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(For Translation Purposes Only)

Raccoon Holdings, Inc.
1-14-14 Nihonbashi-Kakigaracho, Chuo-ku Tokyo
President: Isao Ogata, Representative Director
(Code: 3031, Tokyo Stock Exchange Prime Market)
Contact: Satoshi Konno
Executive Vice President and Director
(Tel: +81-3-5652-1711)

**Notice Concerning Management Plan for Fiscal Year Ending April 30, 2024
towards Achievement of Mid-term Management Plan**

Raccoon Holdings, Inc. (“Raccoon”) announces a management plan for the fiscal year ending April 30, 2024 towards the achievement of the Mid-term Management Plan (fiscal year ended April 30, 2023 to fiscal year ending April 30, 2025), which was disclosed on June 13, 2022, as follows.

We have also released the PowerPoint material “Progress of Mid-term Management Plan” today, which summarizes the contents. Please also refer to it.

1. Policy for Fiscal Year Ending April 30, 2024

We consider the fiscal year ending April 30, 2024 **a year of aggressive investment in order to increase the pace of customer acquisitions** in the EC business and the Financial business due to the following reasons. Therefore, **for the fiscal year ending April 30, 2024, we expect that net sales will increase by 17.3-21.0% year on year and operating income will decrease by 12.0-28.8% year on year.**

- (1) Active investment will enhance the achievement accuracy of the Mid-term Management Plan in its final fiscal year.
- (2) Both the EC business and the Financial business have significant potential markets and still offer vast opportunities for market expansion. Therefore, we believe that by prioritizing investments to accelerate the pace of customer acquisition, we can increase our market share in the mid to long term and sustain our growth at a higher level than the current state.

[Point]

1. Regarding the performance in the fiscal year ended April 30, 2023, net sales of the EC business fell short of the planned value partly due to short-term external environmental factors. On the other hand, net sales of the Financial business landed at a level exceeding the planned value.
2. Amidst the ongoing uncertainty in the external environment, favorable changes in the business landscape, such as increasing needs for online B2B transactions and the streamlining of indirect operations triggered by the COVID-19 pandemic, continue to support our business expansion.

3. However, even in the midst of this uncertain external environment, we position the fiscal year ending April 30, 2024 as a year to lay the foundation for the achievement of the Mid-term Management Plan in its final fiscal year with the aims of (i) making up for poor results in the EC business during the fiscal year ended April 30, 2023; and (ii) driving the Financial business to achieve growth beyond the level set in the Mid-term Management Plan. Specifically, we plan to significantly strengthen customer acquisition investments to increase the pace of customer acquisitions. The performance in the fiscal year ending April 30, 2024 is expected to result in an increase in sales growth rate, while income is projected to temporarily decline. We **forecast the achievement of the Mid-term Management Plan** in its fiscal year ending April 30, 2025 based on the assumption of increasing the pace of customer acquisition in the fiscal year ending April 30, 2024.
4. Specifically, in the EC business, we plan to increase promotion costs (advertising expenses and sales promotion expenses) by 33.0%, and aim to introduce a new membership plan (with free and paid options) by around September 2024, in order to accelerate increase in the number of buying customers. We also plan to implement a large-scale promotion in conjunction with the launch of the new membership plan. In the Financial business, we aim to increase the number of business partners by doubling promotion costs (advertising expenses).
5. Furthermore, in both the EC business and the Financial business, we separately consider the implementation of marketing methods, such as mass advertising, which we have not actively pursued before, within a budget limit of 0.3 billion yen, aiming for upside potential through increased awareness. Such investment will have a certain positive effect on current business growth, but its main purposes are to enhance industry recognition, and thereby achieve the Mid-term Management Plan and expand the potential for mid- to long-term growth thereafter.
(This is already reflected in the upper limit of the planned net sales for the fiscal year ending April 30, 2024.)
6. We will continue to maintain the dividend level and implement measures to improve ROE through share repurchases.
 - Dividends per share for the fiscal year ending April 30, 2024: 18 yen (dividend payout ratio: 65.7%) (scheduled)
 - Share repurchases (announced today) with an upper limit of 0.7 billion yen or 700,000 shares (3.1% of the number of issued shares)

2. Details by Business

■ EC Business

(KPIs for SUPER DELIVERY)

Fiscal year	Fiscal year ended April 30, 2022 (previous fiscal year before the previous one)	Fiscal year ended April 30, 2023 (previous fiscal year)	Growth rate	Fiscal year ending April 30, 2024 (current fiscal year)	Growth rate	Fiscal year ending April 30, 2025 (final fiscal year)	Mid-term Management Plan Target CAGR
	Results	Results	Year-on-year	Plan	Year-on-year		
GMV (million yen)	21,687	23,823	+9.8%	27,829	+16.8%	37,500	+20%
Domestic (million yen)	16,034	17,500	+9.1%	19,950	+14.0%	26,500	+19%
International (million yen)	5,653	6,322	+11.8%	7,878	+24.6%	11,000	+25%
Buying customers (stores)	26,294 (Q4)	27,477 (Q4)	+4.5%	33,467 (Q4)	+21.9%	40,000 (Q4)	+15%
Value of transactions per customer (yen)	221,389 (Q4)	226,055 (Q4)	+2.1%	219,425 (Q4)	-2.9%	257,000 (Q4)	+5%

- Review of Performance in Fiscal Year Ended April 30, 2023

In the fiscal year ended April 30, 2023, we focused on doubling our promotional investments (through point and coupon strategies) and increasing the value of transactions per customer. As a result, the overall value of transactions per customer in the fourth quarter of the fiscal year ended April 30, 2023 increased by 2.1% year on year. When divided into domestic and international markets, the domestic market experienced a 0.3% decrease, while the international market saw a 10.9% surge, in the fourth quarter of the fiscal year ended April 30, 2023 year on year. When further analyzing the domestic market, we observed that domestic retailers achieved a 1.1% increase in the fourth quarter of the fiscal year ended April 30, 2023 year on year. In Japan, while major department stores and apparel manufacturers have been experiencing a notable recovery in their performance, small and medium-sized retailers, which are predominant among domestic retailers participating in SUPER DELIVERY, have been lagging behind in their performance recovery. We understand that this has resulted in a constraint on increasing the value of transactions per customer. On the other hand, restaurant and other non-retail businesses, which had faced a challenging business environment, have been making progress in their recovery as domestic restrictions on socioeconomic activities during the COVID-19 pandemic have gradually eased. In the fourth quarter of the fiscal year ended April 30, 2023, these businesses saw an 8.0% increase year on year. There has also been an expansion in the number of buying customers of non-retail businesses with lower value of transactions per customer. This has resulted in a change in the composition ratio of buying customers, which is also a contributing factor to the negative growth of value of transactions per customer in the domestic market.

Meanwhile, as one example of the measures implemented to increase the value of transactions per customer, we conducted a campaign to encourage domestic members to switch to Paid Payment. The purpose of this campaign is to, by the switch, increase the ratio of payments with Paid, whose value of transactions per customer is high, and thereby raise the value of transactions per customer. As a result, the ratio of Paid Payment in the domestic transaction value increased by 5.3 points year on year, leading to a 3.1% increase in the value of transactions per customer who is a domestic member year on year. However, we recognize that the external environment surrounding domestic retailers has posed challenges, resulting in a more restrained improvement in the value of transactions per customer.

The number of buying customers increased by 4.5% in the fourth quarter of the fiscal year ended April 30, 2023 year on year. The factor that led to falling below the planned value was a decrease in the number of new buying customers, despite the steady growth of repeat customers. While the number of new member registrations attracted through advertising channels remains high, our organic traffic has decreased. In the fiscal year ended April 30, 2023, by keeping advertisement expenses aimed at attracting customers at the same level as the previous year, the number of new member registrations through advertising channels remained at a similar level to the previous year. However, this was not sufficient to compensate for the decrease in our organic traffic, resulting in a 14.6% decrease in the number of first-time buying customers year on year and a slowdown in the increase in the number of buying customers.

- Strategy for Fiscal Year Ending April 30, 2024

Our strategy for the fiscal year ending April 30, 2024 is to continue investing in measures to increase the value of transactions per customer, while also focusing on increasing the number of new registrations and that of new buying customers in order to improve the GMV growth rate. To accelerate an increase in the number of new registrations, we will increase promotion costs aimed at attracting customers. Additionally, we will continue to enhance our SEO strategies and launch a new membership plan (with free and paid options; scheduled to start in September 2023).

In the free plan of the new membership scheme, we expect effects such as: (i) increase in the number of new member registrations; (ii) improvement in the number of new buying customers and repeat rates; and (iii) reduction in terminations. On the other hand, the paid plan (whose monthly fee is scheduled to be 2,000 yen) is aimed at high-frequency, high-value recurring buying customers with the purpose of enhancing customer loyalty. We plan to work out measures that will make SUPER

DELIVERY more economical, special, and convenient in the future.

In addition, we plan to carry out a large-scale promotion to coincide with the launch of the new membership plan. Furthermore, with regard to existing members who are domestic retailers currently subject to monthly membership fees and have suspended their membership due to the membership fees, we will approach them with an offer of the free plan and encourage them to reactivate their membership.

Additionally, following the launch of the new membership plan, we anticipate that some of the existing domestic retailers currently subject to the previous price plan will transition to the free plan. As a result, we anticipate a temporary decrease in “membership revenue from retailers,” but this has already been factored into the planned values for the fiscal year ending April 30, 2024.

* For more details regarding the membership fee plan change, please refer to the press release titled “Wholesale Purchasing Site “SUPER DELIVERY” Launches New Membership Plan For Procurement Businesses This Autumn” published on June 12, 2023.

For the international market, we will continue investing in measures to increase the value of transactions per customer, while also enhancing promotional investments aimed at attracting customers to increase the number of new registrations and that of new buying customers, just like we will do for the domestic market. Our goal is to improve the growth potential of GMV. Our approach is to implement targeted promotions for each foreign country, taking into account different economic conditions, service demands, and other environments. We will undertake various initiatives to expand GMV growth, particularly for South Korea, which has experienced increased growth in the fiscal year ended April 30, 2023, and the North American region, where high growth continues.

Summary of EC Business Strategy for Fiscal Year Ending April 30, 2024

We will continue to focus on increasing the value of transactions per customer and implement initiatives to accelerate increase in the number of new registrations and that of new buying customers.

- Increase promotion costs (advertising expenses and sales promotion expenses) by 33.0% year on year, and engage in proactive promotional activities. Additionally, explore new methods such as mass advertising to enhance industry awareness and further expand future growth potential.
- Further strengthen SEO strategies. (Recruitment has already finished.)
- Change the membership fee plan.*¹ (Refer to a separate document.)
- Implement targeted promotions for each foreign country.

*¹ Please refer to the press release titled “Wholesale Purchasing Site “SUPER DELIVERY” Launches New Membership Plan For Procurement Businesses This Autumn” published on June 12, 2023.

■ Financial Business

● Review of Performance in Fiscal Year Ended April 30, 2023

The Financial Business performed well throughout the year, and its results exceeded the planned values, thanks to a continued favorable external environment and our measures.

On the other hand, default costs have been gradually increasing. Although there have been some external factors, such as an increase in the number of business bankruptcies due to the start of repaying loans provided during the COVID-19 pandemic (such as virtually interest-free and unsecured loans), the main reason for the increase is that we have continued relaxing credit assessment criteria, while actively taking risks amid the continued favorable external environment, to accelerate business growth. We believe that while excessively low default levels may temporarily improve profitability, they have significant negative implications for sales activities and customer retention. In order to sustain mid- to long-term business growth, we recognize the need to control the occurrence of default at an appropriate level. Currently, the default rate is approaching the appropriate

level prior to the spread of COVID-19 due to proper control of our assessment standards.

(KPIs for Paid)

(Unit: Million yen)

Period	Fiscal year ended April 30, 2022 (fiscal year before the previous one)	Fiscal year ended April 30, 2023 (previous fiscal year)	Growth rate	Fiscal year ending April 30, 2024 (current fiscal year)	Growth rate	Fiscal year ending April 30, 2025 (final fiscal year)	Mid-term Management Plan Target CAGR
	Results	Results	Period-on-period	Plan	Year-on-year		
Transaction volume	25,600	31,114	+21.5%	39,058	+ 25.5%	42,128	+18%
Net sales	598	731	+22.3%	880	+ 20.4%	985	+18%

The demand for outsourcing of payment services has been strong, and both the number of registered companies and that of active companies have steadily increased. Additionally, with the reopening of economic activities, the volume of transactions per member company improved, which led to an increase in transaction volume. As a result, the transaction volume exceeded the planned value with a 21.5% increase year on year, and net sales also exceeded the planned value with a 22.3% increase year on year.

(KPIs for URIHO)

(Unit: Million yen)

Period	Fiscal year ended April 30, 2022 (fiscal year before the previous one)	Fiscal year ended April 30, 2023 (previous fiscal year)	Growth rate	Fiscal year ending April 30, 2024 (current fiscal year)	Growth rate	Fiscal year ending April 30, 2025 (final fiscal year)	Mid-term Management Plan Target CAGR
	Results	Results	Period-on-period	Plan	Year-on-year		
Guarantee balance	30,755	43,933	+42.8%	58,347	+ 32.8%	70,000	+32%
Net sales	814	967	+18.8%	1,301	+34.5%	1,511	+23%

While the economy has been gradually recovering with the reopening of economic activities, the number of business bankruptcies has increased due to the start of repaying loans provided during the COVID-19 pandemic (such as virtually interest-free and unsecured loans). As the economic situation remains uncertain, the demand for accounts receivables guarantee services continues to rise. As a result, URIHO's guarantee balance increased by 42.8% year on year, and its net sales increased by 18.8% year on year. In particular, online subscription-based URIHO, which we have focused on, has maintained high growth, with a 65.9% increase in guarantee balance year on year and a 56.1% increase in net sales year on year.

● Strategy for Fiscal Year Ending April 30, 2024

We recognize that the favorable business environment driven by the demand for streamlining indirect operations will continue. Therefore, we will strive to accelerate an increase in the number of user companies by promoting more proactive promotional activities and aim for business growth beyond the level set in the Mid-term Management Plan.

We will maintain a policy of relaxing credit assessment criteria. On the other hand, we have entered into a contract to expand the scope of reinsurance coverage. This allowed us to establish a framework that enables more proactive business operations while controlling risks.

As mentioned earlier, at present, we recognize that our credit assessments are properly controlled and have generally returned to the appropriate default level prior to the spread of COVID-19. While continuing to relax credit assessment criteria, we will strive to maintain the current balance between operational advantages and profitability through proper control of our assessment standards.

■ Summary of Financial Business Strategy for Fiscal Year Ending April 30, 2024

We will implement initiatives to accelerate our growth speed and surpass the Mid-term Management Plan targets.

- Continue to relax credit assessment criteria and maintain a balanced level of operational advantages and profitability.
- Double promotion costs compared to the previous fiscal year to accelerate increase in the number of companies using our service. Explore new methods such as mass advertising to enhance industry recognition and further expand future growth potential, just like we will do for the EC business.
- Actively release projects that will expand the target scope of “URIHO,” such as a receivable liquidation scheme based on third-party guarantees^{*2} and guarantees for factoring receivables,^{*3} to efficiently increase the guarantee balance and accelerate the growth of “URIHO” business.

*2 Please refer to the press release published on September 27, 2022, titled “RACCOON FINANCIAL Commences Guarantee for Office Furniture Subscription and Supports Fundraising through Joint Development of Receivable Liquidation Scheme Based on Third-party Guarantees.”

*3 Please refer to the press release published on February 6, 2023, titled “RACCOON FINANCIAL Commences Guarantee for Factoring Services and Forms Partnership with REGUPAY, Operator of “Regu-pay”.”

3. (Reference) Mid-term Business Targets for Key Indices and Changes in Actual Results

(Unit: Million yen)

Period	Fiscal year ended April 30, 2022 (fiscal year before the previous one)	Fiscal year ended April 30, 2023 (previous fiscal year)	Growth rate	Fiscal year ending April 30, 2024 (current fiscal year)	Growth rate	Fiscal year ending April 30, 2025 (final fiscal year)	Mid-term Management Plan Target CAGR
	Results	Results	Period-on-period	Plan	Year-on-year		
Net sales	4,789	5,320	+11.1%	6,240 ~ 6,440	+17.3% ~ +21.0%	7,700	+17%
Operating income	1,126	1,193	+6.0%	850 ~ 1,050	-28.8% ~ -12.0%	2,310	+27%
Operating income margin	23.5%	22.4%	-1.1pt	13.2% ~ 16.8%	-9.2pt ~ -5.6p	30.0%	+6.5pt
ROE	6.7%	12.6%	+5.9pt	10.5% ~ 12.8%	-2.1pt ~ +0.2pt	25.0%	+18.3pt