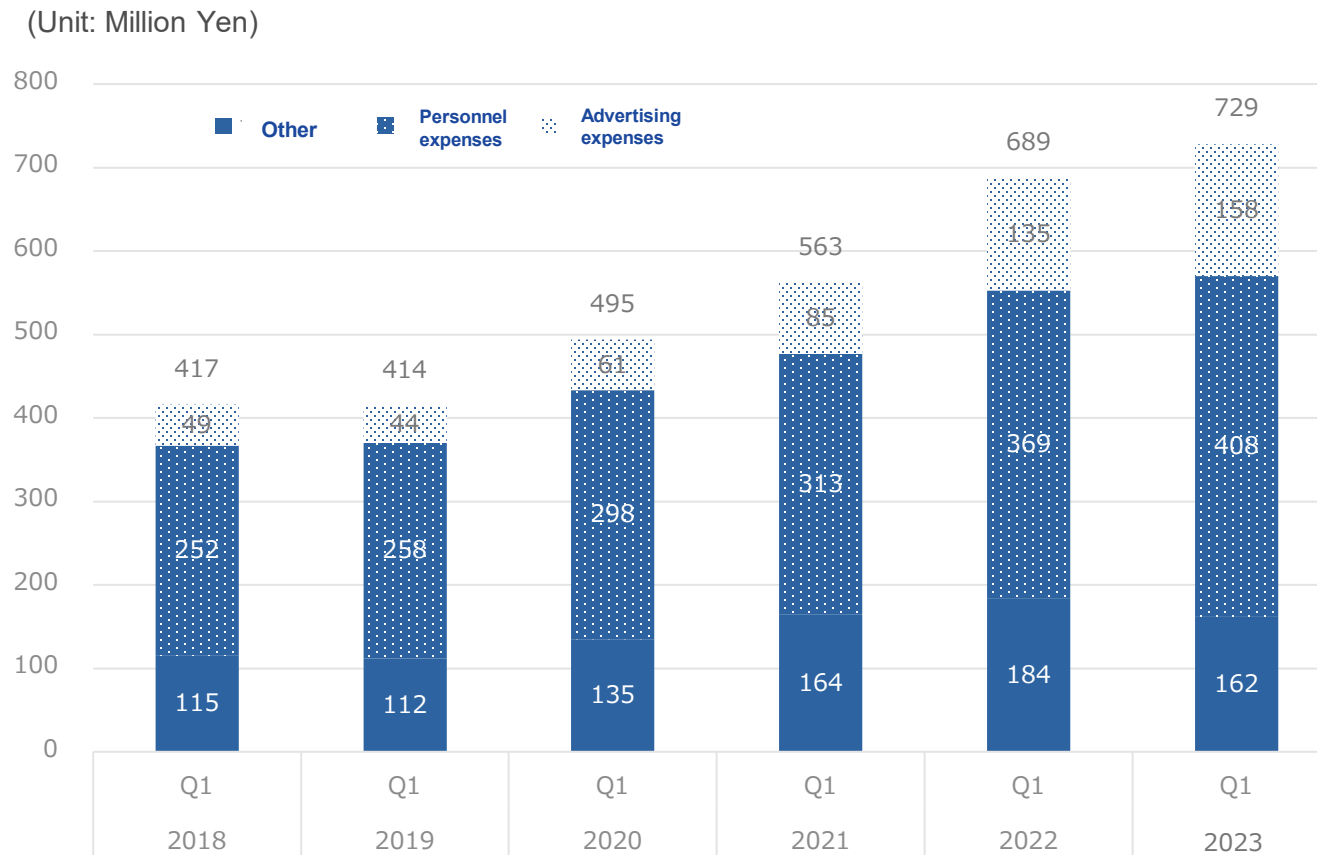
With an increase in net sales and the result of limiting other expenses, operating profit was 314 million yen (+21.4% YoY)

(Unit: Million Yen)



Change in Composition of Expenses

While advertising expenses and personnel expenses increased, other expenses decreased 12.3% year on year due to an improvement in the borne shipping costs of overseas gross merchandise value



Financial Position

(Unit: Million Yen)

	FY 4/2023 Q1	FY 4/2022	Difference	Compared with the end of the previous fiscal year
Current assets	11,069	11,796	-727	93.8%
Non-current assets	2,267	2,264	3	100.1%
- Property, plant and equipment	1,429	1,436	-7	99.5%
- Intangible assets	352	336	16	104.9%
- Investments and other assets	485	490	-5	98.8%
Current liabilities	7,163	7,629	-466	93.9%
Non-current liabilities	1,054	1,066	-11	98.9%
Net assets	5,118	5,364	-245	95.4%
Total assets	13,336	14,060	-724	94.9%



Summary by Segment

		YoY
Segment sales	770 million yen	+ 10.4%
Segment profit	330 million yen	+ 24.0%

		YoY
Domestic gross merchandise value	4,183 million yen	+ 14.1%
Overseas gross merchandise value	1,577 million yen	+ 12.2%
Overall gross merchandise value	5,761 million yen	+ 13.6%

In terms of sales

- Domestically, although the seventh wave of COVID-19 spread rapidly nationwide, there were no restrictions in activities such as a declaration of a state of emergency. With the normalization of economic activities, the number of buying customers increased, and the gross merchandise value also increased 14.1% year on year, recording double-digit growth.
- Overseas, amid a tug-of-war between negative factors such as shipping costs that remained high and worsening overseas conditions and positive factors due to the weakening yen, both the number of buying customers and the value of transactions per customer increased quarter on quarter, and gross merchandise value increased 12.2% year on year.

In terms of expenses

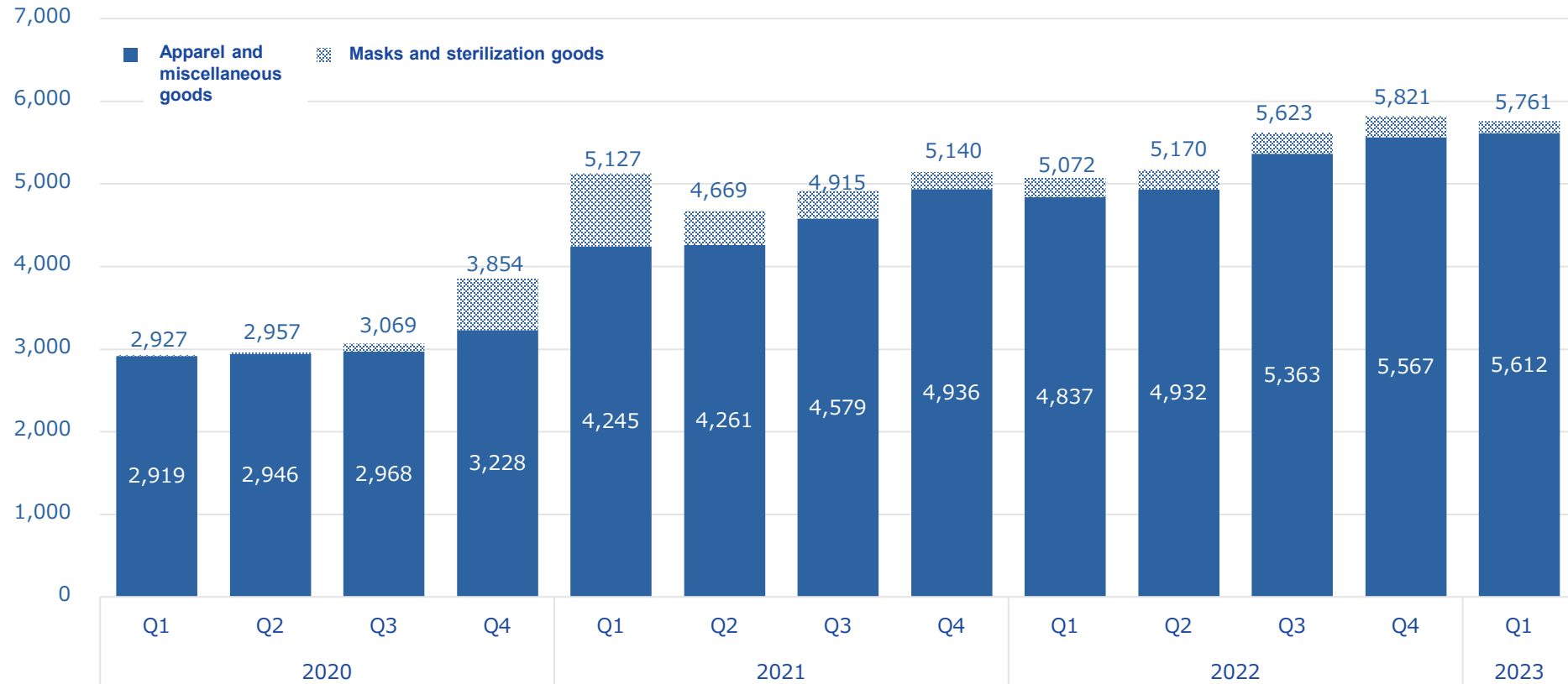
- Advertising expenses increased by 15.8% year on year, personnel expenses increased by 15.6% year on year, and other expenses decreased by 38.0% year on year due to an improvement in borne shipping costs of overseas gross merchandise value, contributing to an increase in segment profit.

EC Business (Reference) Trends in SUPER DELIVERY Gross Merchandise Value (1)

The gross merchandise value of apparel and miscellaneous goods in Q1 increased 16.0% year on year, recording double-digit growth

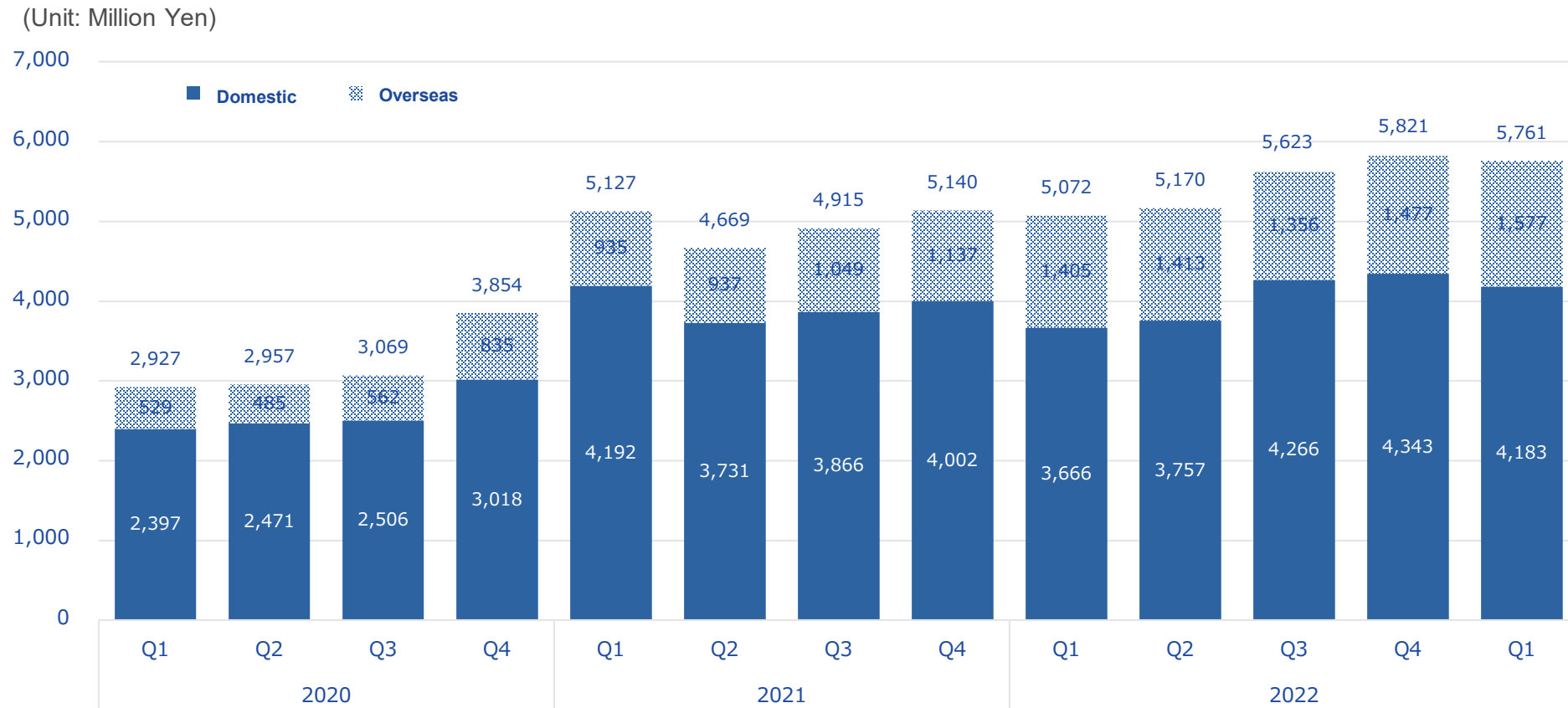
Q1 showed strong performance with an increase of 0.8% despite the seasonal trend of decreasing quarter on quarter

(Unit: Million Yen)



(((Trends in SUPER DELIVERY Gross Merchandise Value (2)

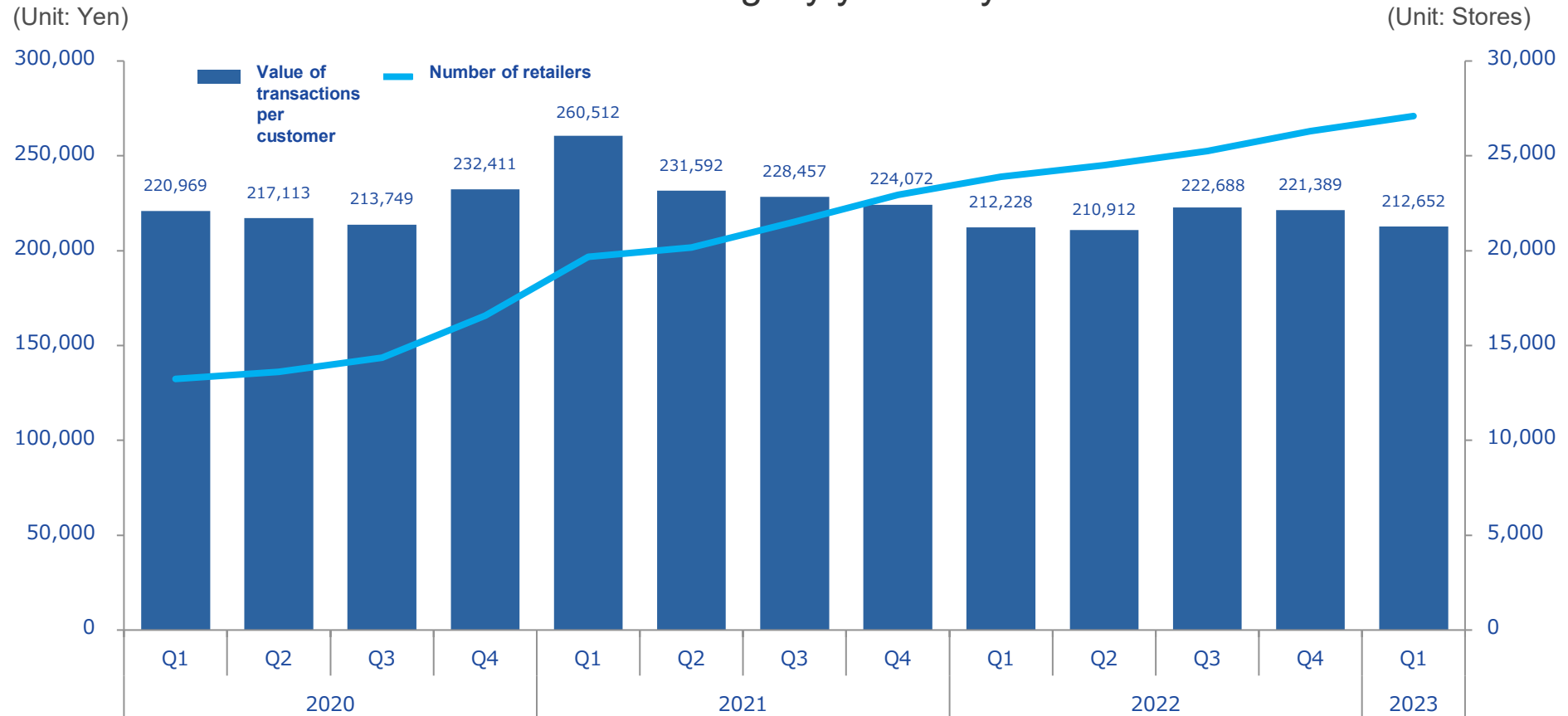
Domestic gross merchandise value was affected by seasonal factors as usual, but the decrease was small at 3.7% quarter on quarter. For overseas gross merchandise value, there has been a temporary decline in the growth rate in Asia due to the increasing number of COVID-19 cases in Taiwan and lockdowns in China. Both domestic (+14.1%) and overseas (+12.2%) recorded double-digit growth year on year.





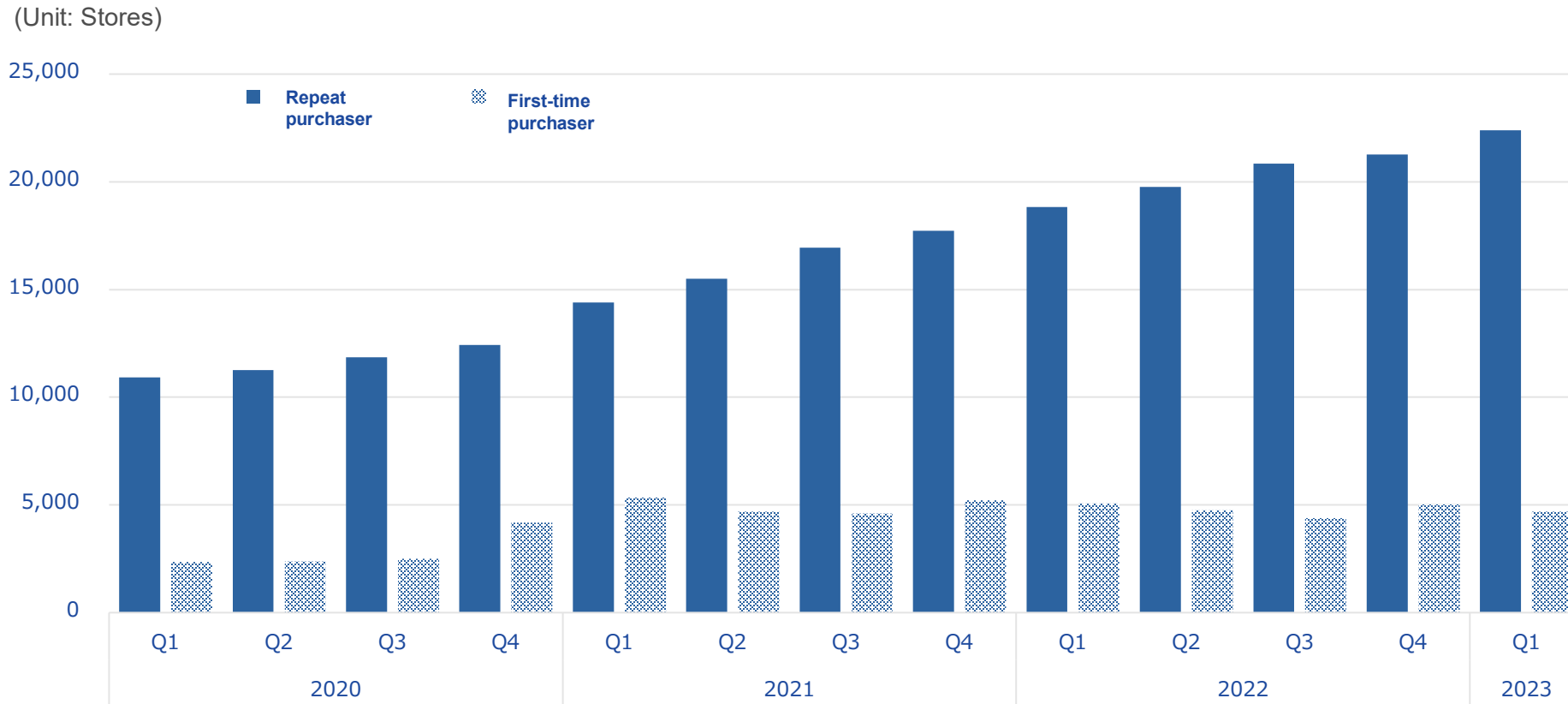
The number of buying customers continues to increase steadily

The value of transactions per customer decreased quarter on quarter due to seasonal factors, but increased slightly year on year



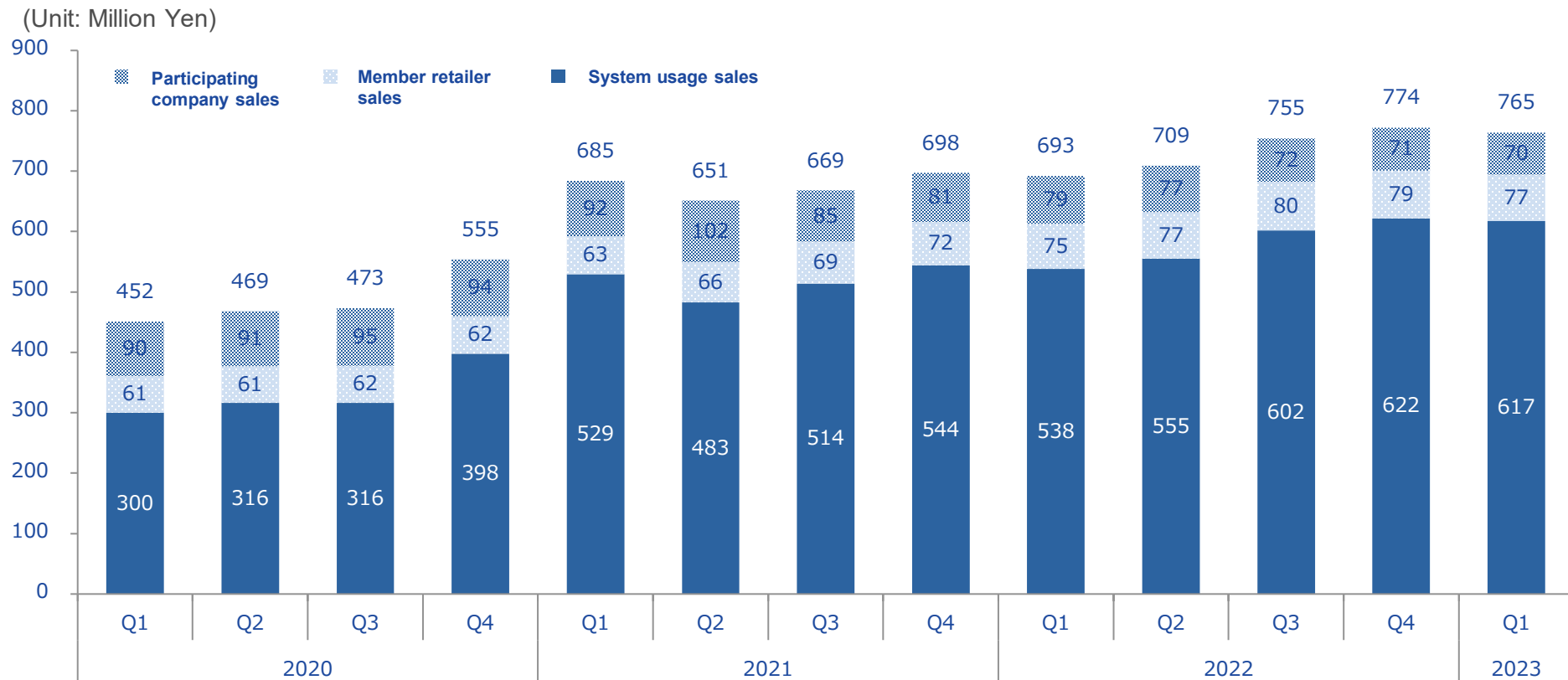
First-time purchasers in the previous quarter have been steadily converted to repeat purchasers, and the number of repeat purchasers has increased significantly

First-time purchasers continue to steadily trend



* First-time purchasers are business operators who made purchases for the first time during the quarter. Those who made additional purchases during the same quarter after their initial purchase are counted as first-time purchasers.

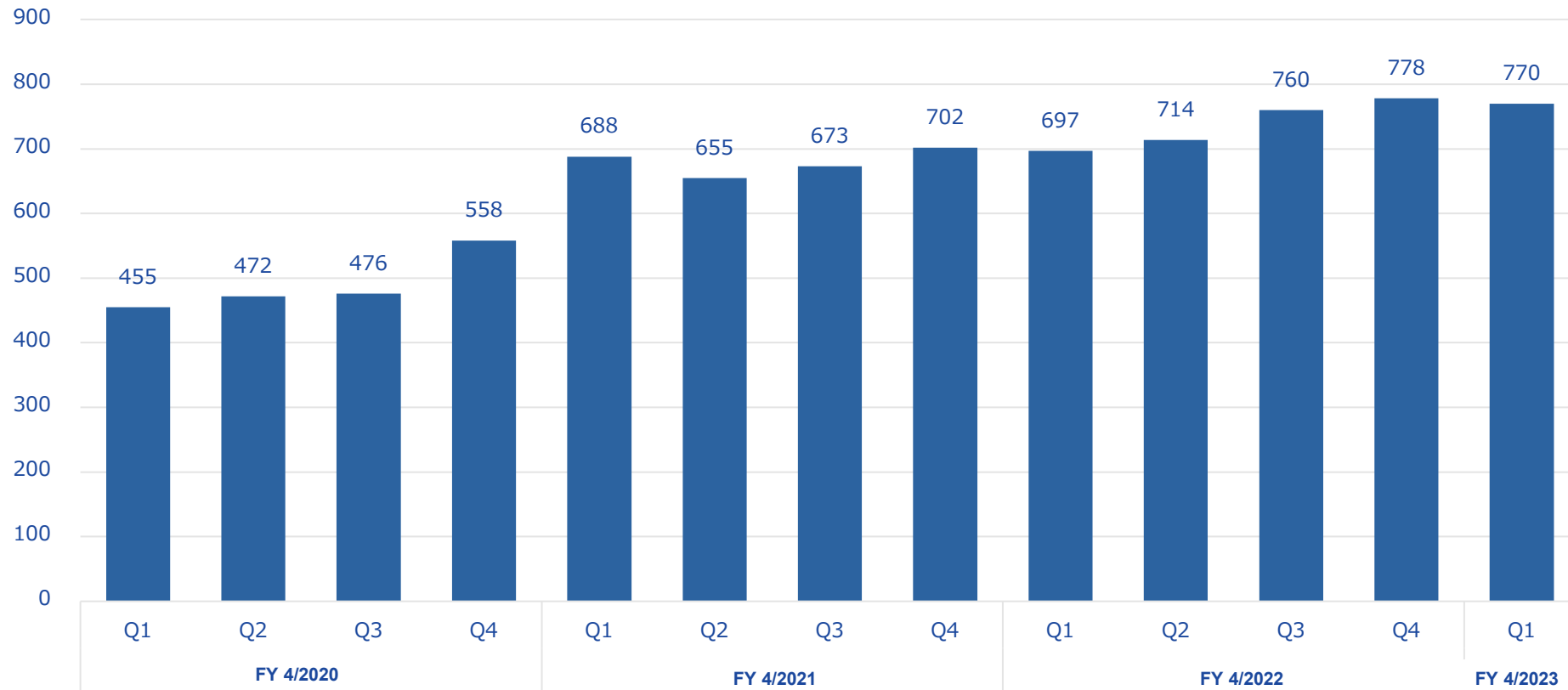
System usage sales increased due to the increase in gross merchandise value
 System usage sales accounted for over 80% of sales



* System usage sales = fees calculated by charging a certain rate to GMV and collected from participating companies
 Participating company sales = basic participation fees
 Member retailer sales = monthly membership fees (collected from domestic retailers only)

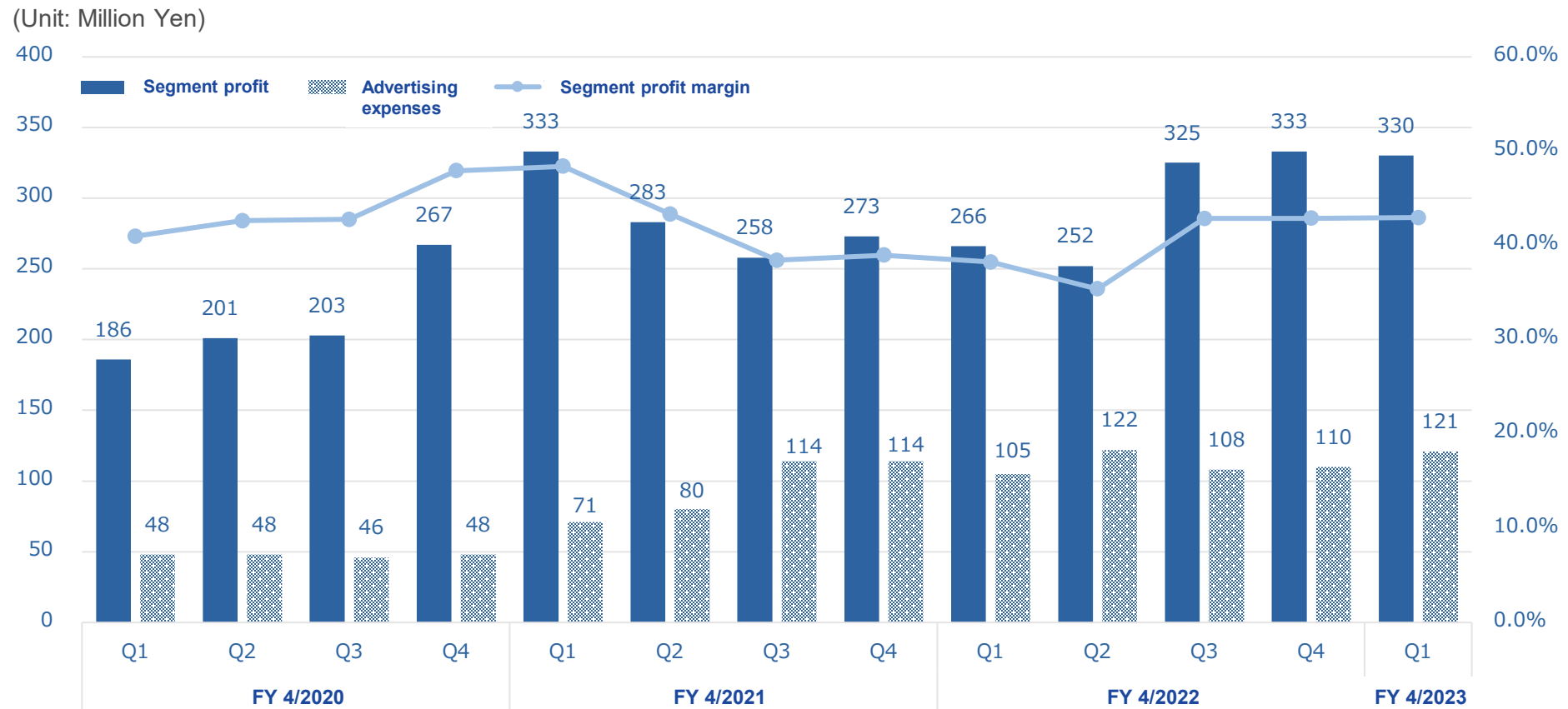
Overall quarterly net sales for EC increased by 10.4% year on year, recording double-digit growth

(Unit: Million Yen)






Trends in Segment Profit by Quarter

Segment income increased 24.0% year on year due to increased net sales and limiting selling, general and administrative expenses



		YoY
Segment sales	566 million yen	+15.5%
Segment profit	133 million yen	+14.6%

In terms of sales

Guarantee	Integrated T&G Accounts Receivables Guarantee and URIHO Guarantee balance steadily increased to 6.4% compared with the end of the previous fiscal year		+15.6%
Payment	Continued increase in transaction volume, resulting in a year-on-year increase of 21.5%	 * Comparison excluding internal sales	+22.4%
Rent guarantee	The guarantee balance continued to steadily accumulate		+5.4%
			YoY

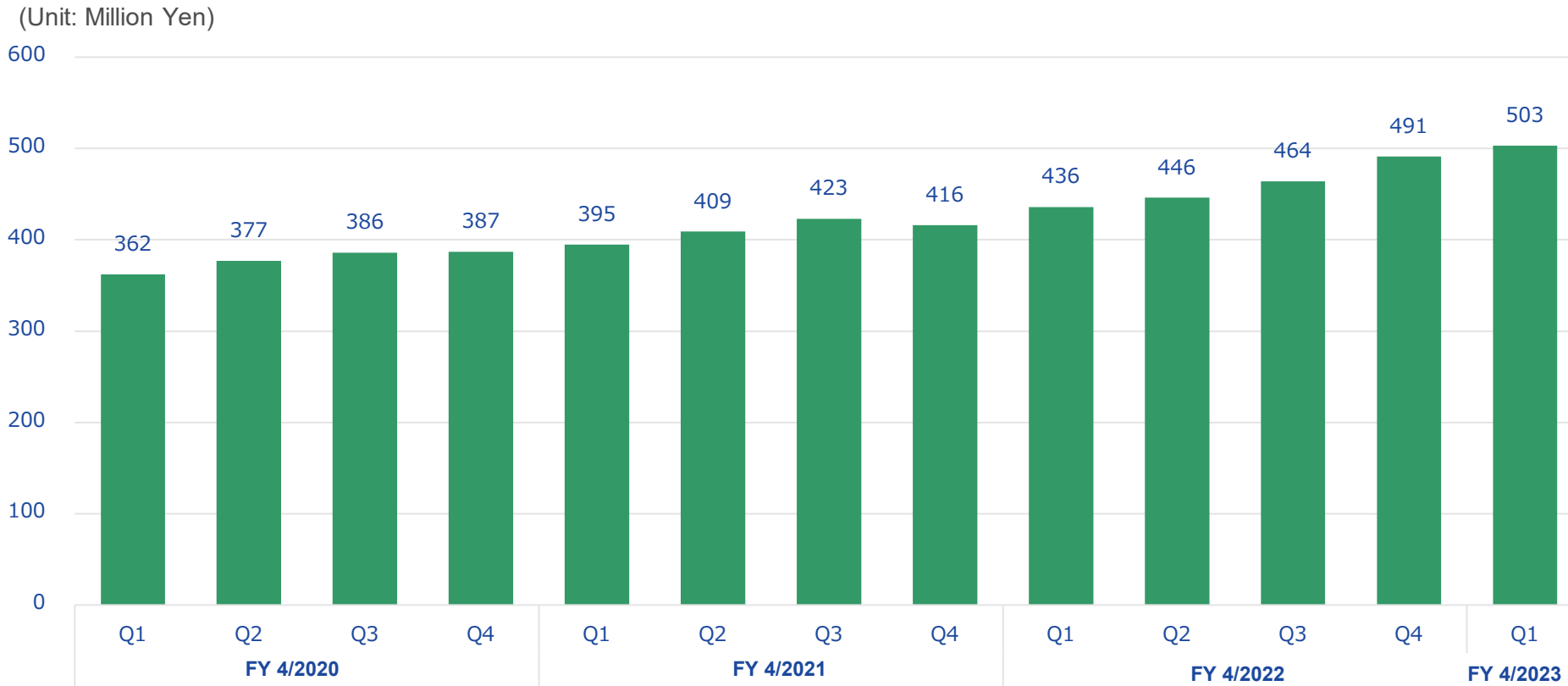
In terms of expenses

- Although the number of bankruptcies is increasing domestically, the Company's credit control is functioning well. The Company's rate of cost of sales has not changed and remains lower than pre-pandemic levels.
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- Advertising expenses increased 51.4% year on year as a result of strengthening of promotions. However, it was limited quarter on quarter with a 36.3% decrease.

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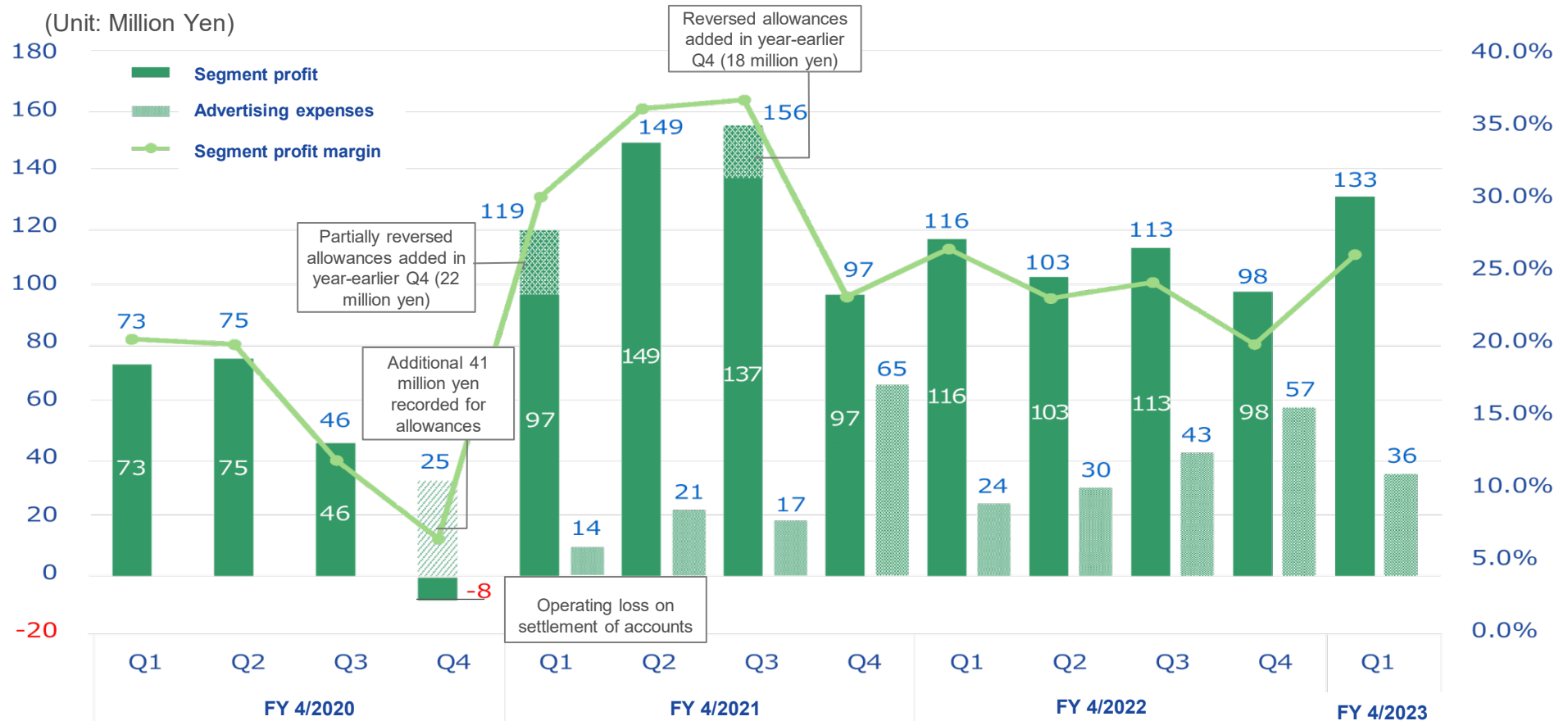
Segment profit was up 14.6% year on year.
Segment profit margin was maintained over 20% at 23.6%

Net sales excluding inter-segment transactions increased by 2.4% quarter on quarter and 15.2% year on year, recording double-digit growth



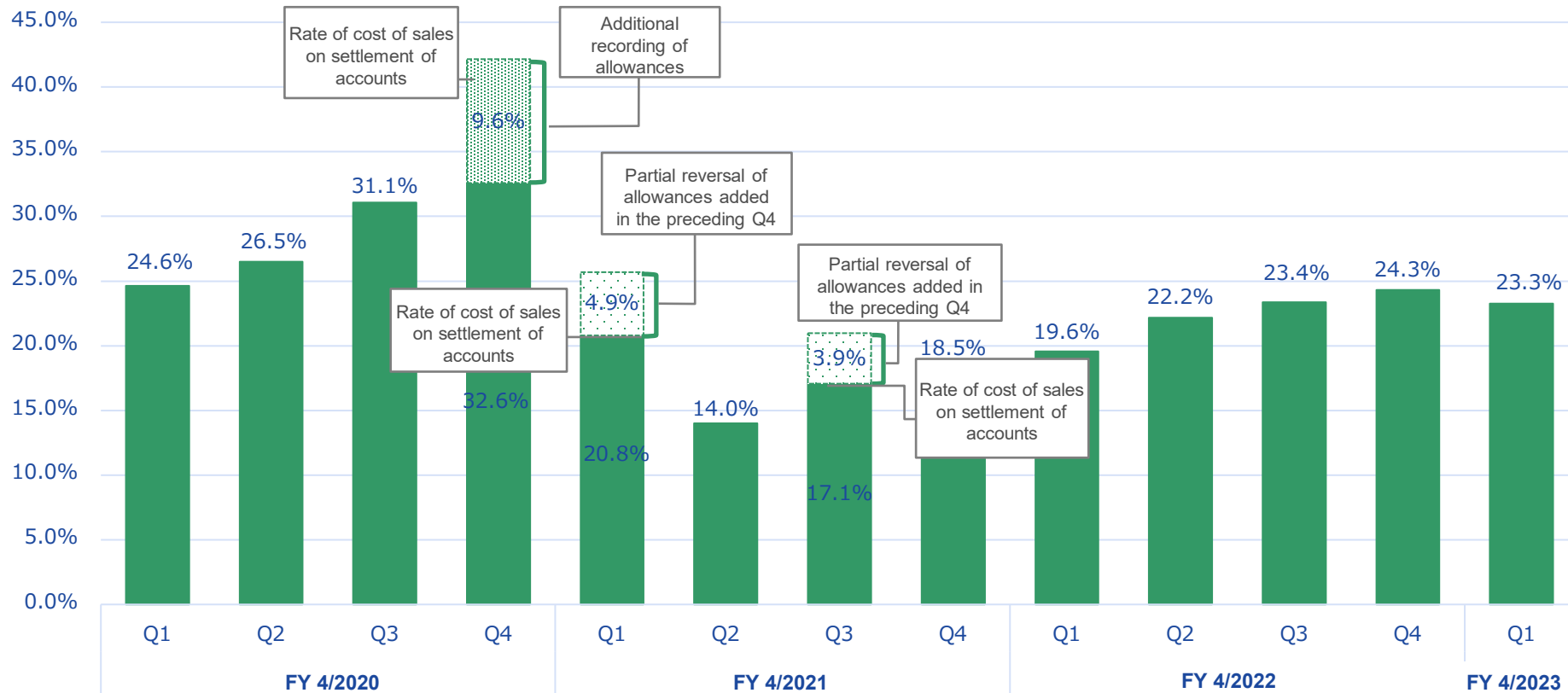
* Inter-segment transactions are excluded.

By limiting the rate of cost of sales and advertising expenses, quarterly segment profit increased 35.7% quarter on quarter and 14.6% year on year

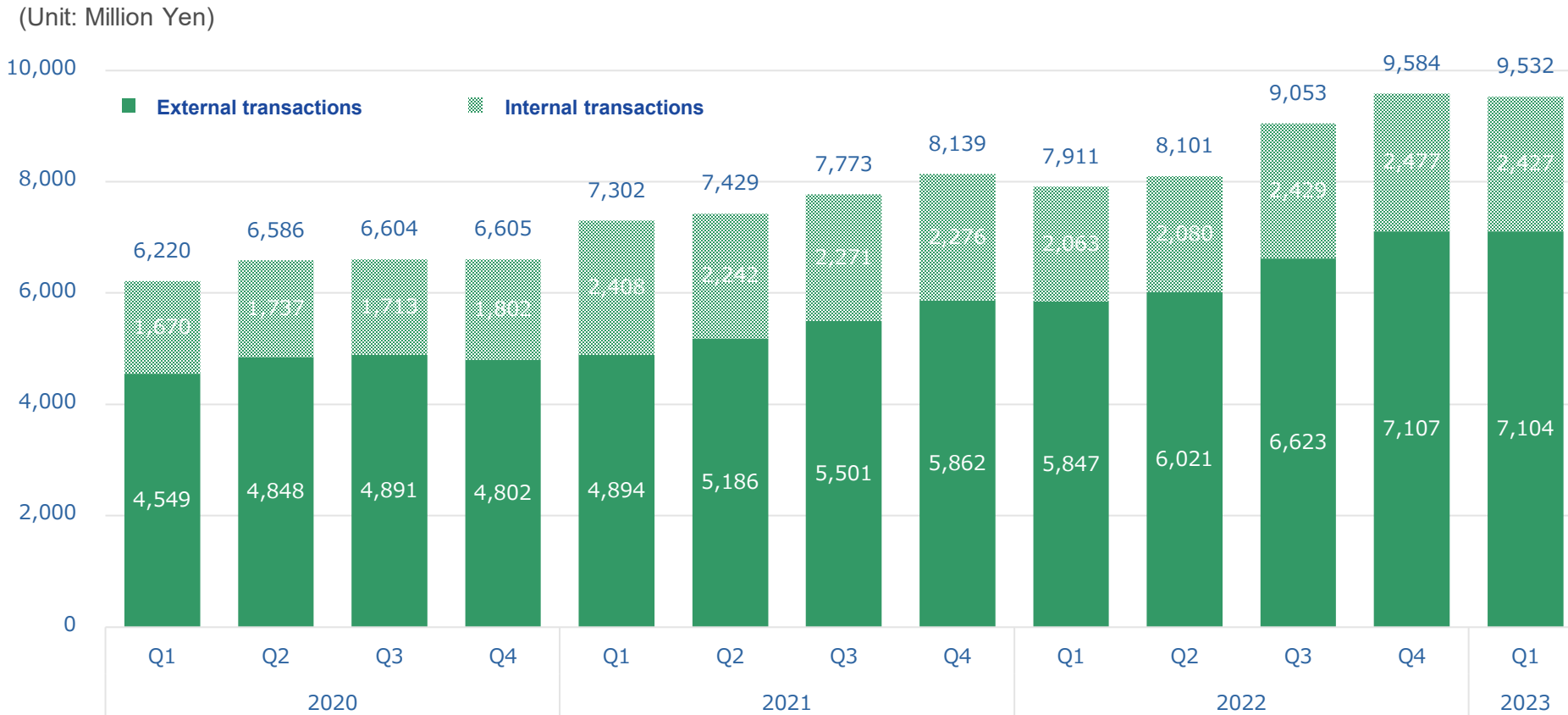


* Segment profit margin calculated excluding Inter-segment transactions.

No changes in the rate of cost of sales which remained lower than pre-pandemic levels



External transactions remained flat quarter on quarter due to the impact of seasonal factors but continued steady growth with an increase of 21.5% year on year

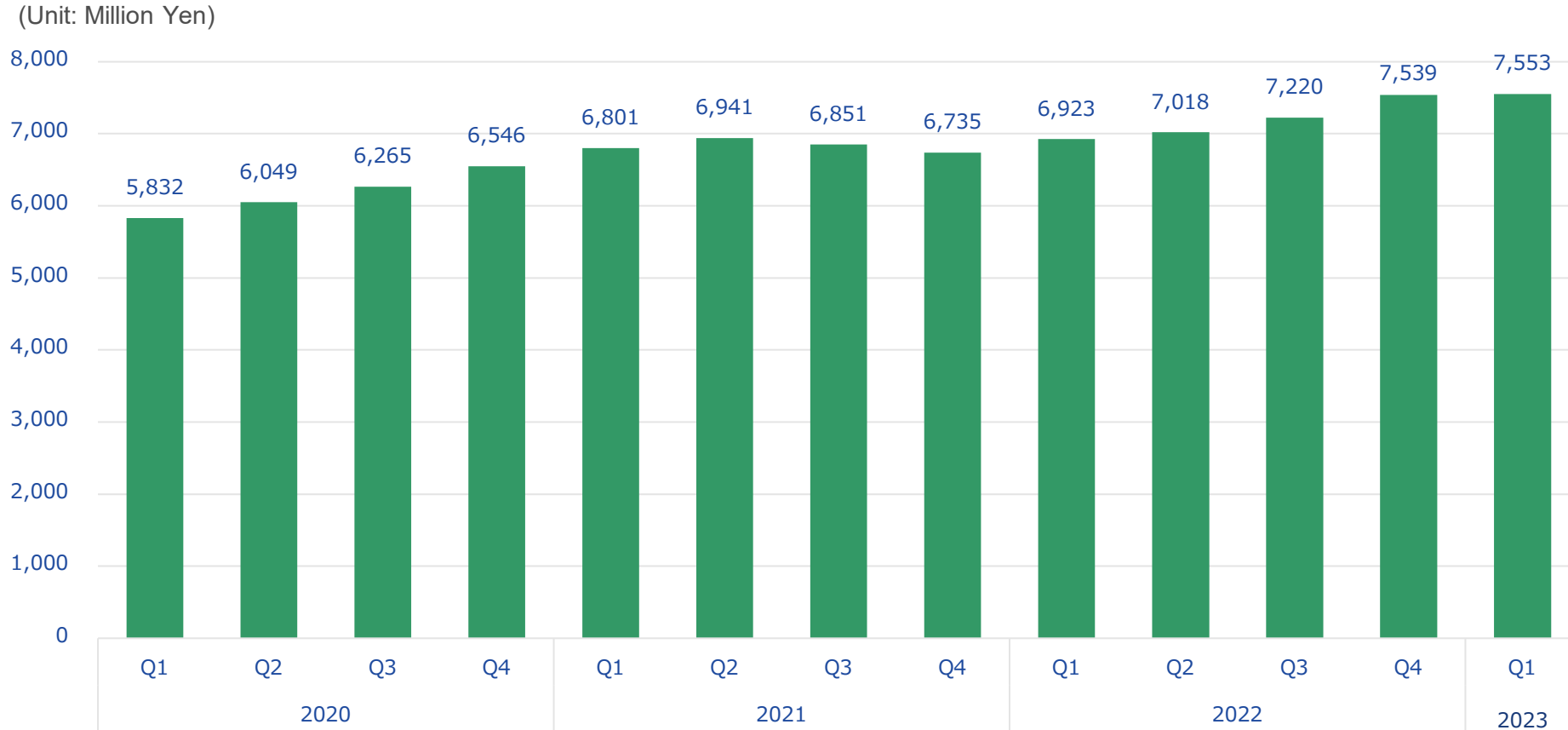


The guarantee balance steadily increased 6.3% quarter on quarter and 34.4% year on year

(Unit: Million Yen)



The guarantee balance remains steady



* The figures indicate the actual guarantee balance calculated by the formula of guarantee balance / guarantee period x average implementation period. Accordingly, the figures differ from the balances indicated in the relevant Summary of Financial Results and Securities Report.

Reference: Appendix

Trends in Consolidated Net Sales by Quarter

(Unit: Thousand Yen)

	2017				2018				2019			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
EC	392,285	393,391	409,310	416,992	411,858	422,816	429,159	431,392	425,150	425,472	446,243	466,189
Financial	177,263	182,555	189,081	198,432	200,454	204,346	218,443	227,608	243,873	257,229	364,526	351,713
Total	569,548	575,946	598,391	615,424	612,313	627,162	647,603	659,000	669,023	682,702	810,769	817,902

	2020				2021				2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
EC	455,214	472,263	476,792	558,665	688,464	655,525	673,588	702,650	697,548	714,229	760,062	778,836
Financial	362,899	377,467	386,461	387,906	395,763	409,649	423,019	416,060	436,585	446,940	464,588	491,192
Total	818,113	849,730	863,254	946,571	1,084,227	1,065,175	1,096,607	1,118,710	1,134,133	1,161,169	1,224,651	1,270,028

	2023
	1Q
EC	770,222
Financial	503,005
Total	1,273,227

(((Trends in Consolidated Operating Income by Quarter

(Unit: Thousand Yen)

	2017				2018				2019			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
EC	139,203	140,305	154,643	150,387	150,866	159,467	165,583	169,227	167,308	164,168	186,450	196,600
Financial	13,878	13,679	14,979	13,470	26,952	19,235	25,016	5,055	37,533	41,638	17,839	45,823
Adjustment	-58,634	-48,480	-51,960	-60,661	-71,758	-72,556	-68,443	-70,957	-71,567	-68,219	-81,257	-87,592
Total	94,448	105,504	117,662	103,197	106,060	106,146	122,156	103,325	133,274	137,587	123,032	154,831

	2020				2021				2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
EC	186,422	201,232	203,865	267,602	333,001	283,910	258,746	273,772	266,643	252,695	325,573	333,849
Financial	73,979	75,589	46,154	-8,196	119,745	149,092	156,609	97,068	116,433	103,780	113,023	98,347
Adjustment	-84,626	-87,353	-88,140	-80,443	-107,999	-115,067	-118,415	-134,296	-123,752	-111,402	-108,200	-140,909
Total	175,775	189,468	161,878	178,963	344,748	317,936	296,940	236,544	259,324	245,073	330,395	291,287

	2023
	1Q
EC	330,732
Financial	133,418
Adjustment	-149,447
Total	314,702

EC: Trends in “SUPER DELIVERY” Sales

(Unit: Thousand Yen)

	2017				2018				2019			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
System usage sales	236,045	238,416	252,671	260,824	254,911	267,006	275,823	277,465	272,082	275,301	294,524	314,239
Member retailer sales	61,362	62,442	61,854	61,986	61,538	61,342	61,050	61,002	61,170	60,712	60,888	61,070
Participating company sales	94,181	91,496	93,793	92,986	94,273	93,141	90,785	91,183	89,903	87,312	88,610	88,415
Total	391,589	392,354	408,319	415,797	410,722	421,490	427,659	429,651	423,155	423,326	444,023	463,724
Gross merchandise value	2,373,604	2,364,000	2,504,825	2,592,073	2,540,172	2,607,775	2,704,572	2,731,729	2,672,949	2,674,929	2,852,157	3,044,716

	2020				2021				2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
System usage sales	300,684	316,377	316,321	398,846	529,040	483,696	514,329	544,552	538,446	555,520	602,578	622,737
Member retailer sales	61,814	61,801	62,315	62,285	63,129	66,147	69,678	72,320	75,702	77,266	80,136	79,748
Participating company sales	90,066	91,213	95,092	94,418	92,962	102,087	85,787	81,772	79,199	77,072	72,793	71,656
Total	452,564	469,392	473,730	555,550	685,132	651,931	669,794	698,644	693,347	709,859	755,507	774,141
Gross merchandise value	2,927,620	2,957,307	3,069,019	3,854,776	5,127,935	4,669,605	4,915,725	5,140,681	5,072,675	5,170,706	5,623,323	5,821,213

	2023
	1Q
System usage sales	617,971
Member retailer sales	77,118
Participating company sales	70,263
Total	765,353
Gross merchandise value	5,761,178

EC: No. of Buying Customers That Purchased Via “SUPER DELIVERY” and Value of Transactions Per Customer

	2015				2016				2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
No. of buying customers (stores)	8,759	8,662	8,796	8,937	8,919	8,763	8,875	9,027	9,077	9,129	9,318	9,654
Value of transactions per customer (yen)	263,338	275,998	273,161	272,449	254,966	268,478	270,505	283,623	261,496	258,955	268,815	268,497

	2018				2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
No. of buying customers (stores)	9,829	10,210	10,497	11,046	11,616	11,846	12,068	12,814	13,249	13,621	14,358	16,586
Value of transactions per customer (yen)	258,436	255,413	257,651	247,304	230,109	225,808	236,340	237,608	220,969	217,113	213,749	232,411

	2021				2022				2023
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
No. of buying customers (stores)	19,684	20,163	21,517	22,942	23,902	24,516	25,252	26,294	27,092
Value of transactions per customer (yen)	260,512	231,592	228,457	224,072	212,228	210,912	222,688	221,389	212,652

Financial: Trends in “Paid” Transaction Value

(Unit: Thousand Yen)

	2015				2016				2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal transactions	1,598,398	1,735,527	1,703,691	1,750,567	1,637,797	1,699,168	1,733,022	1,869,146	1,652,225	1,672,828	1,741,922	1,767,514
External transactions	728,416	839,188	980,724	1,157,949	1,355,857	1,539,287	1,681,144	1,888,849	2,000,291	2,311,575	2,597,637	2,841,259
Total	2,326,815	2,574,716	2,684,416	2,908,517	2,993,654	3,238,455	3,414,167	3,757,996	3,652,516	3,984,403	4,339,560	4,608,774

	2018				2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal transactions	1,682,372	1,724,556	1,751,225	1,737,694	1,637,880	1,624,883	1,701,840	1,757,236	1,670,517	1,737,978	1,713,416	1,802,943
External transactions	2,829,913	2,920,373	3,105,237	3,297,511	3,588,014	3,977,456	4,270,115	4,488,159	4,549,949	4,848,632	4,891,303	4,802,197
Total	4,512,285	4,644,930	4,856,462	5,035,205	5,225,894	5,602,340	5,971,955	6,245,395	6,220,467	6,586,611	6,604,719	6,605,141

	2021				2022				2023
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Internal transactions	2,408,086	2,242,342	2,271,979	2,276,493	2,063,159	2,080,501	2,429,434	2,477,309	2,427,775
External transactions	4,894,563	5,186,738	5,501,080	5,862,713	5,847,946	6,021,341	6,623,795	7,107,072	7,104,559
Total	7,302,650	7,429,081	7,773,059	8,139,206	7,911,105	8,101,843	9,053,230	9,584,381	9,532,335

Financial: Trends in the URIHO Guarantee Balance

(Unit: Thousand Yen)

2016				2017				2018			
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
5,241,870	5,447,712	5,629,359	6,267,980	5,803,443	5,895,684	5,689,826	6,158,819	6,785,008	7,743,693	8,583,315	9,907,803

2019				2020				2021			
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
10,311,384	11,403,717	12,193,958	13,609,462	14,073,465	15,093,308	16,011,597	18,029,768	18,403,599	18,835,716	20,865,449	23,076,794

2022				2023
1Q	2Q	3Q	4Q	1Q
24,328,307	26,046,103	27,656,974	30,755,223	32,705,238

(Unit: Thousand Yen)

2016				2017				2018			
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
117,323	170,098	221,702	267,139	340,143	402,415	458,777	594,519	737,035	857,787	979,309	1,113,485

2019				2020				2021			
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
1,224,871	1,252,870	5,435,686	5,622,052	5,832,274	6,049,021	6,265,811	6,546,084	6,801,684	6,941,143	6,851,240	6,735,393

2022				2023
1Q	2Q	3Q	4Q	1Q
6,923,983	7,018,401	7,220,875	7,539,978	7,553,101

* The figures indicate the actual guarantee balance calculated by the formula of guarantee balance / guarantee period x average implementation period. Accordingly, the figures differ from the balances indicated in the relevant Summary of Financial Results and Securities Report.



Mid-term Management Plan

1. Further Expanding Market

Penetration of DX to increase wholesale EC ratio (5%) and receivables guarantees (1%), resulting in forecast **market growth of several times**

2. Expanding Market Share

In addition to expansion in number of customers, improve LTV (value per customer and repeat purchase ratio) to plan for **net sales growth of CAGR+17%**

3. Improving Margin

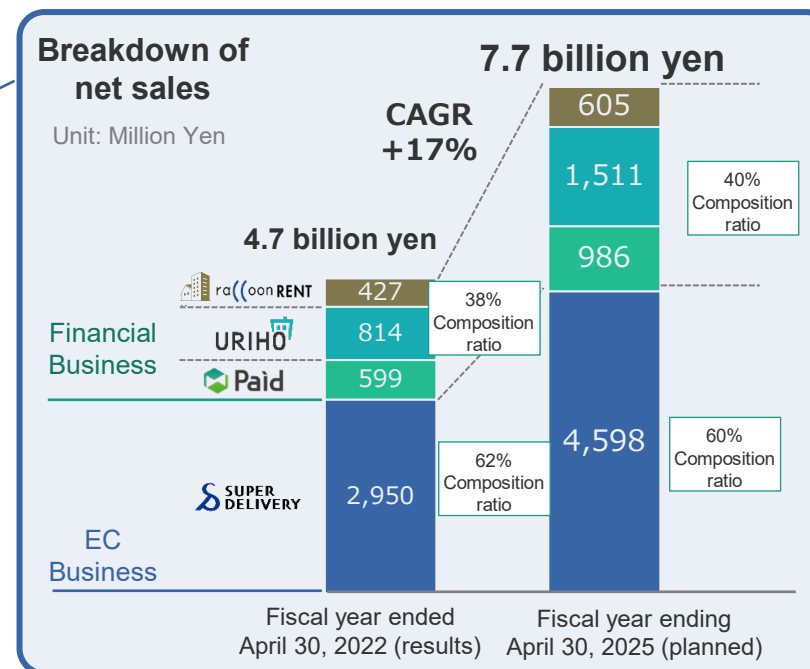
While increasing investment in each business that is in the growth phase, plan to **improve operating profit margin to 30% (+6.5pt) and grow operating income by CAGR+27%**

Mid-term Business Targets for Key Indices

Sales growth in all businesses. Operating income growth of CAGR+27% by improving margin

- Aim to improve operating income margin while investing in growth against backdrop of high marginal income ratio (over 70%)
- Assertive shareholder returns with a goal of 25% ROE

	Fiscal year ended April 30, 2022 (results)	Fiscal year ending April 30, 2025 (planned)	Growth rate
Net sales	4,789 million yen	7,700 million yen	CAGR +17%
Operating income	1,126 million yen	2,310 million yen	CAGR +27%
Operating income margin	23.5%	30.0%	+6.5pt
ROE	6.7%*1 (13.6% excluding extraordinary losses)	25.0%	+18.3pt (+11.4pt)

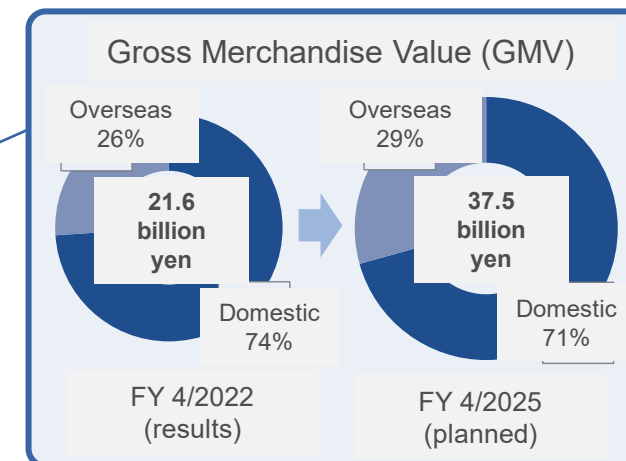


*1 Temporary decline in ROE due to impairment of investment securities and goodwill

GMV Growth target of CAGR+20%

- Continue advertising investment and expanding range of products to maintain growth of buying customers
- Aim for improving value of transactions per buying customer by realizing low cost of sales promotion, etc.
- GMV growth rate is higher for Overseas, gradually expanding Overseas share within SD

	FY 4/2022 (results)		FY 4/2025 (planned)	CAGR
Gross Merchandise Value (GMV)	21,687 million yen	➔	37,500 million yen	+20%
Domestic	16,033 million yen	➔	26,500 million yen	+19%
Overseas	5,654 million yen	➔	11,000 million yen	+25%
Buying customers	26,294 stores (Q4)	➔	40,000 stores (Q4)	+15%
Value of transactions per customer	221,389 yen (Q4)	➔	257,000 yen (Q4)	+5%



Aim for +18% CAGR growth in net sales based on growth of transaction volume

- Improve transaction volume and net sales by targeting registration of certain business types with a high value of transactions per member company

	FY 4/2022 (results)		FY 4/2025 (planned)	CAGR
Transaction volume (Member companies × Value of transactions per member company)	25,600 million yen	➔	42,128 million yen	+18%
Net sales	598 million yen	➔	985 million yen	+18%

* Transactions within the Group are omitted

Aim for growth of +32% CAGR for guarantee balance and +23% CAGR for net sales

- Increase guarantee balance by adding more member companies, leading to growth in net sales

	FY 4/2022 (results)		FY 4/2025 (planned)	CAGR
Guarantee balance (Number of member companies X Guarantee amount)	30,755 million yen	➔	70,000 million yen	+32%
Net sales	814 million yen	➔	1,511 million yen	+23%



ESG Information

ESG Information: Basic Sustainability Policy

Corporate Philosophy

Making corporate activities more efficient and convenient

Providing business infrastructure to support a wide range of transactions

Basic Policy

Solving social issues through business

We will strive to improve corporate value by appropriately managing and minimizing risks inherent in our business operations and maximizing business opportunities

Furthermore, we will contribute to the realization of a sustainable global environment and society together with our stakeholders



Identify materiality (important issues) to conduct specific actions and formulate KPIs





Disclaimer

- Opinions and estimates contained in this document are based on the judgement of the Company at the time of preparation and may include inaccuracies.
- Actual decisions and results may differ due to various changes in the business environment.