

**Summary of Financial Results (Consolidated)**  
**For the First Quarter of Fiscal Year Ending April 30, 2023**  
**(Japanese GAAP)**

August 31, 2022

Listed company: Raccoon Holdings, Inc.

Stock Exchange: Tokyo Stock Exchange

Code: 3031

URL: <http://www.raccoon.ne.jp/>

Representative: Isao Ogata, President and Representative Director

Contact: Satoshi Konno, Executive Vice President of Finance and Director

Tel. +81-3-5652-1711

Scheduled date of submission of quarterly report: September 12, 2022

Scheduled date of commencement of dividend payment: -

Supplementary documents for quarterly financial results: Yes

Quarterly financial results briefing: Yes (for institutional investors and securities analysts)

(Rounded down to the nearest million yen)

1. Consolidated results for the first quarter of fiscal year ending April 30, 2023 (May 1, 2022 through July 31, 2022)

(1) Consolidated operating results (The percentages are year-on-year changes)

	Net sales		EBITDA		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of fiscal year ending April 30, 2023	1,273	12.3	342	16.5	314	21.4	312	21.4	199	18.0
First quarter of fiscal year ended April 30, 2022	1,134	4.6	294	(23.0)	259	(24.8)	257	(23.1)	169	(23.2)

(Note) Comprehensive income First quarter of fiscal year ending April 30, 2023 ¥199 million (18.0%)

First quarter of fiscal year ended April 30, 2022 ¥169 million ((23.2)%)

(Note) EBITDA = Operating income + Depreciation + Amortization of goodwill (+ Equity in earnings of affiliates)

	Net income per share	Net income per share (diluted)
	Yen	Yen
First quarter of fiscal year ending April 30, 2023	9.02	8.98
First quarter of fiscal year ended April 30, 2022	7.62	7.59

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of July 31, 2022	13,336	5,118	37.7	228.03
As of April 30, 2022	14,060	5,364	37.6	238.12

(Reference) Shareholders' equity As of July 31, 2022 ¥5,030 million

As of April 30, 2022 ¥5,289 million

2. Dividends

	Dividend per share				
	End of Q1	End of Q2	End of Q3	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended April 30, 2022	—	10.00	—	10.00	20.00
Fiscal year ending April 30, 2023	—				
Fiscal year ending April 30, 2023 (forecast)		9.00	—	9.00	18.00

(Notes) Revisions to dividend forecasts announced most recently: None

3. Forecast of consolidated results for the fiscal year ending April 30, 2023 (May 1, 2022 through April 30, 2023)

(The percentages are year-on-year changes)

	Net sales		EBITDA		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	—	—	—	—	—	—	—	—	—	—	—
Full year	5,500	14.8	1,450	14.3	1,300	15.4	1,300	14.5	810	128.4	36.76

(Notes) Revisions to financial forecasts announced most recently: None

\* Notes

(1) Important changes in subsidiaries during the quarter under review (changes in specified subsidiaries resulting in change in the scope of consolidation): None

(2) Application of accounting specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles and changes or restatements of accounting estimates

(i) Changes in accounting policies associated with revisions to accounting standards, etc.: Yes

(ii) Changes in accounting policies other than those specified in (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes on quarterly consolidated financial statements, (Changes in accounting policies)” on page 10 of the accompanying materials.

(4) Number of issued shares (common shares)

(i) Number of issued shares (including treasury stock) at the end of the quarter

July 31, 2022	22,361,043	April 30, 2022	22,361,043
---------------	------------	----------------	------------

(ii) Number of treasury stock shares at the end of the quarter

July 31, 2022	298,699	April 30, 2022	147,616
---------------	---------	----------------	---------

(iii) Average number of issued shares during the quarter

First quarter ended July 31, 2022	22,140,414	First quarter ended July 31, 2021	22,204,607
-----------------------------------	------------	-----------------------------------	------------

\*This financial summary is not subject to the statutory quarterly review by a certified public accountant or audit corporation.

\* Explanation about the proper use of results forecasts, and other special notes

(Cautionary note on forward-looking statements)

The forward-looking statements, including results forecasts, contained in this document are based on information the Company has obtained as of today and certain assumptions the Company considers reasonable. The Company does not guarantee its achievement of the forward-looking statements. Actual results may differ significantly depending on a variety of factors. For the assumptions underlying the results forecasts and notes on their use, please refer to “1. Qualitative Information on Results for the Quarter Under Review, (3) Explanation on forecasts including consolidated results forecasts” on page 5 of the accompanying materials.

(How to obtain supplementary information for quarterly financial results)

Supplementary documents for the quarterly financial results will be disclosed on the TDnet (Timely Disclosure network operated by the Tokyo Stock Exchange) shortly.

○ Contents of Accompanying Materials

1. Qualitative Information on Results for the Quarter under Review .....	4
(1) Explanation on operating results.....	4
(2) Explanation on the financial status .....	5
(3) Explanation on forecasts including consolidated results forecasts.....	5
2. Quarterly Consolidated Financial Statements and Major Notes .....	6
(1) Quarterly consolidated balance sheets.....	6
(2) Quarterly consolidated statements of income and comprehensive income.....	8
(Quarterly consolidated statements of income).....	8
(First quarter of the consolidated fiscal year) .....	8
(Quarterly consolidated statements of comprehensive income).....	9
(First quarter of the consolidated fiscal year) .....	9
(3) Notes on quarterly consolidated financial statements.....	10
(Notes regarding going concern assumptions).....	10
(Notes in the case of significant changes in amount of shareholders' equity).....	10
(Changes in accounting policies).....	10
(Segment information) .....	11
(Significant subsequent events) .....	11

## 1. Qualitative Information on Results for the Quarter under Review

### (1) Explanation on operating results

During the fiscal quarter under review (May 1, 2022 through July 31, 2022), the Japanese economy saw relaxation of various restriction measures, progress in the normalization of socioeconomic activities, and a continuous recovery trend in corporate activities as vaccinations progressed while the novel coronavirus (COVID-19) infection prolongs. However, the situation continues to be touch-and-go as seen in the increasing number of COVID-19 cases due to the emergence of new variants. The outlook remains uncertain overseas where the risk of economic downturn is high due to high inflation rates worldwide and the situation in Ukraine, although an economic recovery trend is seen in countries such as the U.S. and Europe where various economic policies are adopted.

Under such circumstances, the Raccoon Group has formulated a new Mid-term Management Plan beginning from this fiscal year under review with its theme of “From breadth to depth: sustainable business growth by improving LTV.” We will strive for sustainable business growth by concentrating investment into existing businesses and increasing life time value (LTV) to develop increased membership in the midst of COVID-19 into a solid customer base. The first quarter under review saw the nationwide spread of COVID-19 infections during the seventh wave. However, as there were no restrictions on activities such as a declaration of a state of emergency, the economy moved towards the normalization of domestic economic activities, and corporate activities by companies that use the Company’s services improved. Consequently, both the EC business and the Financial business started their businesses successfully, recording double-digit growth. As a result, consolidated net sales for the first quarter under review was 1,273,227,000 yen (up 12.3% year on year).

In terms of expenditures, advertising expenses increased by 17.6% year on year as the Company continues active promotional activities and also enhances promotional activities again in this fiscal year. Personnel cost increased by 10.5% due to actively hiring engineers, etc., for the acquisition and maintenance of development resources. In the previous fiscal year, soaring international shipping costs due to surging crude oil prices increased the shipping costs borne by the Company. However, reviewing the level of shipping charges improved the balance between revenue and expenditure and reduced other expenses during the fiscal quarter under review. Consequently, selling, general and administrative expenses increased by 5.8% year on year. As a result, the Company posted operating income of 314,702,000 yen (up 21.4%), EBITDA of 342,665,000 yen (up 16.5%), ordinary income of 312,776,000 yen (up 21.4%), and net income attributable to owners of parent of 199,793,000 yen (up 18.0%) for the first quarter under review, all compared on a year-on-year basis.

Results by segment are as follows:

#### (i) EC business

In Super Delivery, the mainstay service in the EC business, efforts have been made to maintain growth of the number of buying customers and increase gross merchandise value through improvement in average sale per customer. The first quarter under review saw the rapid spread of COVID-19 infections nationwide during its seventh wave. However, as there were no previously imposed restrictions on activities such as a declaration of a state of emergency, the economy continued to move towards the normalization of economic activities, and corporate activities positively impacted the value of transactions in Japan. Although average sales per customer decreased quarter on quarter as usual due to seasonal factors, the number of buying customers steadily increased. As a result, the national gross merchandise across Japan increased by 14.1% year on year, recording double-digit growth.

As for the gross merchandise value overseas, despite a temporary decline in the growth rate in Asia in which the gross merchandise value accounts for a larger portion due to the increased number of COVID-19 cases in Taiwan and lockdowns in China, both the number of buying customers and average sales per customer increased as a result of steady growth in other regions, mainly in the U.S. Consequently, the gross merchandise value overseas increased by 12.2% year on year and the value of transactions for the first quarter under review totaled 5,761,178,000 yen (up 13.6% year on year).

As of the end of the fiscal quarter under review, the number of Super Delivery members stood at 292,570 (up 14,351), the number of participating companies at 3,162 (down 9), and the number of items displayed at 1,417,793 (down 13,407), all compared on a year-on-year basis.

As a result, sales in the EC business stood at 770,222,000 yen (up 10.4% year on year). In terms of expenditures, soaring international shipping costs due to surging crude oil prices increased the shipping costs borne by the Company in the previous fiscal year. However, revisions of the level of shipping charges improved the balance between revenue and expenditure during the fiscal quarter under review. Advertising expenses increased by 15.8% year on year, and personnel cost increased by 15.6% year on year. However, the increase in selling, general and administrative expenses was limited. Consequently, segment profit was 330,732,000 yen (up 24.0% year on year).

(ii) Financial business

In the Paid service, efforts have been made to continuously increase member companies and increase transaction value per member company. As of the end of the financial quarter under review, the number of member companies increased to approach 5,000. As was the case with Super Delivery in the EC business, the value of transactions steadily increased due to continuous movement towards the normalization of domestic economic activities and increased corporate activities despite the spread of COVID-19 during its seventh wave. Consequently, the value of transactions outside the Group totaled 7,104,559,000 yen (up 21.5%) and the overall value of transactions (including 2,427,775,000 yen of transactions within the Group) stood at 9,532,335,000 yen (up 20.5%), both compared on a year-on-year basis.

In Guarantee services, the T&G Accounts Receivables Guarantee was integrated into URIHO in May 2022. The Company has continued its endeavors to increase guarantee balance by adding more member companies, leading to growth in net sales. Demand for credit guarantee services continued against the backdrop of the COVID-19 pandemic, and the number of member companies steadily increased.

Regarding rent guarantee services, the Company continued its efforts to increase name recognition of its services for both business and residential properties among real estate companies.

Guarantees outstanding at the end of the fiscal quarter under review amounted to 98,739,728,000 yen (32,705,238,000 yen for RACCOON FINANCIAL, Inc. and 66,034,490,000 yen for RACCOON RENT, Inc.), up 1.7% from the end of the previous fiscal year. As a result, sales in the Financial business stood at 566,205,000 yen (up 15.5% year on year). In terms of expenditures, the amount of guarantees provided increased due to the relaxation of credit screening criteria, but screening criteria has been controlled appropriately and the ratio of cost of sales continued to be lower than levels seen before the COVID-19 pandemic. The Company continued to strengthen promotional activities, resulting in advertising expenses increasing by 51.4% year on year. Consequently, segment profit totaled 133,418,000 yen (up 14.6% year on year).

(2) Explanation on the financial status

Total assets at the end of the fiscal quarter under review amounted to 13,336,792,000 yen, down 724,038,000 yen from the end of the previous fiscal year. Current assets decreased 727,419,000 yen to 11,069,042,000 yen. The main factors causing the decrease were the decrease of 571,394,000 yen in accounts receivable – trade due to decreased transactions and the decrease of 437,933,000 yen in cash and deposits due to cash dividends paid and withholding income tax paid. Non-current assets increased 3,380,000 yen to 2,267,749,000 yen. The main factors for the increase are the decrease of 5,000,000 yen in investment securities due to cash dividends received, the decrease of 2,264,000 yen in deferred tax assets, the recording of 5,871,000 yen in depreciation of buildings, the recording of 2,446,000 yen in amortization of goodwill, and the increase of 18,917,000 yen in software and software in progress.

Liabilities at the end of the fiscal quarter under review totaled 8,218,035,000 yen, down 478,206,000 yen from the end of the previous fiscal year. Current liabilities decreased 466,414,000 yen to 7,163,161,000 yen. The main factor for the decrease is the decrease of 414,709,000 yen in accounts payable – trade due to decreased transactions. Non-current liabilities decreased 11,792,000 yen to 1,054,874,000 yen. The main factor for the decrease is the decrease of 11,250,000 yen in long-term borrowings due to repayment.

Net assets at the end of the fiscal quarter under review decreased 245,832,000 yen from the end of the previous fiscal year to 5,118,756,000 yen. The main factor for the decrease is the decrease of 23,814,000 yen in retained earnings due to the cash dividends paid of 223,607,000 yen despite the increase of 234,626,000 yen in treasury shares due to the acquisition of treasury shares, etc., and the recording of 199,793,000 yen in net income attributable to owners of parent for the first quarter under review.

(3) Explanation on forecasts including consolidated results forecasts

Consolidated results for the Company generally progressed according to the forecasts. For this reason, the Company made no changes to the results forecasts announced in the previous Summary.

The forward-looking statements above are based on information available to the Company at the time of the announcement and certain assumptions that the Company considers reasonable. Actual results may differ significantly due to a variety of uncertain factors.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly consolidated balance sheets

(Thousand yen)

	End of previous consolidated fiscal year (As of April 30, 2022)	End of first quarter of the consolidated fiscal year under review (As of July 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	5,343,305	4,905,372
Accounts receivable - trade	6,239,835	5,668,440
Rights to claim compensation	46,923	52,463
Supplies	276	205
Prepaid expenses	196,794	186,274
Other	145,458	449,309
Allowance for doubtful accounts	(176,131)	(193,022)
Total current assets	11,796,462	11,069,042
Non-current assets		
Property, plant and equipment		
Buildings	626,157	626,157
Accumulated depreciation	(90,714)	(96,586)
Buildings, net	535,442	529,570
Tools, furniture and fixtures	45,990	45,990
Accumulated depreciation	(26,742)	(28,057)
Tools, furniture and fixtures, net	19,247	17,932
Land	882,140	882,140
Total property, plant and equipment	1,436,830	1,429,643
Intangible assets		
Software	188,373	178,520
Software in progress	83,962	112,732
Goodwill	62,782	60,336
Other	1,440	1,362
Total intangible assets	336,559	352,951
Investments and other assets		
Investment securities	189,773	184,773
Lease and guarantee deposits	316	1,756
Deferred tax assets	285,927	283,663
Other	14,960	14,960
Total investments and other assets	490,978	485,154
Total non-current assets	2,264,368	2,267,749
Total assets	14,060,831	13,336,792

(Thousand yen)

	End of previous consolidated fiscal year (As of April 30, 2022)	End of first quarter of the consolidated fiscal year under review (As of July 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	6,439,410	6,024,700
Current portion of long-term borrowings	178,336	145,003
Accounts payable - other	178,870	176,644
Income taxes payable	130,019	120,518
Allowance for guarantees	99,196	99,892
Provision for bonuses	85,429	36,201
Provision for share-based remuneration	24,723	12,067
Provision for sales promotion expenses	18,480	23,280
Deposits received	22,918	55,028
Asset retirement obligations	4,270	4,270
Other	447,920	465,555
Total current liabilities	7,629,575	7,163,161
Non-current liabilities		
Long-term borrowings	1,020,000	1,008,750
Other	46,666	46,124
Total non-current liabilities	1,066,666	1,054,874
Total liabilities	8,696,242	8,218,035
Net assets		
Shareholders' equity		
Capital stock	1,852,237	1,852,237
Capital surplus	1,514,092	1,514,092
Retained earnings	2,372,888	2,349,074
Treasury shares	(449,857)	(684,483)
Total shareholders' equity	5,289,361	5,030,920
Share acquisition rights	75,227	87,835
Total net assets	5,364,588	5,118,756
Total liabilities and net assets	14,060,831	13,336,792

(2) Quarterly consolidated statements of income and comprehensive income  
(Quarterly consolidated statements of income)  
(First quarter of the consolidated fiscal year)

(Thousand yen)

	First quarter of the previous consolidated fiscal year (From May 1, 2021 to July 31, 2021)	First quarter of the consolidated fiscal year under review (From May 1, 2022 to July 31, 2022)
Net sales	1,134,133	1,273,227
Cost of sales	185,479	229,123
Gross profit	948,654	1,044,104
Selling, general and administrative expenses	689,329	729,401
Operating income	259,324	314,702
Non-operating income		
Commission income	901	774
Other	492	1,067
Total non-operating income	1,394	1,841
Non-operating expenses		
Interest expenses	1,613	1,242
Commission expenses	1,422	1,066
Commission for purchase of treasury shares	—	1,442
Other	53	16
Total non-operating expenses	3,089	3,767
Ordinary income	257,628	312,776
Income before income taxes	257,628	312,776
Income taxes	88,352	112,983
Net income	169,276	199,793
Net income attributable to owners of parent	169,276	199,793



(Quarterly consolidated statements of comprehensive income)  
(First quarter of the consolidated fiscal year)

(Thousand yen)

	First quarter of the previous consolidated fiscal year (From May 1, 2021 to July 31, 2021)	First quarter of the consolidated fiscal year under review (From May 1, 2022 to July 31, 2022)
Net income	169,276	199,793
Comprehensive income	169,276	199,793
<b>(Comprehensive income attributable to)</b>		
Comprehensive income attributable to owners of parent	169,276	199,793

(3) Notes on quarterly consolidated financial statements

(Notes regarding going concern assumptions)  
Not applicable

(Notes in the case of significant changes in amount of shareholders' equity)  
Not applicable

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has adopted the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31; June 17, 2021, hereinafter "Implementation Guidance on Accounting Standard for Fair Value Measurement") since the beginning of the first quarter of the consolidated fiscal year under review. The Company applies the new accounting policy stipulated in the Implementation Guidance on Accounting Standard for Fair Value Measurement into the future in accordance with the transitional treatment stipulated in the provisions of paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. There was no impact of this change in accounting policies on the Company's quarterly consolidated financial statements.

(Segment information)

[Segment information]

I. First quarter of the previous consolidated fiscal year (from May 1, 2021, to July 31, 2021)

1. Information on sales and profits or losses by reporting segment

(Thousand yen)

	Reporting segment			Adjustment (Note 1)	Quarterly consolidated financial statement amount (Note 2)
	EC	Financial	Total		
Sales					
Sales to external customers	697,548	436,585	1,134,133	—	1,134,133
Inter-segment sales and transfers	—	53,711	53,711	(53,711)	—
Total	697,548	490,296	1,187,845	(53,711)	1,134,133
Segment profit	266,643	116,433	383,076	(123,752)	259,324

(Notes) 1. The segment profit adjustment of minus 123,752,000 yen includes company-wide revenues and expenses not distributed to the reporting segments. The company-wide revenues are mostly comprised of management consulting fees and such from each reporting segment and the company-wide expenses are general and administrative expenses and such which are not attributable to reporting segments.

2. Segment profits are adjusted to operating income in the quarterly consolidated statements of income.

2. Items related to impairment loss on non-current assets, goodwill, etc. by reporting segment

Not applicable

II. First quarter of the consolidated fiscal year under review (from May 1, 2022, to July 31, 2022)

1. Information on sales and profits or losses by reporting segment

(Thousand yen)

	Reporting segment			Adjustment (Note 1)	Quarterly consolidated financial statement amount (Note 2)
	EC	Financial	Total		
Sales					
Sales to external customers	770,222	503,005	1,273,227	—	1,273,227
Inter-segment sales and transfers	—	63,200	63,200	(63,200)	—
Total	770,222	566,205	1,336,427	(63,200)	1,273,227
Segment profit	330,732	133,418	464,150	(149,447)	314,702

(Notes) 1. The segment profit adjustment of minus 149,447,000 yen includes company-wide revenues and expenses not distributed to the reporting segments. The company-wide revenues are mostly comprised of management consulting fees and such from each reporting segment and the company-wide expenses are general and administrative expenses and such which are not attributable to reporting segments.

2. Segment profits are adjusted to operating income in the quarterly consolidated statements of income.

2. Items related to impairment loss on non-current assets, goodwill, etc. by reporting segment

Not applicable

(Significant subsequent events)

Not applicable