



FY 4/2023 (ended April 2023)
Financial Results and Progress of Mid-term
Management Plan

June 12, 2023

RACCOON HOLDINGS, Inc. Code: 3031 TSE Prime Market

What We Would Like to Convey Today

- **YoY increase in income and profits for FY 4/2023.**

Did not achieve the initial forecast.

- Results of FY 4/2023 Sales 5,320 million yen, operating income 1,193 million yen

- **We will aim for certain achievement of the Mid-term Management Plan targets with upfront investments (strategic advertising investments) in FY 4/2024 (the current fiscal year)**

- Forecast for the current fiscal year¹ Sales 6,240~6,440 million yen, operating income 850~1,050 million yen

- Mid-term Management Plan Targets (FY 4/2025) Sales 7,700 million yen, operating income 2,310 million yen

- **We will defer the planned amount of dividends per share for the current fiscal year and implement share repurchases**

- 3.1% of the number of issued shares

- **Maintain Mid-term Management Plan Targets. Our confidence in future growth will not waver**

Financial

results

(Pages 3-10)

**Progress of
Mid-term
Management
Plan**

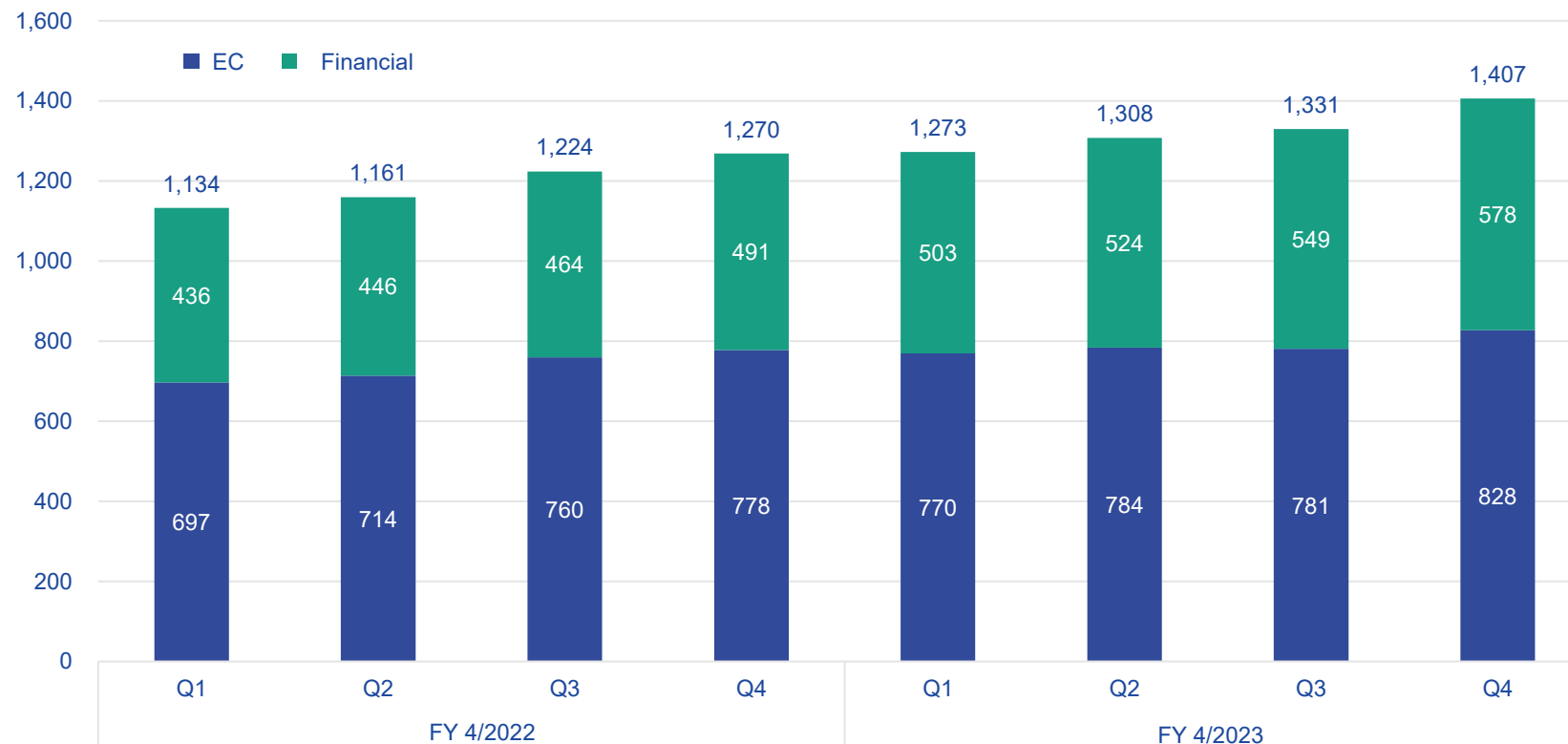
(Pages 11-46)

- 1. FY 4/2023 Financial Results**
2. The Company's Policy for Achieving the Mid-term Management Plan

Q4: Trends in Net Sales

- Net sales in Q4 were 1,407 million yen (+10.8% YoY, +5.7% QoQ)
- Year-on-year sales growth was driven by the Financial business, and quarter-on-quarter sales growth was driven by a recovery in the EC business (Moving up of the Chinese New Year to Q3 and convergence of COVID-19)

(Unit: Million Yen)

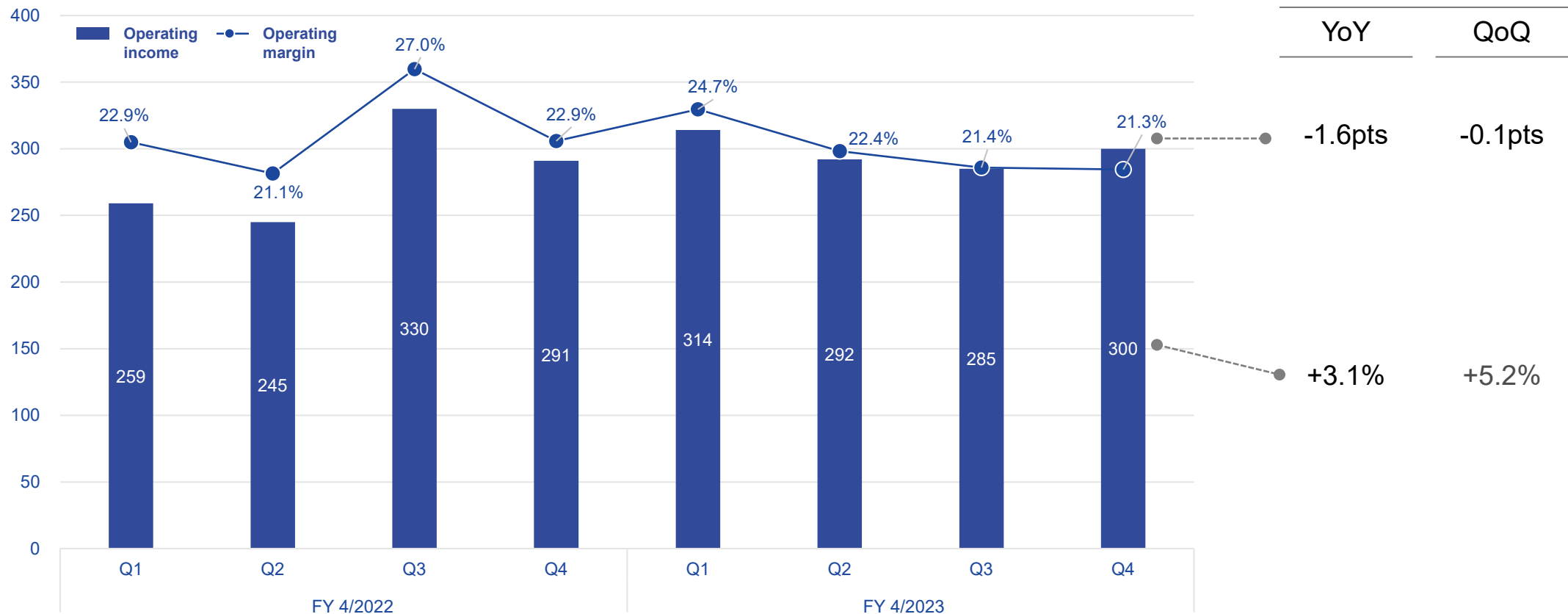


FY 4/2023 Q4	
YoY	QoQ
+10.8%	+5.7%
+17.8%	+5.3%
+6.4%	+6.0%

Q4: Trends in Operating Income

- Operating income in Q4 was 300 million yen (+3.1% YoY, +5.2% QoQ)
- Operating margin was stably maintained over 20%. Balancing on income growth and profitability is one of the Company's distinguishing features.

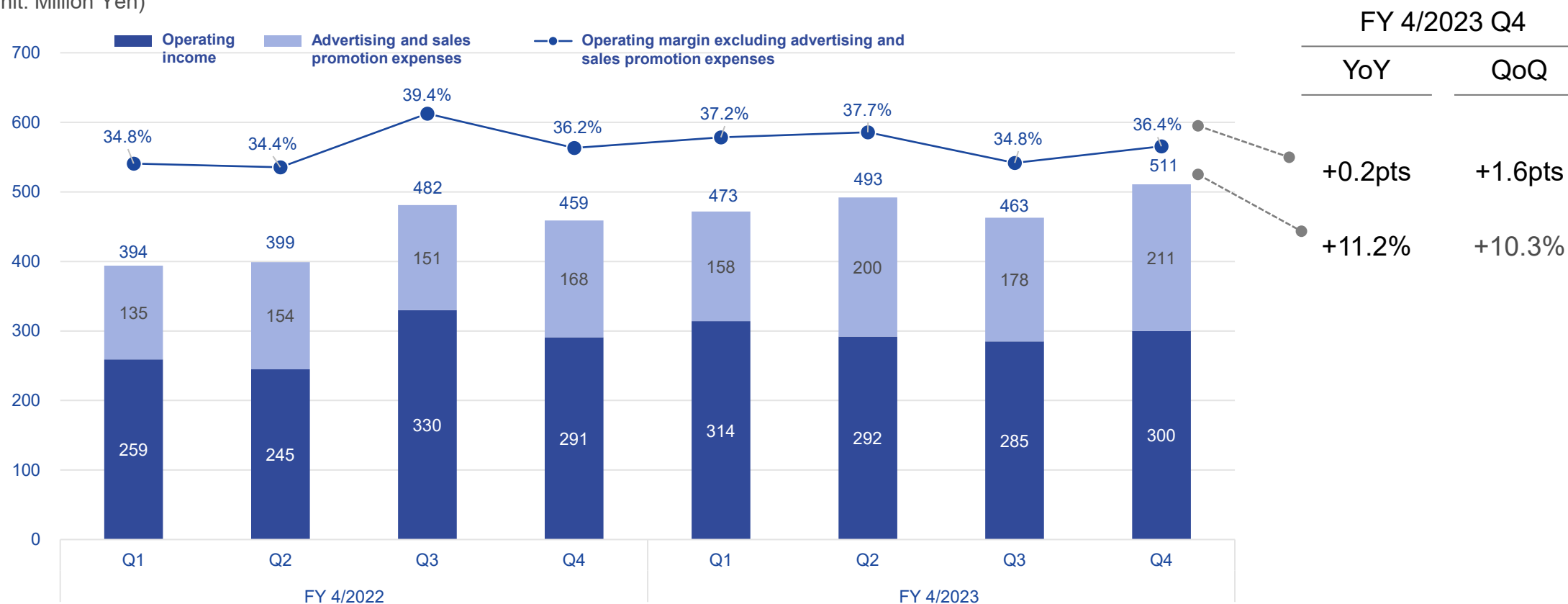
(Unit: Million Yen)



Q4: Trends in Operating Income (Excluding Advertising and Sales Promotion Expenses)

- Amounted to 511 million yen in Q4 (+11.2% YoY, +10.3% QoQ)
- The Company posted record highs in said income in Q4 and strengthened investment in sales promotion through this earning capacity

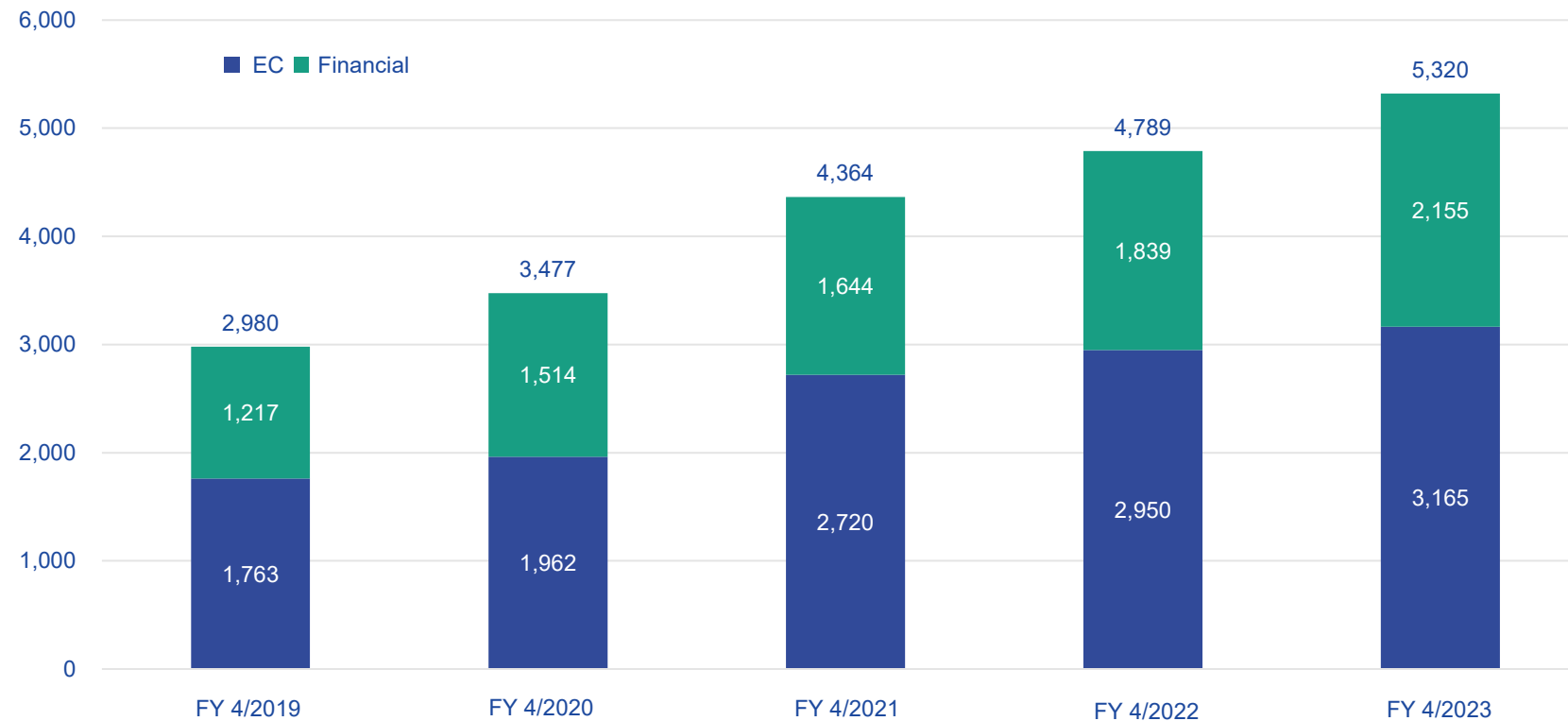
(Unit: Million Yen)



Full Year: Trends in Net Sales

- Full-year net sales for FY 4/2023 were 5,320 million yen (+11.1% YoY)
- The entire Company, including the Financial business, achieved a sales growth ratio exceeding that in the previous fiscal year, driven by the strong Financial business

(Unit: Million Yen)

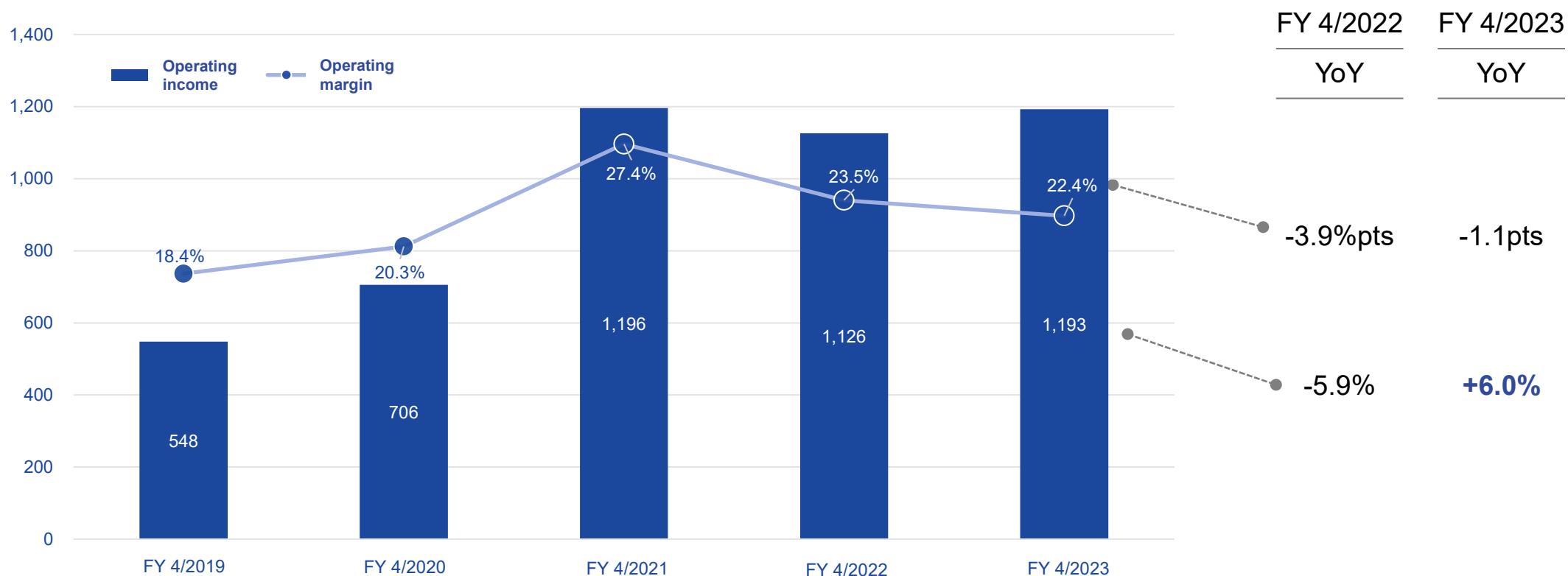


	FY 4/2022	FY 4/2023
	YoY	YoY
	+9.7%	+11.1%
	+11.8%	+17.2%
	+8.5%	+7.3%

Full Year: Trends in Operating Income

- Amounted to 1,193 million yen in FY 4/2023 (+6.0% YoY)
- While operating income remained flat in FY 4/2023 since not having a special demand due to COVID-19, grew again to the level of FY 4/2022, when it increased due to such demand

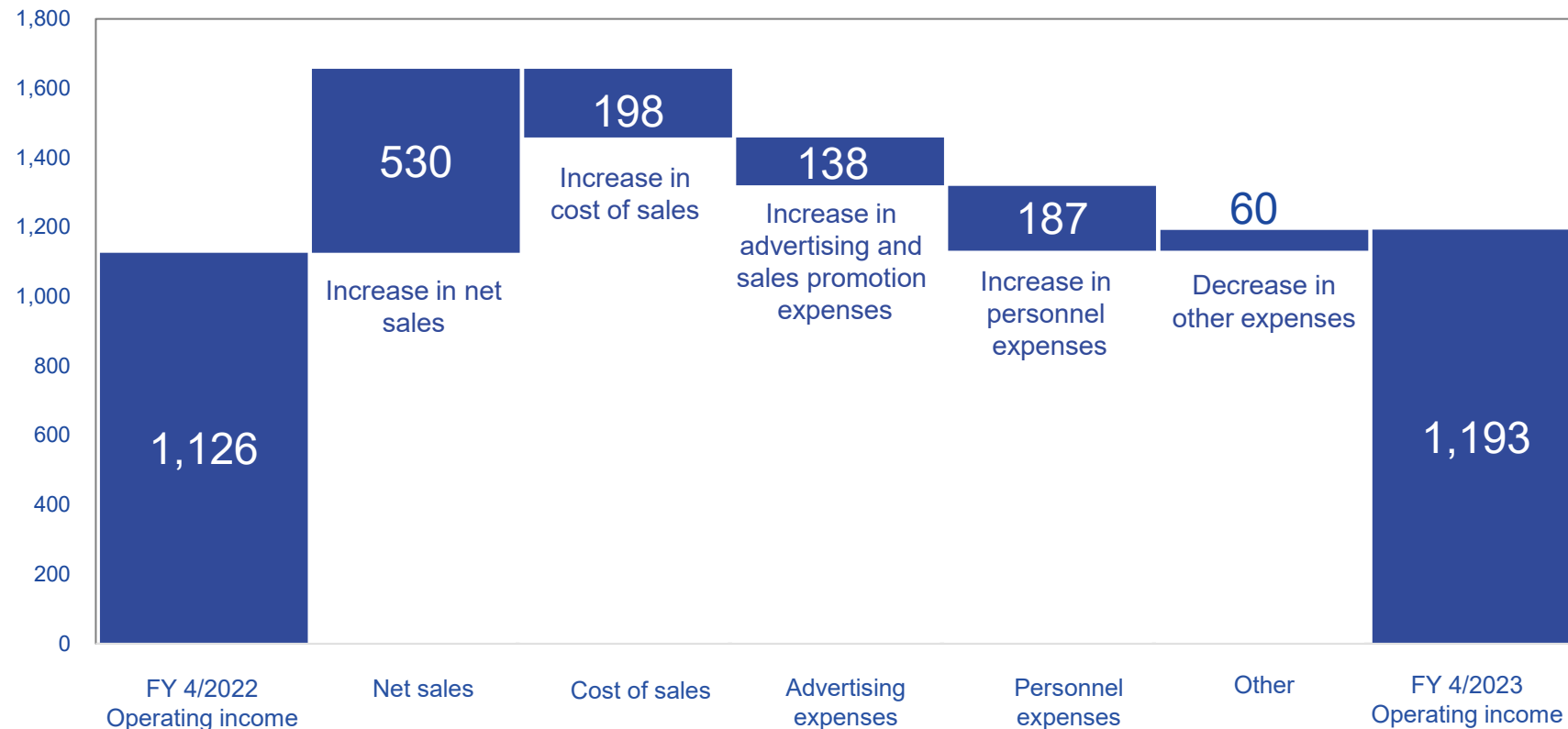
(Unit: Million Yen)



Full Year: Operating Income Variance Analysis

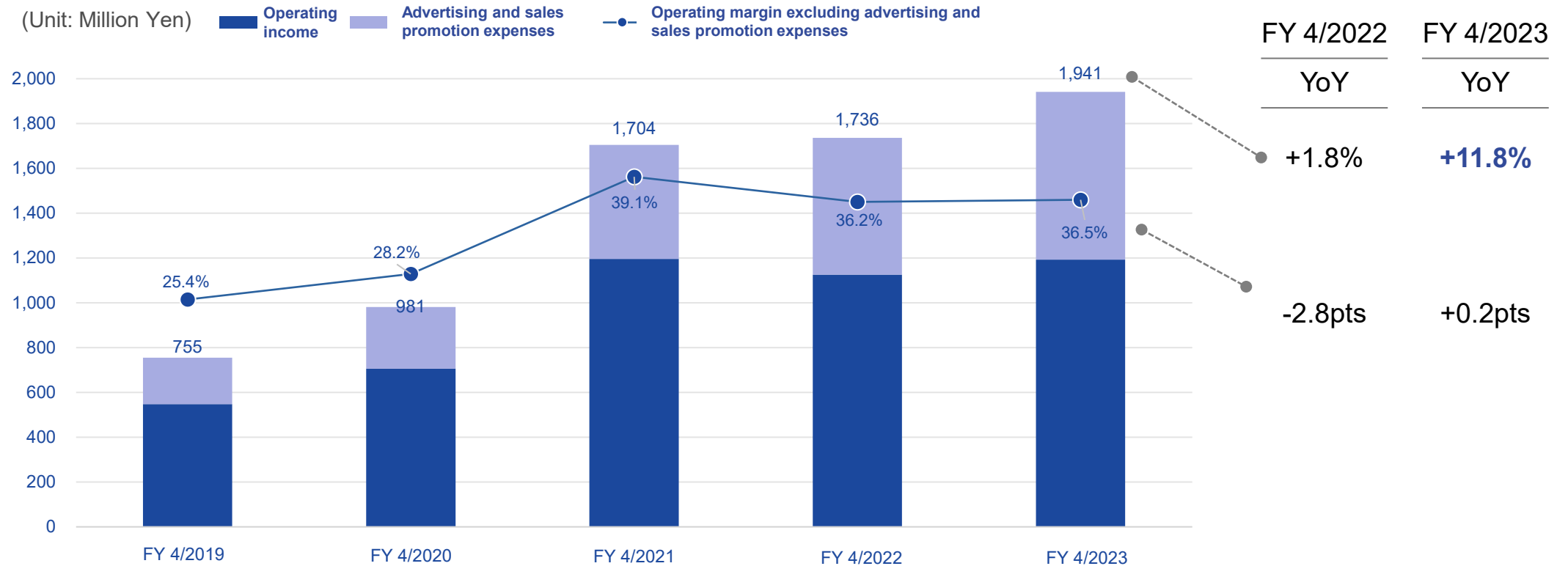
- Advertising and sales promotion expenses and personnel expenses increased due to business expansion
- However, operating income increased as sales growth exceeded the increase in expenses (+67 million yen YoY)

(Unit: Million Yen)



Full Year: Trends in Operating Income (Excluding Advertising and Sales Promotion Expenses)

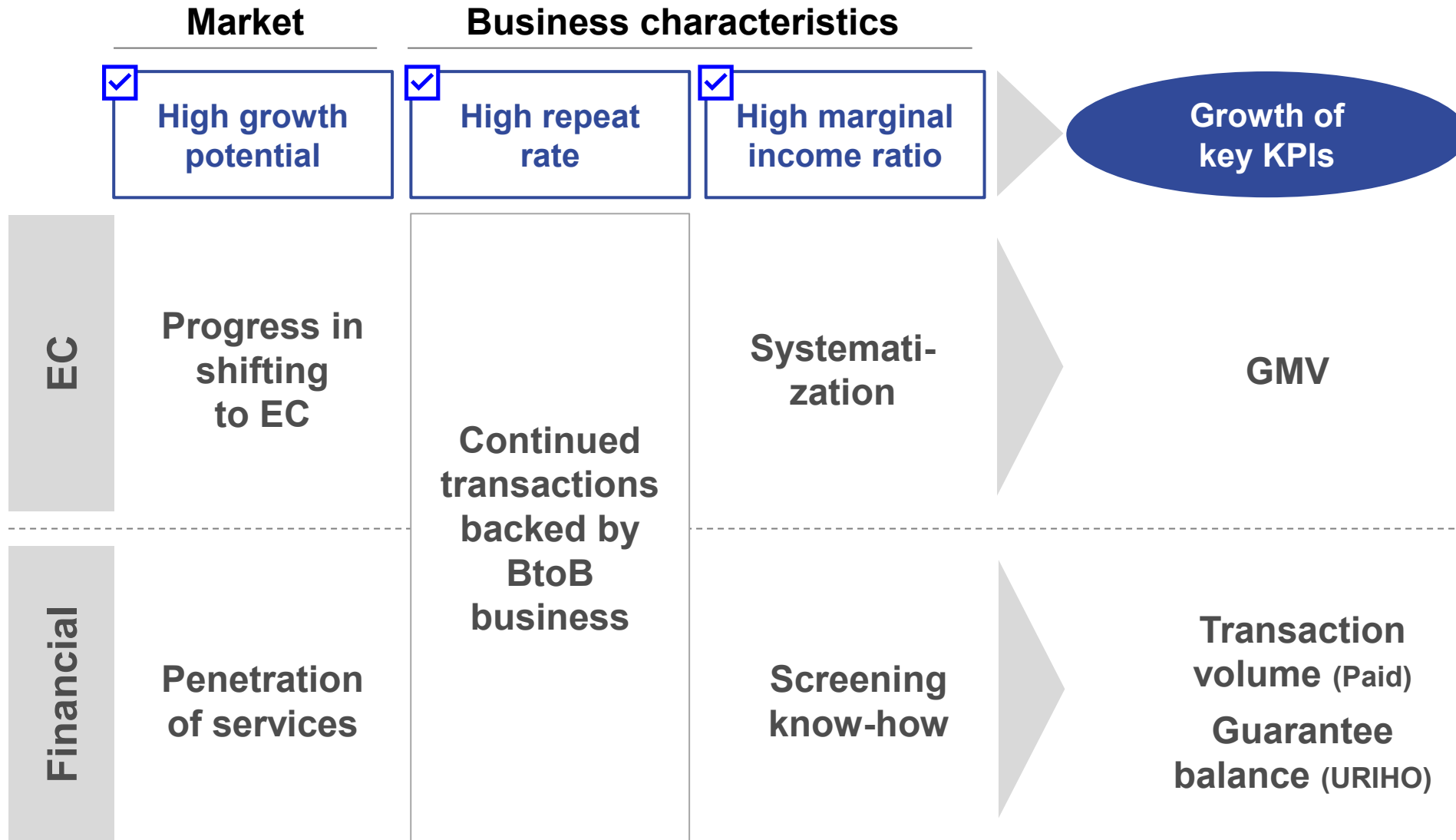
- Amounted to 1,941 million yen in FY 4/2023 (+11.8% YoY)
- The Company posted record highs in said income. This basic earning capacity is the source of the Company's up-front investment



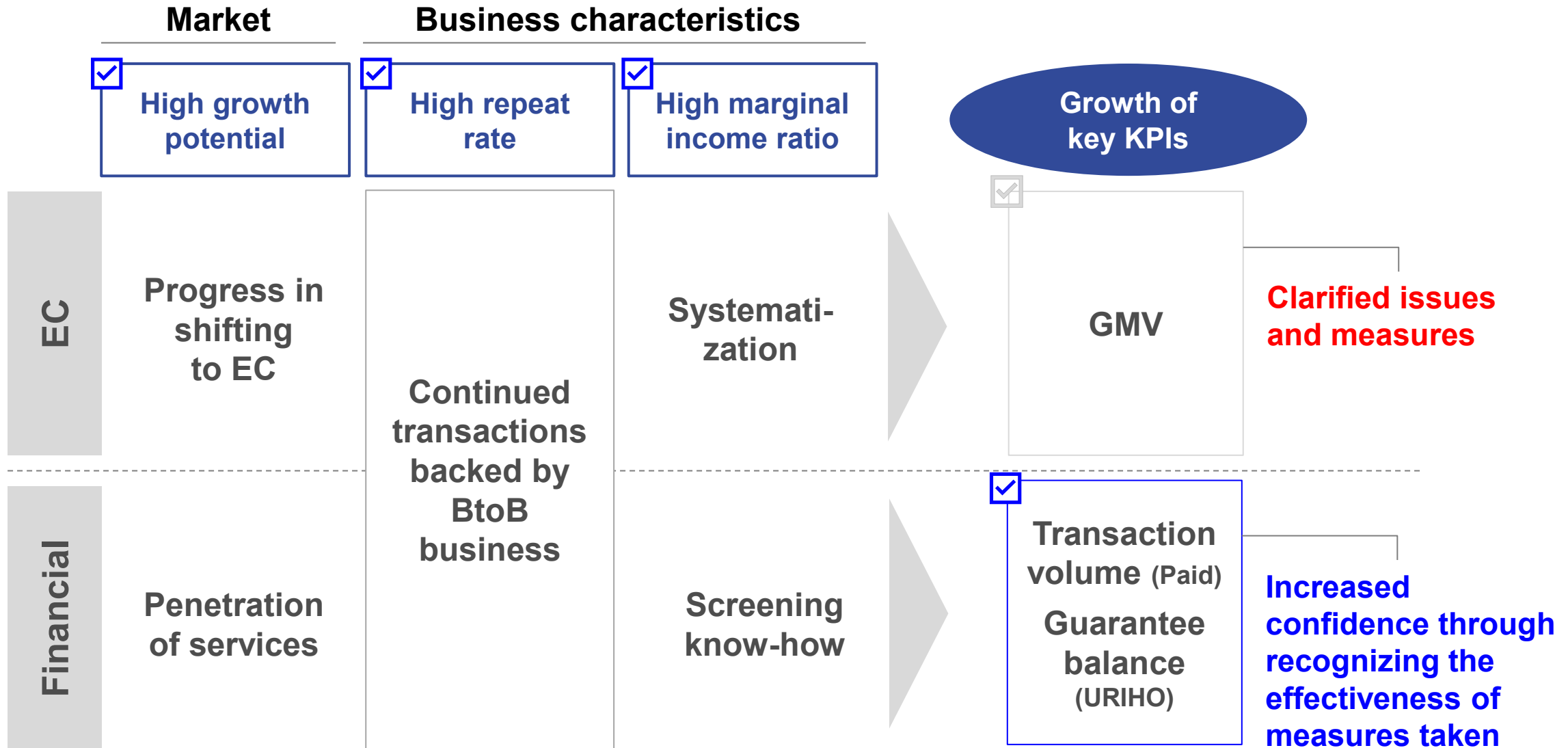
Today's Agenda

1. FY 4/2023 Financial Results
- 2. The Company's Policy for Achieving the Mid-term Management Plan**

(((The Company's Strengths



(((The Company's Strengths (FY 4/2023 Retrospectives)



Overall Summary (FY 4/2023 Retrospectives and Measures for The Current Fiscal Year)

Business segment		Key KPIs	FY 4/2023 retrospectives	Key measures for the current fiscal year toward achieving the Mid-term Management Plan
EC	Domestic	GMV	<input checked="" type="checkbox"/> The challenge is to acquire customers	Restore the pace of growth <ul style="list-style-type: none"> • Introduce a new membership plan (Free membership / Paid membership) • Increase investments in sales promotion and advertising (Mass advertising limited to the current fiscal year)
	International	GMV		
	Total	GMV		
Financial	Paid	Transaction volume	<input checked="" type="checkbox"/> Growth exceeding the Mid-term Management Plan targets owing to a positive effect of measures	Further accelerate the pace of growth <ul style="list-style-type: none"> • Increase investments in sales promotion and advertising (Mass advertising limited to the current fiscal year)
	URIHO	Guarantee balance		

Results Forecast for FY 4/2024 (1/2)

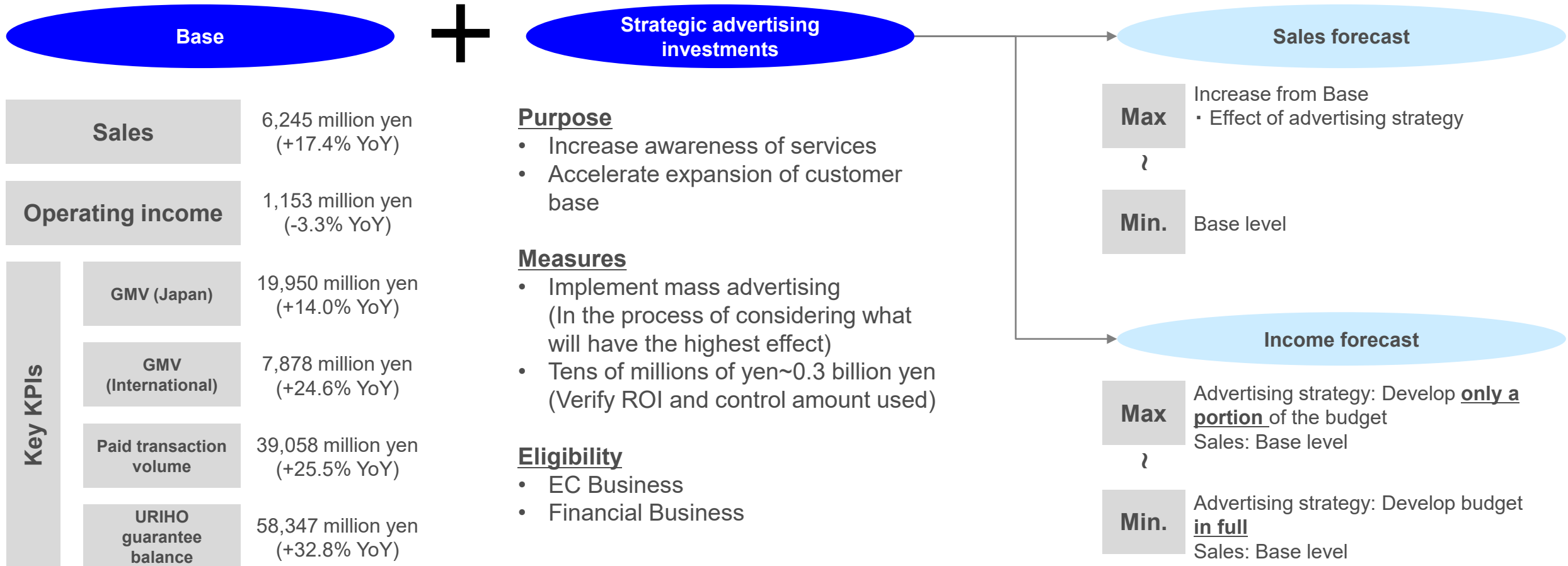
- Forecast for FY 4/2024 will be disclosed as a range
- Increased net sales (+17~21% YoY), decreased operating income due to temporary upfront investments (-12~-28% YoY)
- Furthermore, forecast of increased operating income (excluding advertising and sales promotion expenses) (+17~25% YoY).

	FY 4/2023	FY 4/2024	YoY
Net sales	5,320 million yen	6,240~6,440 million yen	+17.3~+21.0%
Operating income	1,193 million yen	850~1,050 million yen	-28.8~-12.0%
Operating margin	22.4%	13.2~16.8%	-9.2~-5.6%pts
Net income	668 million yen	530~650 million yen	-20.8~-2.8%
Operating income (excluding advertising and sales promotion expenses)	1,941 million yen	2,270~2,420 million yen	+16.9~24.6%
Operating margin (excluding advertising and sales promotion expenses)	36.5%	35.2~38.8%	-1.2~+2.3pts

Results Forecast for FY 4/2024 (2/2)

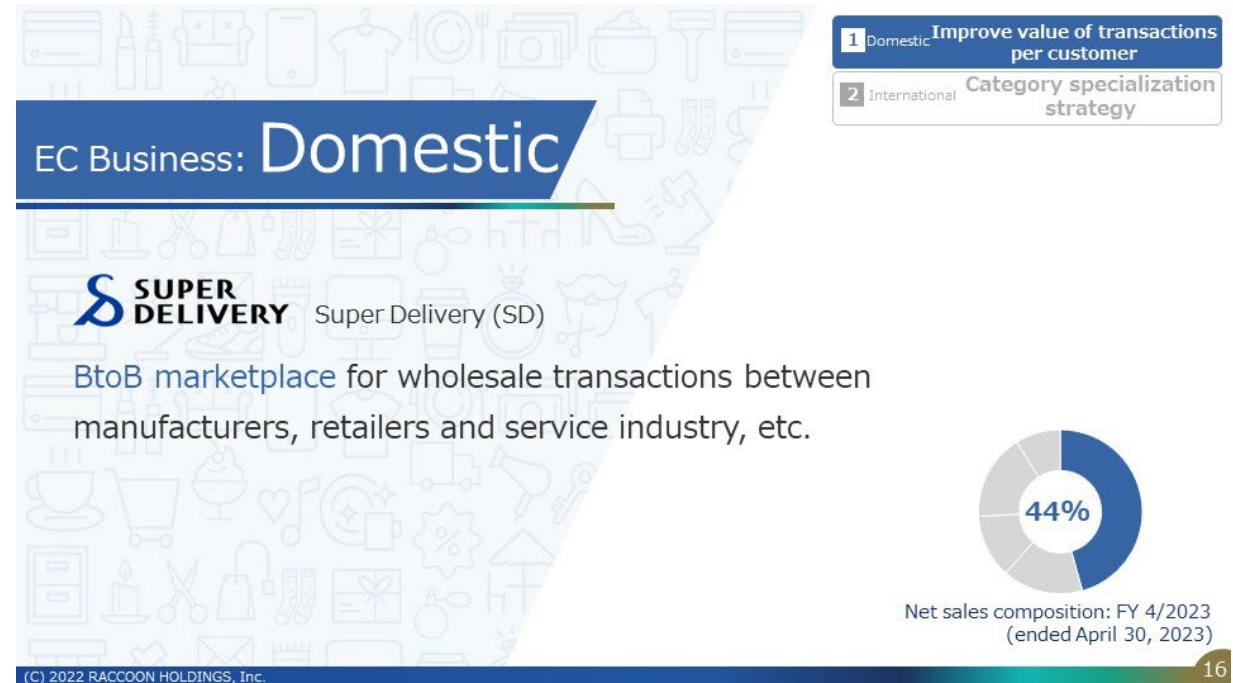
- In addition to the key measures which form the prerequisite base, we plan to implement strategic advertising investments (Expected to be limited to the current fiscal year)
- Strategic advertising investment amounts will be adjusted based on effects of advertising

Approach to the forecast for FY 4/2024



Content of Basic Policy Towards Achieving the Mid-term Management Plan

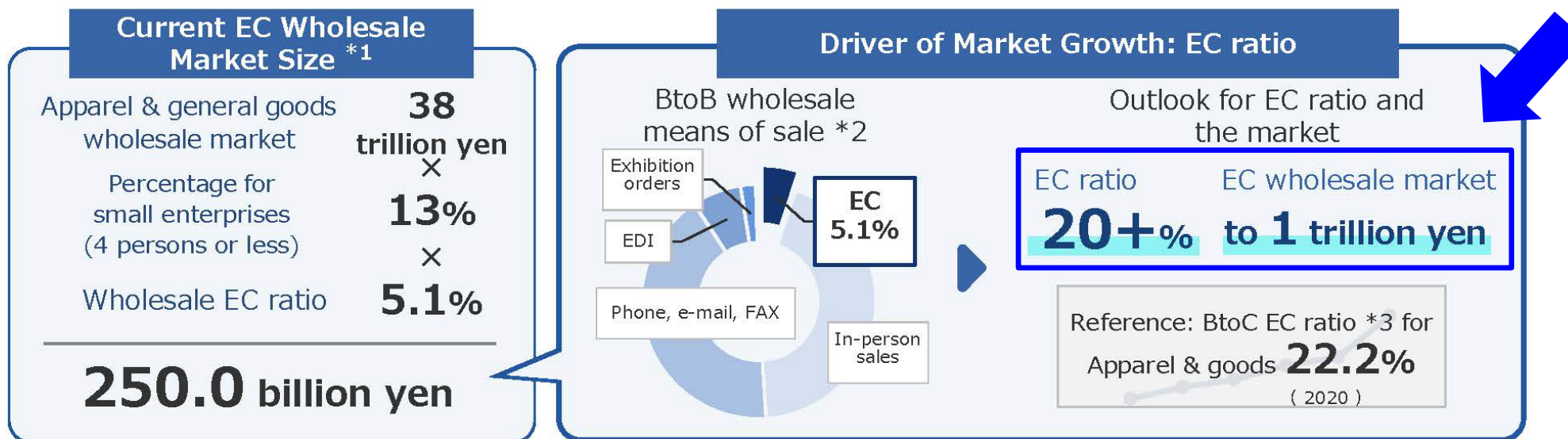
1. EC Business (Domestic)
2. EC Business (International)
3. Financial Business (Paid)
4. Financial Business (URIHO)
5. Capital Policy



Target Market (EC Wholesale for Small Enterprises)

EC ratio of in-house EC and malls combined in 5.1% for BtoB wholesale, with more potential for growth

- With the digital shift, BtoB's EC ratio estimated to grow 20+%, on par with BtoC
- The EC wholesale market is expected to grow into a 1 trillion yen market



^{*1} Wholesale market size: Market size calculated based on amount of purchased good by retail trade industry, from 2020 Economic Conditions Survey, 2016 Economic Census, Basic Survey on Commercial and Manufacturing Structure and Activities (all by the Ministry of Economy, Trade and Industry); "small" pertains to "less than 4 employees"

^{*2} Means of sale: Based on the sales proportion by wholesale means of sale in "BtoB-EC Market: Current Situation & Future Prospects 2022" (survey by Impress Corporation). EC includes in-house EC, BtoB malls and wholesale purchases through BtoC malls

^{*3} BtoC EC ratio: Calculated by the Company based on BtoC EC ratio for relevant genres in "FY2020 E-Commerce Market Survey" (Ministry of Economy, Trade and Industry)

Domestic GMV: Increase GMV Growth Rate By Introducing a New Membership Plan and Aggressive Advertising

FY 4/2023 Retrospectives

Measures for FY 4/2024

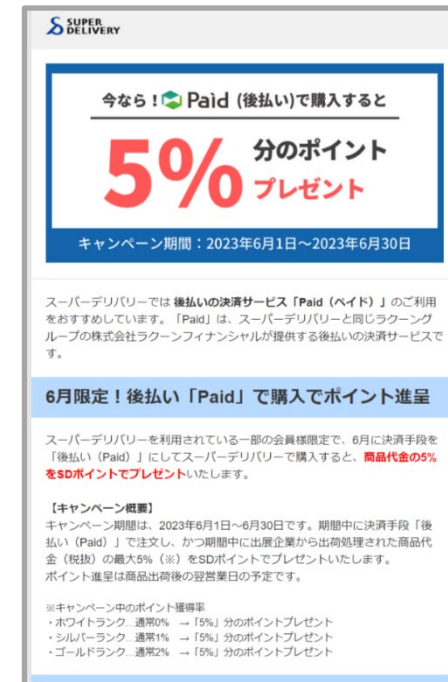
FY 4/2023 Retrospectives			Measures for FY 4/2024	
Goals	Measures	Results	Goals	Measures
GMV Growth		<input type="checkbox"/> 17,500 million yen (+9.1% YoY), but did not achieve the target	19,950 million yen (+14.0% YoY)	Particularly focus on increasing the number of first-time purchasing customers
Improved value of transactions per customer	<p>Doubled promotional investment YoY</p> <ul style="list-style-type: none"> Promote switch to Paid Payment Increased return rate of points Issue coupons 	<input checked="" type="checkbox"/> Increased number of sales to members who switched to Paid payment <input type="checkbox"/> Impacts other than measures <ul style="list-style-type: none"> Delayed recovery of overall purchases by retail stores Changes in composition of customers <input type="checkbox"/> Did not achieve the target of value of transactions per customer	Continue effects of measures of FY 4/2023	Maintain aggressive promotional investments
Increased number of buying customers	Limited advertising expenses for the purpose of increasing customers (Same level YoY)	<input type="checkbox"/> Decreased registered users and first-time purchasers <input checked="" type="checkbox"/> Sustained a high level of continuation rate. Steadily increased repeat customers (continuation rate +1.7%pts) <input type="checkbox"/> Did not achieve the target of number of buying customers	<p>Increase registered users</p> <p>Increase first-time purchasers</p> <p>Limit terminations</p> <p>Increase continuation rate</p> <p>Create loyal customers</p>	<div style="border: 1px solid blue; padding: 5px;"> <p>Introduce a new membership plan (System that offers the choice of free plan / paid plan)</p> </div> <p>Aggressive promotions for the purpose of increasing customers</p>

- Measures taking advantage of the distinguishing features of the Company which has both EC and Payment platforms
- Paid Payment ratio grew (+5.3pts¹ YoY) through the effect of increasing value of transactions per customer (+3.1%¹ YoY)

(Service site)



(Email)



1. Change from FY 4/2022 Q4 to FY 4/2023 Q4

Domestic EC GMV: Value of Transactions per Customer

- Average sales for each segment increased +1.1~8.0% due to measures to increase average sales
- Average sales remained roughly flat due to changes in the customer mix

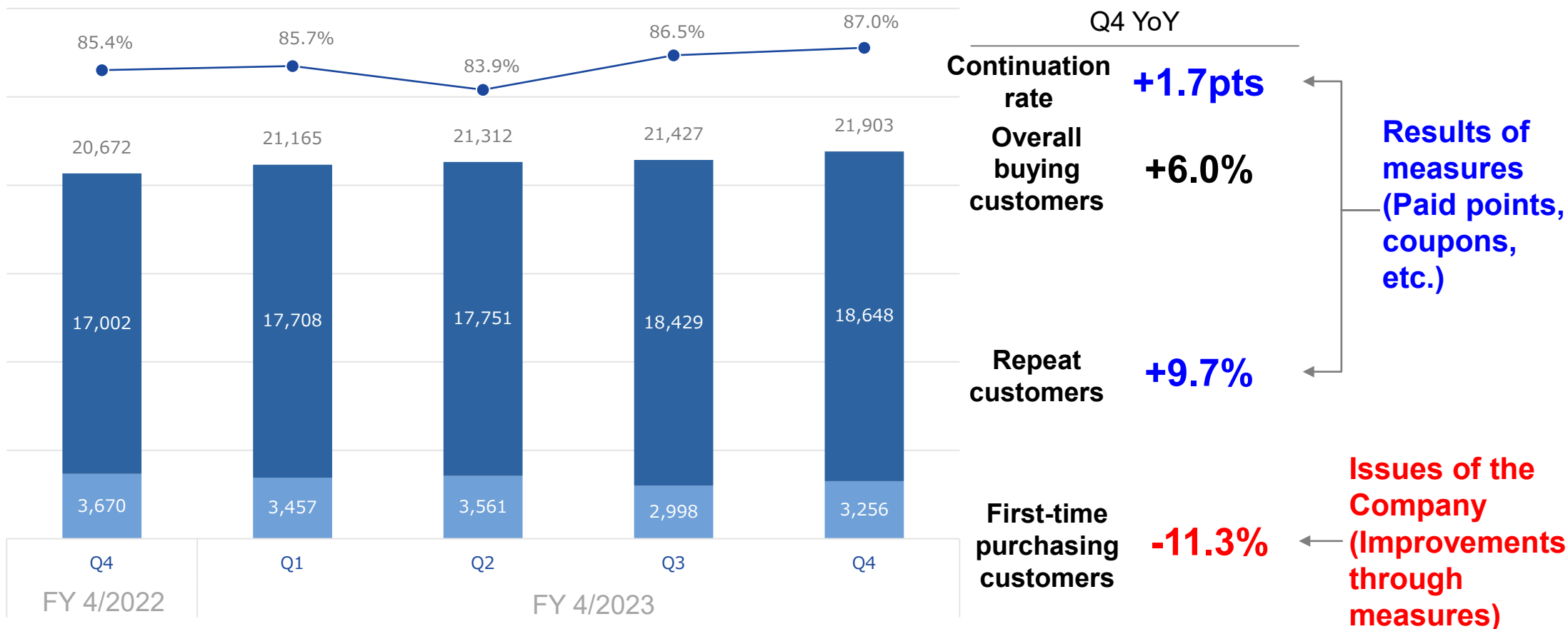
		As of FY 4/2022 Q4	As of FY 4/2023 Q4	YoY ¹	
Average sales	Retailers	307,639 yen	311,037 yen	+1.1%	Increased value of transaction through increased promotional investments <ul style="list-style-type: none"> • Delayed recovery of small retail stores after COVID-19 • Offset the headwind of decreased amount of purchased goods by retail stores through measures
	Other than retailers	81,590 yen	88,104 yen	+8.0%	
Composition ratio	Retailers	83.2%	80.8%	-2.4%pts	Changes in customer mix
	Other than retailers	16.8%	19.2%	+2.4%pts	
Domestic average sales		210,110 yen	209,408 yen	-0.3%	

1. Change from FY 4/2022 Q4 to FY 4/2023 Q4



Domestic EC GMV: Number of Buying Customers

- Increased repeat customers (+9.7% YoY) by improving the continuation rate through strengthening promotion
- Decreased first-time purchasing customers (-11.3% YoY). Will improve by taking measures in the current fiscal year to keep the level of investments to increase customers the same as last year



Domestic EC Priority Measures: Introducing a New Membership Plan (System That Offers the Choice of Free Plan / Paid Plan)

- Aim to increase buying customers (free plan) and create and retain loyal customers (paid plan)
- Although a partial decrease in income from monthly membership fees will be a factor in decreased profits in the current fiscal year, we expect it will be offset through GMV growth from the next fiscal year on

	Free plan	Paid plan (2,000 yen/month (scheduled))
Goals	<ul style="list-style-type: none"> • Increase in the number of new membership registrations • Increase in the number of new buying customers • Increase repeat rate • Limit terminations 	<ul style="list-style-type: none"> • Increase customer loyalty (provide perks to paid members) • Increase the number of purchases • Increase SD share within customers
Expected effects	<ul style="list-style-type: none"> • Promote active membership to suspended members • GMV growth through increased number of first-time purchasing customers • We expect a partial decrease in sales of membership fees due to free plan in the current fiscal year, which we expect will be offset by an increase in income from GMV growth in the next fiscal year 	<ul style="list-style-type: none"> • GMV growth through increase in repeat rate, increase in number of purchases, etc. • Ripple effect as increased usage of Paid

Domestic EC: Conclusion

- The target of GMV of 19,950 million yen¹ (+14% YoY) must be reached by accelerating pace of increasing the number of buying customers
- Expect to see the effects of measures such as promotions to increase customers and introduction of a new membership plan particularly from the second half of the fiscal year on

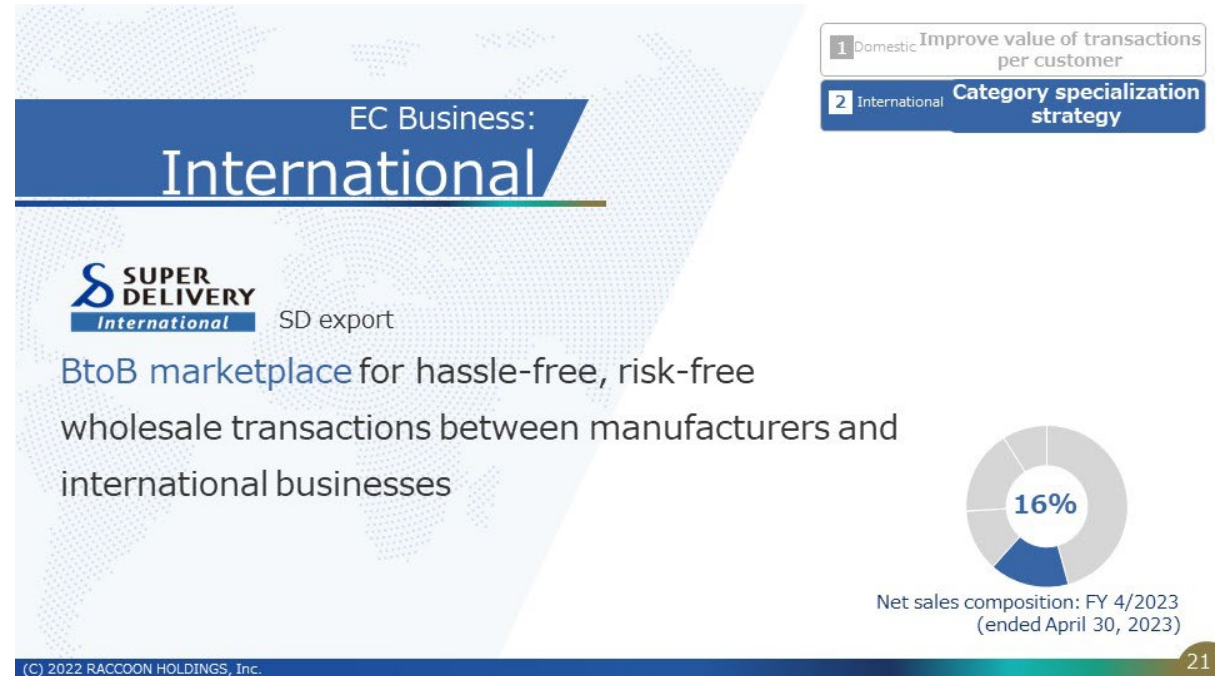
FY 4/2024 Target	Outline of Measures	Period of Implementation				Effects				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<p style="text-align: center;">GMV of 19,950 million yen¹ +14% YoY</p>	<p>Focus particularly on new registrations and increasing initial buyers which will accelerate the pace of increasing the number of first-time purchasers</p>					Q1~				
	<p>Improved average sale per customer</p> <p>Continue efforts of FY 4/2023</p> <ul style="list-style-type: none"> • Promote switch to Paid Payment Increased return rate of points • Issue coupons 	✓	✓	✓	✓					
	<p>Increased number of buying customers</p> <p>Aggressive promotions for the purpose of increasing customers</p> <p>Introduce a new membership plan (System that offers the choice of free plan / paid plan)</p>	✓	✓	✓	✓		Q2~			
									Q4~	

(September)

1. Total of 5/2023 to 4/2024

Content of Basic Policy Towards Achieving the Mid-term Management Plan

1. EC Business (Domestic)
- 2. EC Business (International)**
3. Financial Business (Paid)
4. Financial Business (URIHO)
5. Capital Policy



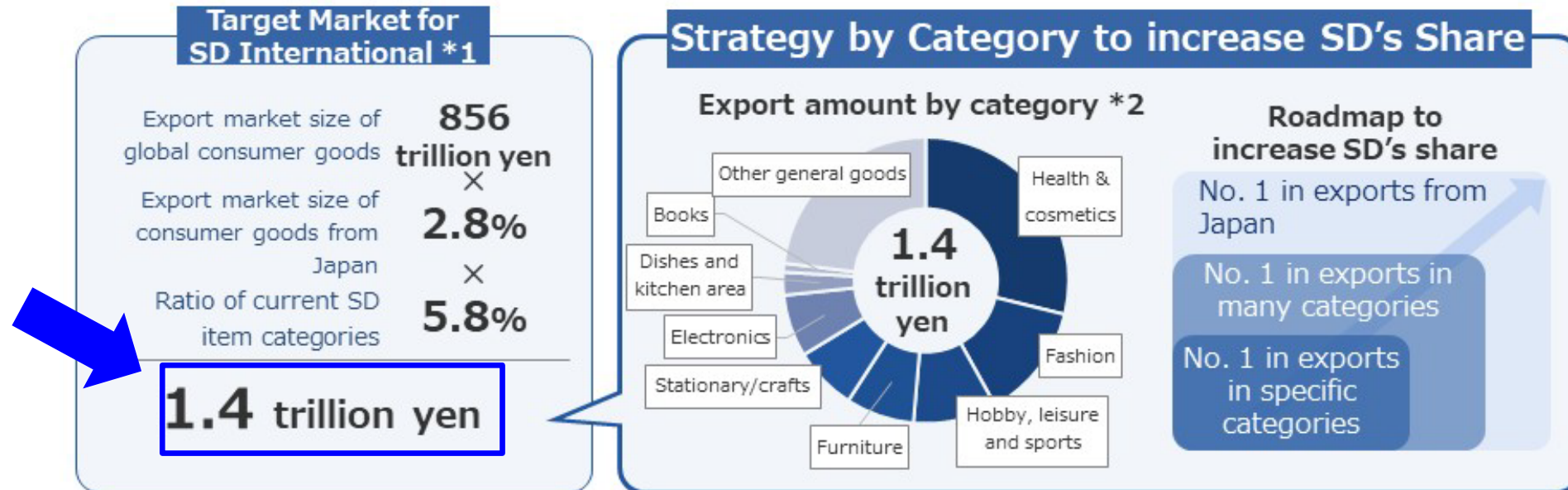
Excerpt from the Mid-term Management Plan (announced June 2022)

EC
Business: International

Target Market

Japan's export market is 1.4 trillion yen, even when only accounting for products handled on SD

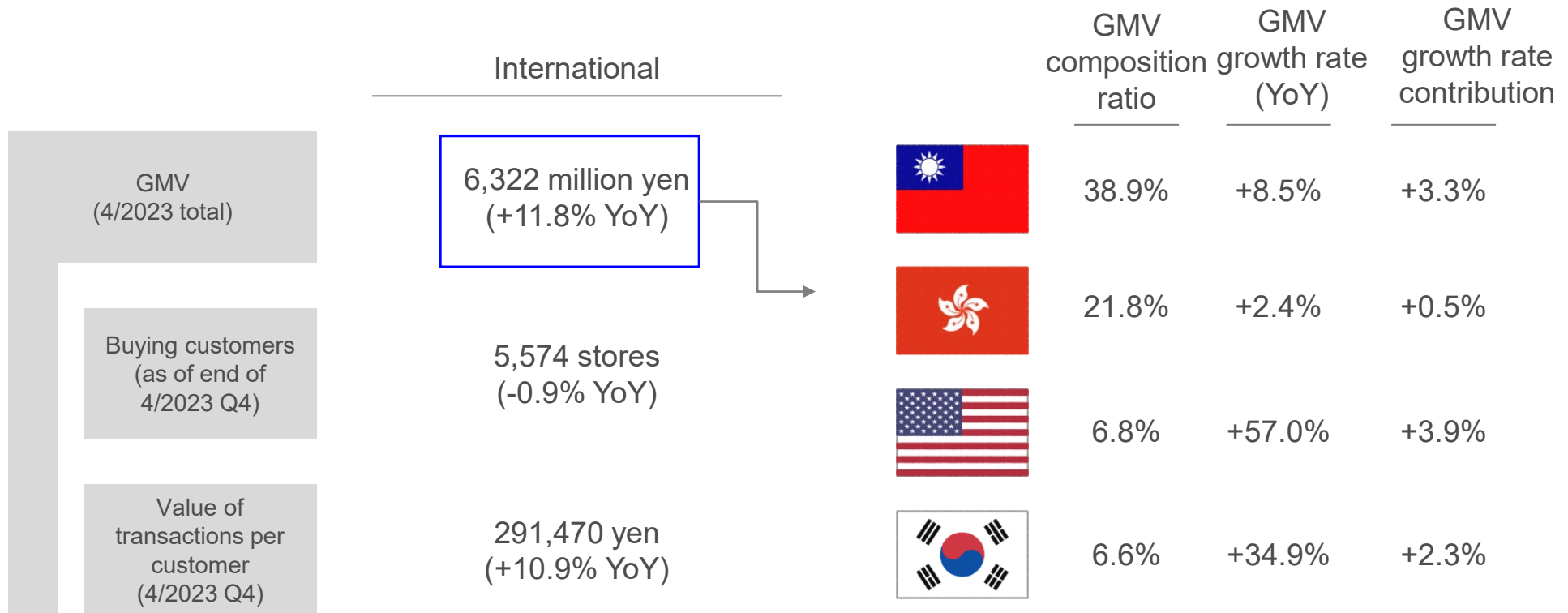
- The Company previously strategized by country, but will shift to a categoric strategy in consideration of country risks
- Become No. 1 one category at a time, aiming to become the future No. 1 service in exports



*1 Export market size: Calculated by the value of Consumer Goods exports in 2019 from WITS (World Integrated Trade Solution). Converted at 130 yen to the U.S. dollar.

*2 Export amount by category: Estimated value calculated as the ratio of export value excluding "Export to affiliates" out of "Value of goods exported international" in "Ministry of Economy, Trade and Industry Basic Survey of Japanese Business Structure and Activities" (2021)

- International GMV for FY 4/2023 was 6,322 million yen (+11.8% YoY)
- Although Taiwan, Hong Kong, and the U.S. are the key international markets of the Company, movements in each country differ





FY 4/2023 Retrospectives

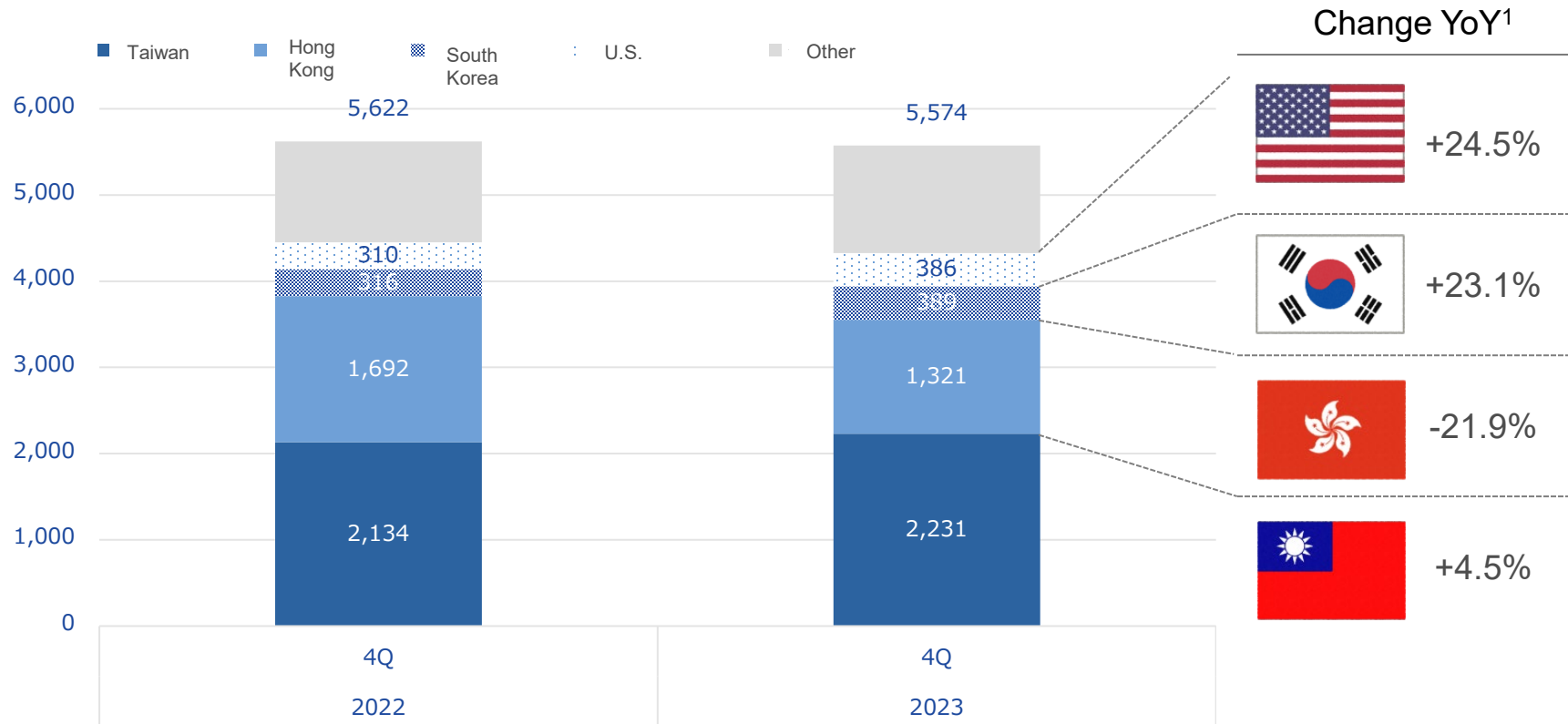
Measures for FY 4/2024

Goals	Measures	Business environment	Results	Goals	Business environment	Measures
GMV growth	Measures taken in each country		<input type="checkbox"/> 6,322 million yen (+11.8% YoY), but did not achieve the target	7,878 million yen (+24.6% YoY) Recovered to rate of growth similar to FY 4/2022		Fine-tune by region <ul style="list-style-type: none"> Maintain aggressive promotional investments Strengthen advertising investments
	Taiwan Cooperation with international logistics companies	<ul style="list-style-type: none"> Demand was weak due to impacts of COVID-19 in the first half of the fiscal year Demand recovered in the second half of the fiscal year and remained strong after COVID-19 	<input type="checkbox"/> +8.5% YoY, but did not achieve the target (second half of the fiscal year was as expected)	Recovered to growth similar to FY 4/2022	Continued recovery in demand from the second half of the previous fiscal year	Maintain previous measures
	Hong Kong Increased promotional investments <ul style="list-style-type: none"> Doubled YoY Provided points and coupons 	<ul style="list-style-type: none"> Demand remained weak throughout the year due to impacts of COVID-19 and the recession 	<input type="checkbox"/> +2.4% YoY, but did not achieve the target	Recovered to growth	Continued state of weak demand for the time being	Limit promotional and advertising investments
	U.S. Advertising investments at the same level as last year (fine-tune after seeing the effects)	<ul style="list-style-type: none"> Demand was especially strong A region where promotional effects are high 	<input checked="" type="checkbox"/> +57.0% YoY, exceeded the target by far	Accelerated growth	Continued especially strong demand	Strengthen promotional and advertising investments
	South Korea <ul style="list-style-type: none"> Aggressive in the U.S. Limited in Hong Kong, etc. 	<ul style="list-style-type: none"> Demand was especially strong A region where promotional effects are high 	<input checked="" type="checkbox"/> +34.9% YoY, exceeded the target by far	Accelerated growth	Continued especially strong demand	Strengthen promotional and advertising investments

International EC GMV: Number of Buying Customers

- Measures were met with success in the U.S. and South Korea with an increase in the number of buying customers (exceeding 20% YoY)
- In Hong Kong, the number of buying customers decreased (-21.9% YoY) as the number of first-time purchasing customers decreased due to the economic downturn, COVID-19, etc.

Number of buying customers by region



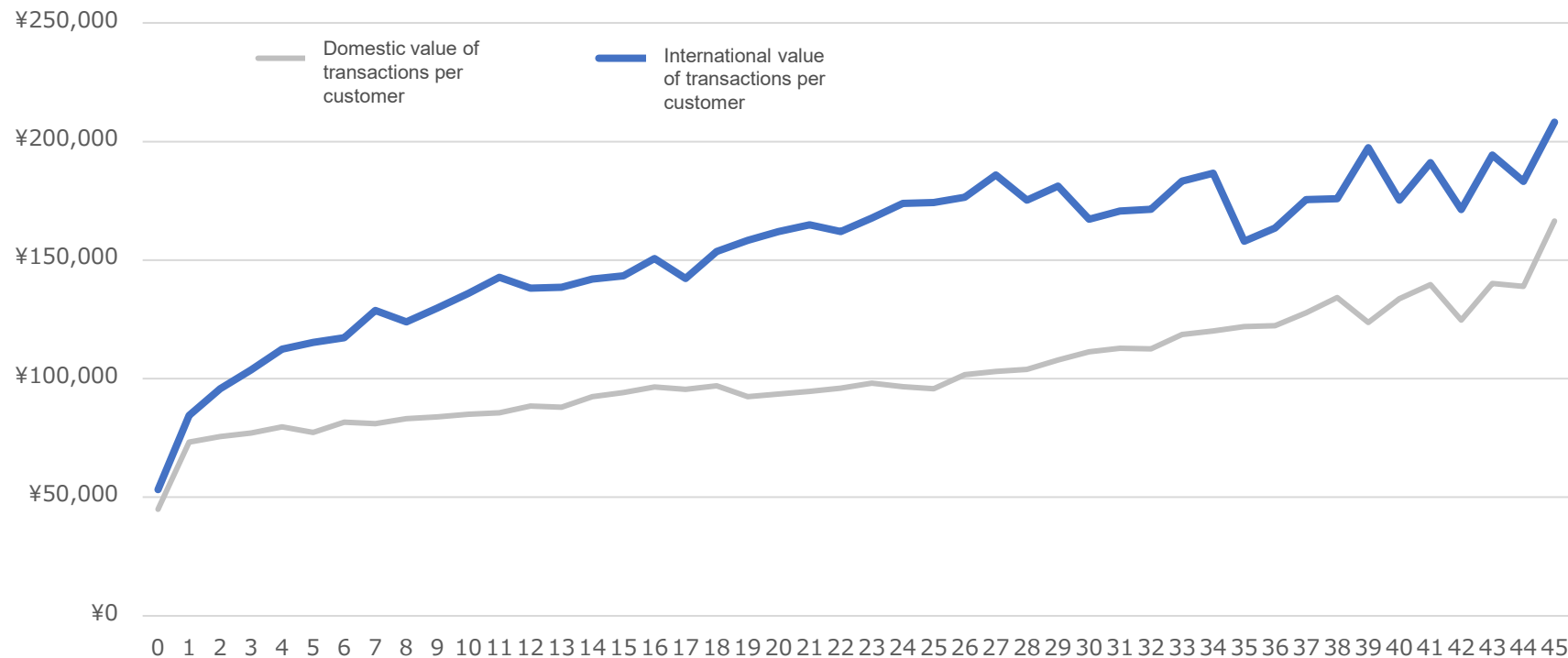
1. Number of buying customers as of the end of FY 4/2023 Q4 vs. number of buying customers as of the end of FY 4/2022 Q4

International EC GMV: Value of transactions

- Internationally, the pace of increasing value from first-time purchases on is quick, and is trending toward a high level of value
- Effects of promotional investments in growth regions are high as increasing value can be expected along with the acquisition of customers

Time-series trend of value of transactions per customer after the first-time purchase

(Value of transactions per customer)



(Number of months elapsed since the first-time purchase)

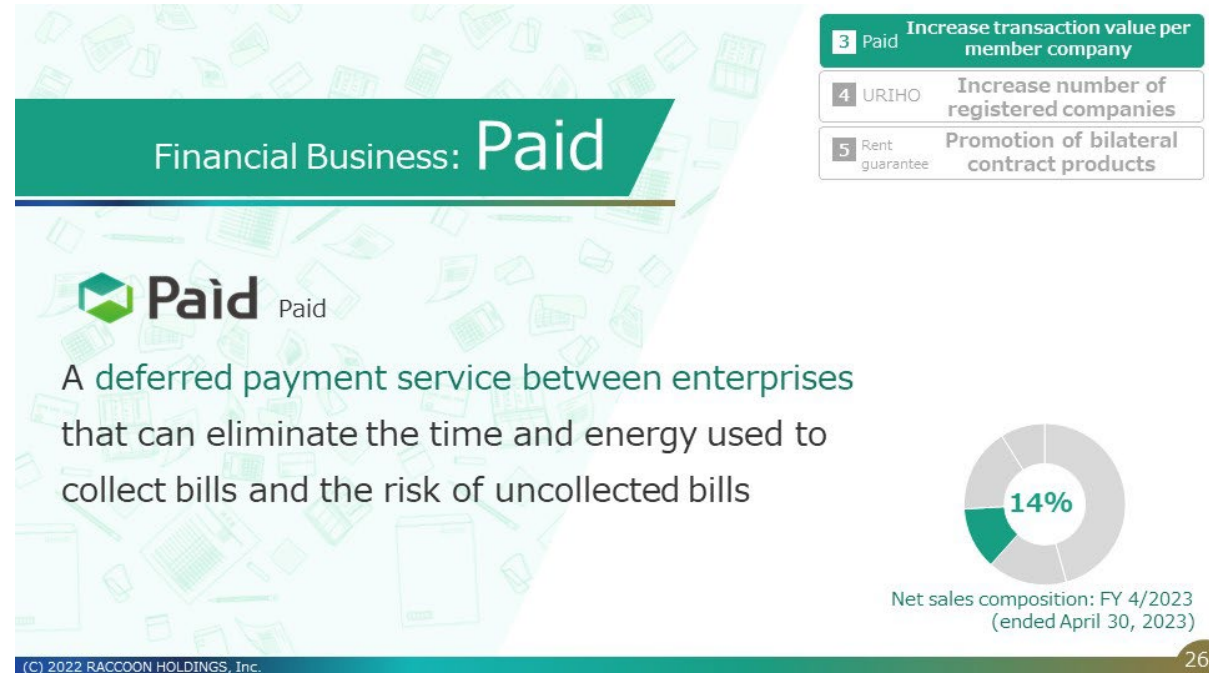
((((Reference) EC Business Conclusion

Business segment	Key KPIs	FY 4/2023 Retrospectives	Key measures for the current fiscal year	FY 4/2023	FY 4/2024 Targets	Targets for FY 4/2025 Mid-term Management Plan ¹	
EC	Domestic	GMV	<ul style="list-style-type: none"> Although constant effects were seen through measures, the target was not achieved due to decreases in first-time purchasers, etc. Grasp issues facing increasing buying customers 	<ul style="list-style-type: none"> Increased promotions for the purpose of increasing customers Introduced a new membership plan (from September 2023) 	17,500 million yen (+9.1% YoY)	19,950 million yen (+14.0% YoY)	26,500 million yen (CAGR +19%)
	International	GMV	<ul style="list-style-type: none"> Overall, the target not achieved, although effects of measures in each region differed Response in growth in North America and South Korea Taiwan recovered in the second half of the year 	<ul style="list-style-type: none"> Fine-tuning promotional measures by region Aggressively developed measures for growth regions 	6,322 million yen (+11.8% YoY)	7,878 million yen (+24.6% YoY)	11,000 million yen (CAGR +25%)
	Total	GMV			23,823 million yen (+9.8% YoY)	27,829 million yen (+16.8% YoY)	37,500 million yen (CAGR +20%)

1. CAGR is the average annual growth rate of the results of FY 4/2022 through the targets of the FY 4/2025 Mid-term Management Plan

Content of Basic Policy Towards Achieving the Mid-term Management Plan

1. EC Business (Domestic)
2. EC Business (International)
3. **Financial Business (Paid)**
4. Financial Business (URIHO)
5. Capital Policy



The infographic features a green background with faint icons of documents and calculators. At the top, a dark green banner reads "Financial Business: Paid". Below this is the "Paid" logo, which consists of a green cube icon followed by the word "Paid" in a bold, sans-serif font. Underneath the logo is a descriptive paragraph: "A deferred payment service between enterprises that can eliminate the time and energy used to collect bills and the risk of uncollected bills". To the right of the main text is a vertical list of three key performance indicators (KPIs) in white boxes with green borders. The first KPI is "3 Paid Increase transaction value per member company". The second is "4 URIHO Increase number of registered companies". The third is "5 Rent guarantee Promotion of bilateral contract products". At the bottom right, there is a donut chart showing a 14% segment in green, with the text "Net sales composition: FY 4/2023 (ended April 30, 2023)" below it. The footer of the infographic includes the copyright notice "(C) 2022 RACCOON HOLDINGS, Inc." on the left and the page number "26" on the right.

Financial Business: **Paid**

Paid Paid

A deferred payment service between enterprises that can eliminate the time and energy used to collect bills and the risk of uncollected bills

- 3 Paid Increase transaction value per member company
- 4 URIHO Increase number of registered companies
- 5 Rent guarantee Promotion of bilateral contract products

Net sales composition: FY 4/2023 (ended April 30, 2023)

14%

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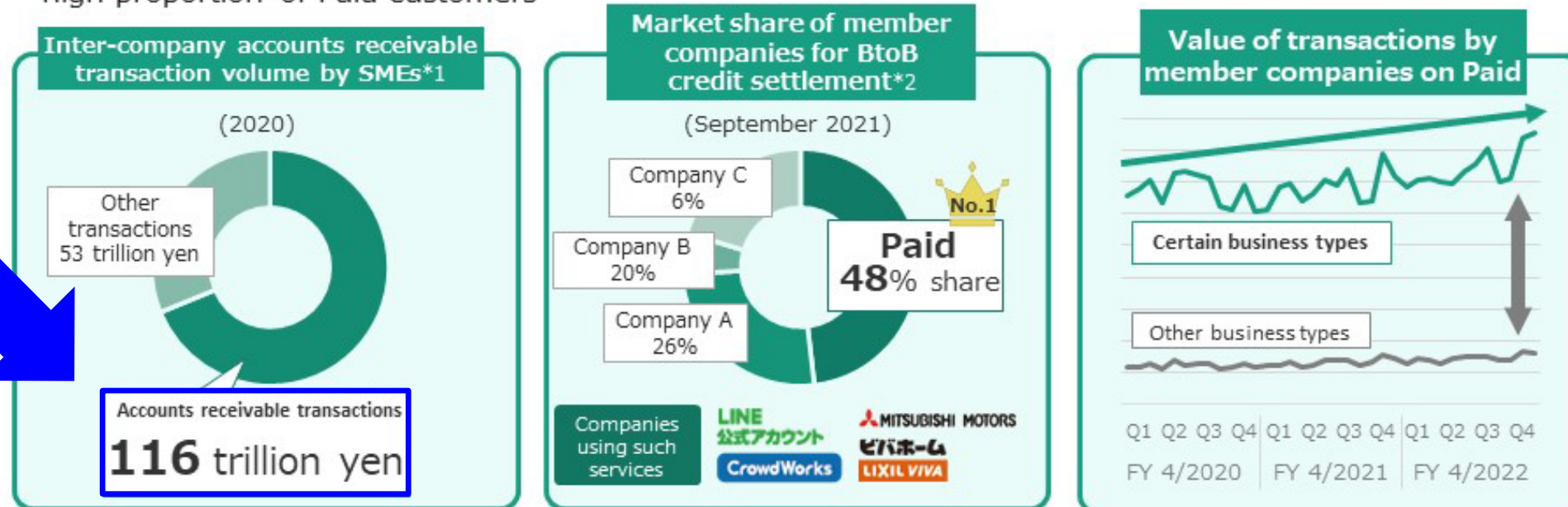
Excerpt from the Mid-term Management Plan
(announced June 2022)

Financial Business:
Paid

Market & Business Environment

Inter-company accounts receivable transactions among small and medium enterprises (SMEs) are large at 116 trillion yen with large potential for growth

- We lead the industry in member companies with a 48% share of the market
- Value of transactions per member company are high and growing in certain business types with a high proportion of Paid customers



*1 The Company's estimated invoiced payment amount out of annual inter-company transactions of small and medium enterprises, based on data from "Basic Survey on Small and Medium Enterprises" (Small and Medium Enterprise Agency) on accounts receivable and notes receivable, accounting for annual turnover of receivables (Payment Terms Improvement Committee Report), private final consumption expenditure (Cabinet Office) and cashless payment rates (Ministry of Economy, Trade and Industry), etc.

*2 Japan Marketing Research Organization



Paid

- Continue key measures that had an effect in FY 4/2023
- Promote more aggressive sales promotion activities to seize the opportunity to increase the number of customers

Measures for FY 4/2023 (progressed as planned)

Additional measures for FY 4/2024

☑ Realized in FY 4/2023

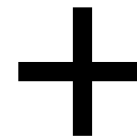
Relaxation of credit screening standards



Key measures of the Mid-term Management Plan
Strengthen functions to meet customers' efficiency & DX needs

<p>☑ Screening automation 2 days ▶ 10 minutes <small>Average for certain eligible companies</small></p>	<p>☑ Screening pass rate +10% <small>Certain eligible companies</small></p>	<p>Efficiency functions Reduce screening documents, simplify registration information</p>	<p>Expand flexibility of Guarantee limit <small>Certain business types</small></p>
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Current fiscal year



Promote more aggressive promotional investments

Current fiscal year

- Release a new automated screening system in October 2023
- Improve AI screening
- Range of automated screenings have expanded 2x due to changes in screening guidelines



FY 4/2024 Targets
(Paid external transaction volume)

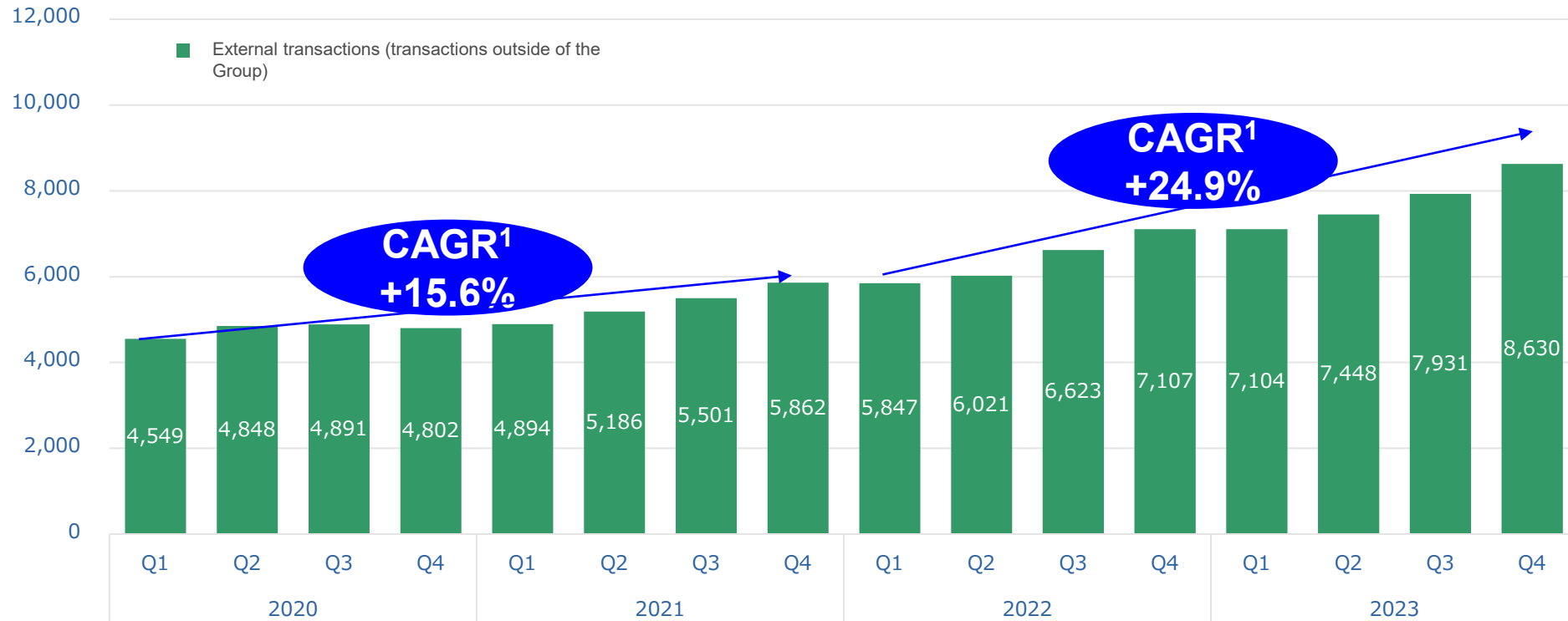
39,058 million yen
(+25.5% YoY)

Paid: External Transaction Volume

- Sustain a high level of growth by relaxing credit screening standards to a moderate level (transaction volume CAGR +24.9%¹)
- Total transaction volume for FY 4/2023 was 31,114 million yen (+21.5% YoY). Increased due to a pace exceeding Mid-term Management Plan expectations

Paid transaction volume (external transactions only)

Unit: Million yen



1. Transaction volume growth converted to average annual growth for the end of FY2020 Q1 to end of FY2021 Q4 (end of FY2022 Q1 to end of FY2023 Q4)

Content of Basic Policy Towards Achieving the Mid-term Management Plan

1. EC Business (Domestic)
2. EC Business (International)
3. Financial Business (Paid)
4. **Financial Business (URIHO)**
5. Capital Policy

Financial Business: **URIHO**

URIHO URIHO

Online receivables guarantee service
for non-payment by business partners

3 Paid Increase transaction value per member company

4 URIHO Increase number of registered companies

5 Rent Guarantee Promotion of bilateral contract products

18%

Net sales composition: FY 4/2023
(ended April 30, 2023)

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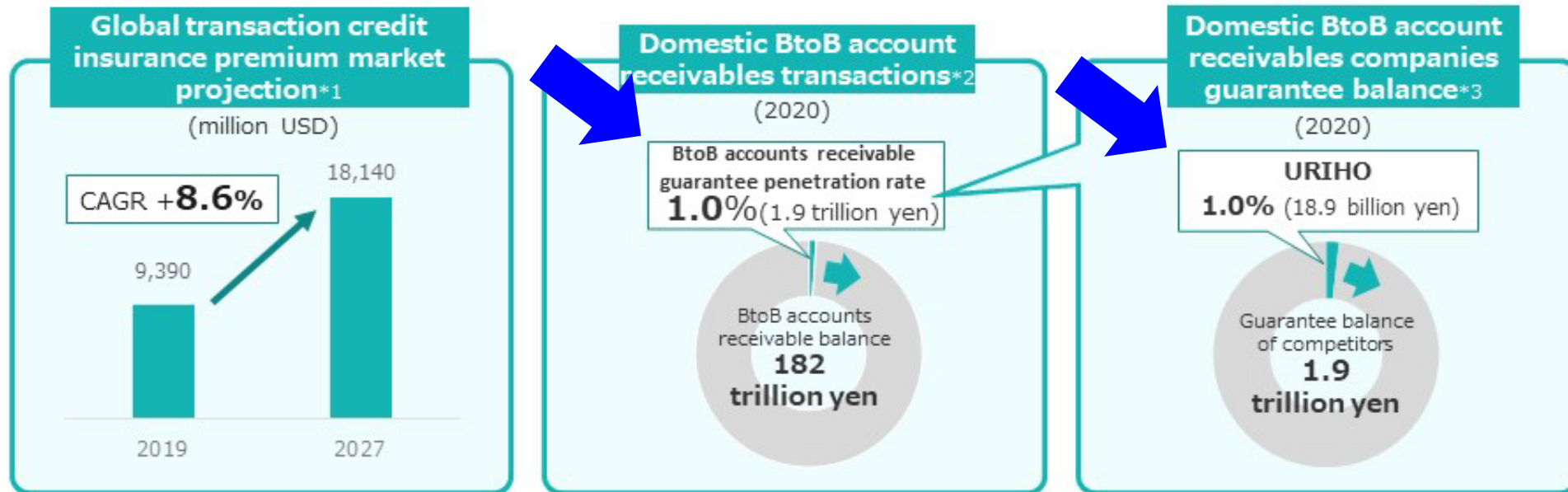
Excerpt from the Mid-term Management Plan (announced June 2022)

Financial Business:
URIHO

Market Environment

Both the Japan and global market is growing due to an increase in IT enterprises that conduct many transactions and the diversification of risk

- Japan's BtoB account receivable guarantee penetration rate is small at 1% with great growth potential
- With URIHO's guarantee balance at 1% of the market, there is significant room for market share expansion



* 1 Allied Market Research, "Trade Credit Insurance Market 2020-2027"

* 2 Estimated by the Company based on data on bills and accounts receivable from the "Financial Statements Statistics of Corporations by Industry" (Ministry of Finance), private final consumption expenditure (Cabinet Office) and cashless payment rates (Ministry of Economy, Trade and Industry), etc.

* 3 Estimated by the Company based on the Nikkei, "Total obligation of major accounts receivable guarantee companies" (December 11, 2020) and the General Insurance Association of Japan, "Statistics by line."

- Continue key measures that had an effect in FY 4/2023
- Promote more aggressive sales promotion activities and increasing proposal schemes to seize the opportunity to increase the number of customers

Measures for FY 4/2023 (progressed as planned)

Additional measures for FY 4/2024

Realized in FY 4/2023

Relaxation of credit screening standards

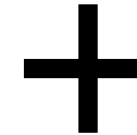


Key measures of the Mid-term Management Plan
Strengthening Important Starting Criteria

<input checked="" type="checkbox"/> Screening pass rate +10% Certain eligible companies	<input checked="" type="checkbox"/> Guarantee limit Increase limit for sole proprietors, etc. Certain eligible companies	<input checked="" type="checkbox"/> Screening automation 1.5 days ▶ 0.5 days Average for certain eligible companies	Provide risk information Strengthen functions
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- Approval rate increased +12.0% for each plan by improving screening standards
- Increased limits +16.9% by strengthening analysis of sole proprietors, etc.
- Significantly decreased the number of days needed for screening by expanding the scope of using automated screenings

Current fiscal year



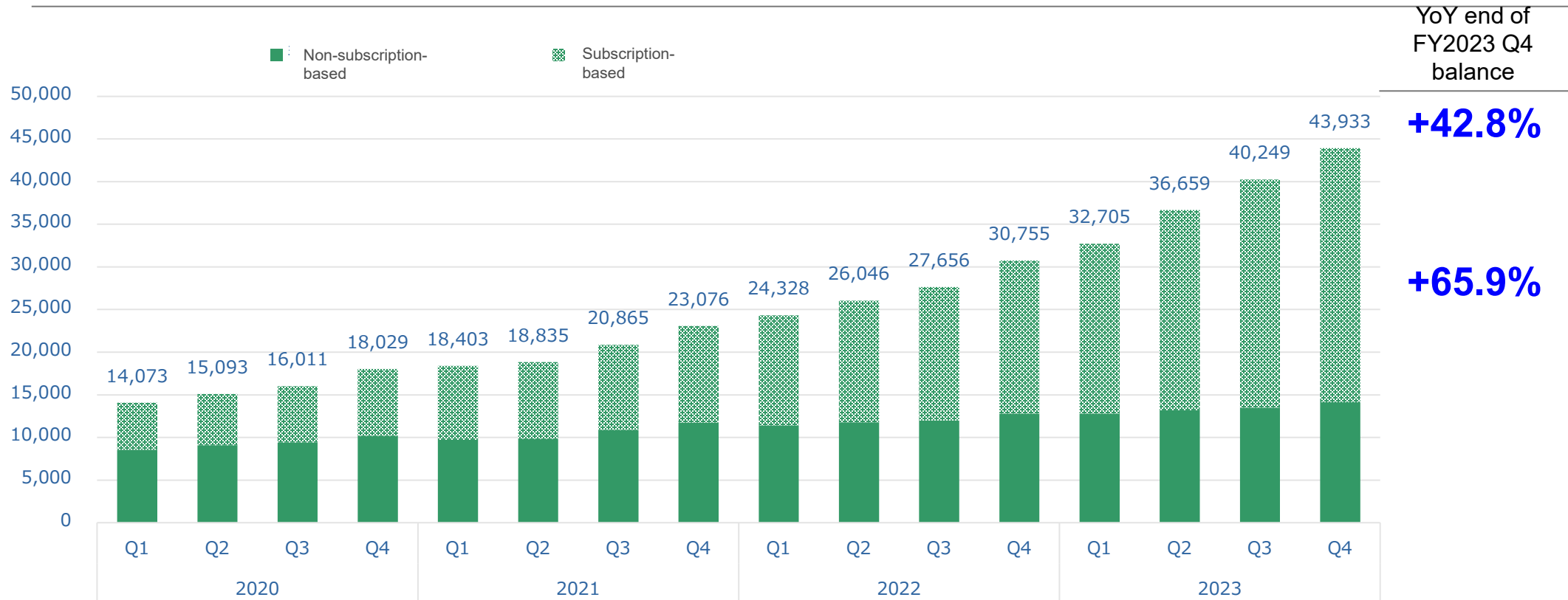
- More aggressive promotional investments
- Promote transition to higher price ranges
- Increasing proposal schemes (utilizing collaboration with other companies)
- Increasing eligible receivables (Factoring receivables, etc.)

FY 4/2024 Target 58,347 million yen
(Guarantee balance) (+32.8% YoY)

URIHO: Guarantee Balance

- Success of key measures by focusing on the online subscription-based service (Subscription service guarantee balance +65.9% YoY)
- As a result, guarantee balance +42.8% YoY in overall receivable guarantees

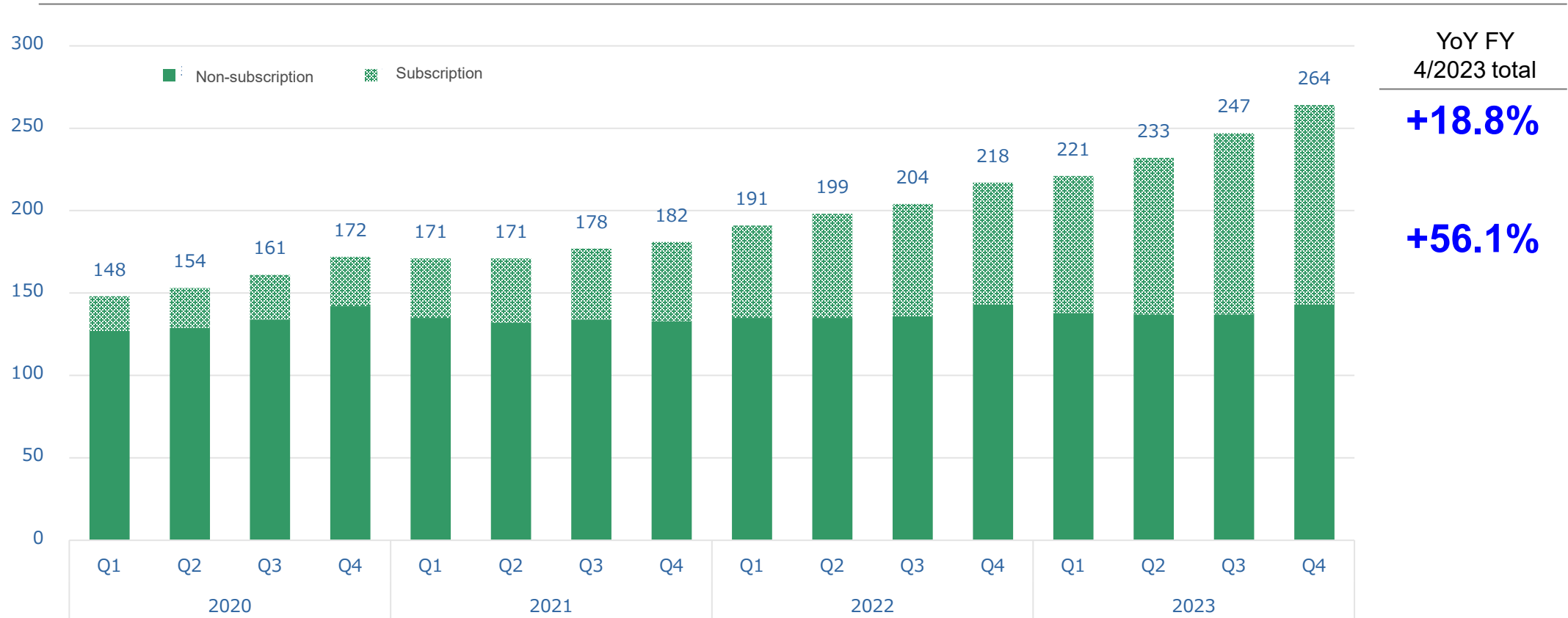
URIHO Guarantee balance



URIHO: Net Sales

- Sales grew for the online subscription-based service (Subscription service net sales +56.1% YoY)
- As a result, net sales for URIHO overall was +18.8%

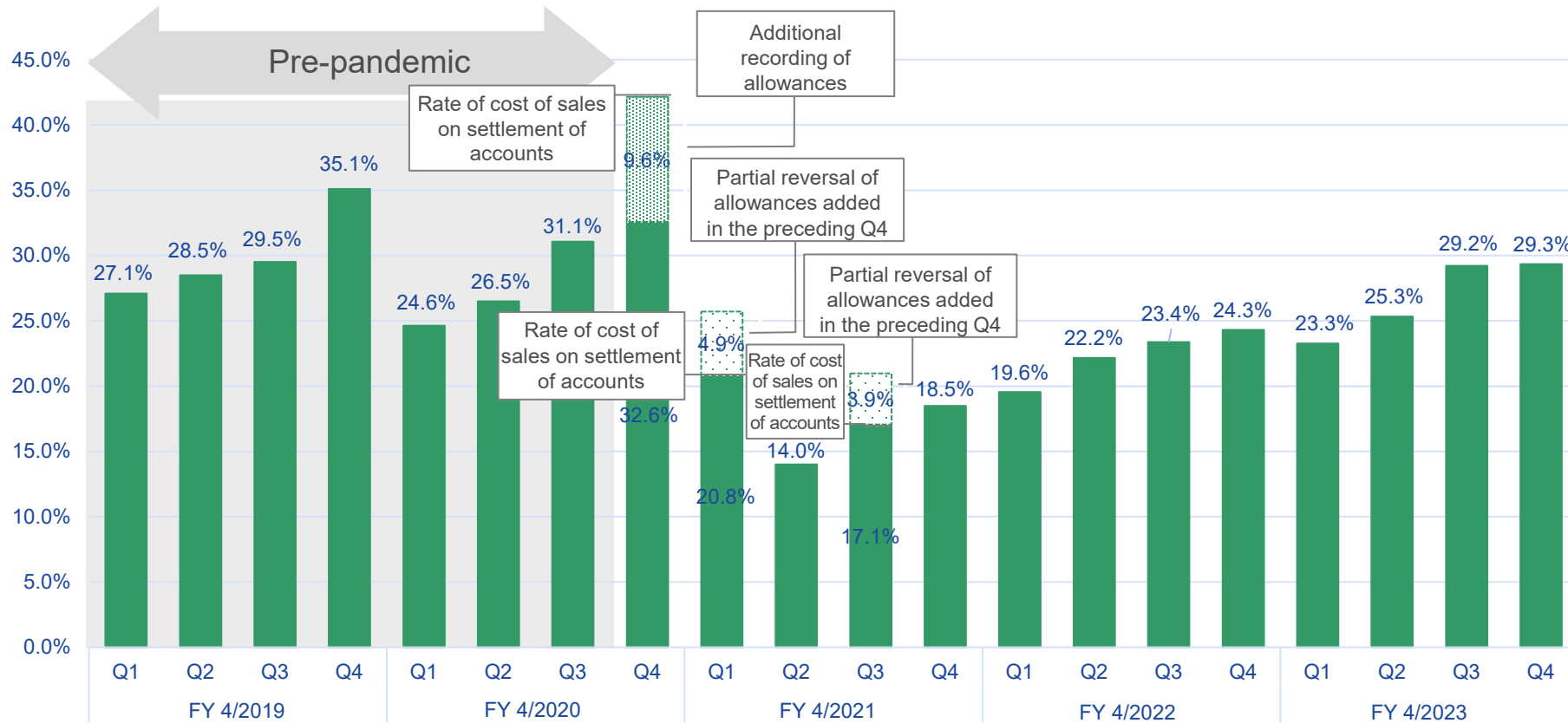
URIHO net sales





Trends in the Rate of Cost of Sales by Quarter

- The rate of cost of sales gradually increased close to levels of before the COVID-19 pandemic under appropriate credit screening control
- The Company intends to maintain the relaxation of credit screening standards and control the rate of cost at the current level



FY 4/2023 Q4	
YoY	QoQ
+5.0pts	+0.1pts

(Reference) Financial Business Conclusion

Business segment		Key KPIs	FY 4/2023 Retrospectives	Key measures for the current fiscal year	FY 4/2023	FY 4/2024 Targets	Targets for FY 4/2025 Mid-term Management Plan ¹
Financial	Paid	Transaction volume	<ul style="list-style-type: none"> Successful implemented measures Results exceeding targets 	<ul style="list-style-type: none"> Aggressive development through promotional measures 	31,114 million yen (+21.5% YoY)	39,058 million yen (+25.5% YoY)	42,128 million yen (CAGR +18%)
	URIHO	Guarantee balance	<ul style="list-style-type: none"> Successful implemented measures Results exceeding targets 	<ul style="list-style-type: none"> Aggressive development through promotional measures Increasing proposal schemes Increasing eligible receivables 	43,933 million yen (+42.8% YoY)	58,347 million yen (+32.8% YoY)	70,000 million yen (CAGR +32%)

1. CAGR is the average annual growth rate of the results of FY 4/2022 through the targets of the FY 4/2025 Mid-term Management Plan

Content of Basic Policy Towards Achieving the Mid-term Management Plan

1. EC Business (Domestic)
2. EC Business (International)
3. Financial Business (Paid)
4. Financial Business (URIHO)
- 5. Capital Policy**

Capital Policy

- Profitability for both EC business and Financial business are high, and we have a sufficient source of funds for growth investments to both businesses
- Cash flow after allocation to growth investments will be shareholder returns

Capital policy (Reposted from Mid-term Management Plan policy announced June 2022)

- Maintain Mid-term Management Plan policy (announced June 2022)

Excerpt from the Mid-term Management Plan (announced June 2022)
 The Company's policy is to actively offer shareholder returns while securing funds for investment in future growth.

Operating cash flow	Approx. 4.0 billion yen <small>*Cumulative total during period of Mid-term Management Plan (Fiscal year ending April 30, 2023 to fiscal year ending April 30, 2025)</small>
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Future growth investments	Active investment into business foundations for each service
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Shareholder returns	Dividends	Dividend payout ratio 45~50%
	Share repurchases	Flexible execution depending on share price

Shareholder returns in the current fiscal year

Dividends (scheduled)

- Dividends per share (scheduled): 18 yen
- Dividend payout ratio (scheduled): 65.7%

Acquisition of treasury stock (decided)

- Period: June 13, 2023~August 31, 2023
- Maximum: 0.7 billion yen or 700,000 shares (3.1% of the number of issued shares)

(((What We Would Like to Convey Today

- **We will aim for certain achievement of the Mid-term Management Plan targets with upfront investments (strategic advertising investments) in FY 4/2024** (the current fiscal year)
 - Continue to strengthen existing sales promotion investments (coupons, points, etc.) and advertising (listings, DMs, etc.)
 - Introduce a new plan (free/paid) to increase the number of domestic EC customers
 - Implement mass advertising to raise awareness (strategic advertising expenses limited to the current fiscal year)
 - Forecast for the current fiscal year¹ Sales 6,240~6,440 million yen, operating income 850~1,050 million yen
 - Mid-term Management Plan Targets (FY 4/2025) Sales 7,700 million yen, operating income 2,310 million yen

- **We will defer the planned amount of dividends per share for the current fiscal year and implement share repurchases**
 - Dividends per share (scheduled) 18 yen (65.7% dividend payout ratio)
 - Share repurchases (announced June 12) A maximum of 0.7 billion yen or 700,000 shares (3.1% of the number of issued shares)

- **Maintain Mid-term Management Plan Targets. Our confidence in future growth will not waver**
 - Both the EC business and Financial business have significant potential markets, and there is much room for growth for the Company
 - Early acquisition of customers through sales promotions and advertising is key as customer continuation is high for both businesses
 - As the Company is highly profitable, sufficient growth investments (investments in sales promotion, advertising, etc.)
 - From the above, the Company has the resources and positioning to realize growth and profitability as laid out in the Mid-term Management Plan

1. Results forecast disclosed as a range

Retrospectives for Each Business and Measures for the Current Fiscal Year (Conclusion)

Business segment	Key KPIs	FY 4/2023 Retrospectives	Key measures for the current fiscal year	FY 4/2023	FY 4/2024 Targets	Targets for FY 4/2025 Mid-term Management Plan ¹	
EC	Domestic	GMV	<ul style="list-style-type: none"> Although constant effects were seen through measures, the target was not achieved due to decreases in first-time purchasers, etc. Grasp issues facing increasing buying customers 	<ul style="list-style-type: none"> Increased promotions for the purpose of increasing customers Introduced a new membership plan (from September 2023) 	17,500 million yen (+9.1% YoY)	19,950 million yen (+14.0% YoY)	26,500 million yen (CAGR +19%)
	International	GMV	<ul style="list-style-type: none"> Overall, the target not achieved, although effects of measures in each region differed Response in growth in North America and South Korea Taiwan recovered in the second half of the year 	<ul style="list-style-type: none"> Fine-tuning promotional measures by region Aggressively developed measures for growth regions 	6,322 million yen (+11.8% YoY)	7,878 million yen (+24.6% YoY)	11,000 million yen (CAGR +25%)
	Total	GMV			23,823 million yen (+9.8% YoY)	27,829 million yen (+16.8% YoY)	37,500 million yen (CAGR +20%)
Financial	Paid	Transaction volume	<ul style="list-style-type: none"> Successful implemented measures Results exceeding targets 	<ul style="list-style-type: none"> Aggressive development through promotional measures 	31,114 million yen (+21.5% YoY)	39,058 million yen (+25.5% YoY)	42,128 million yen (CAGR +18%)
	URIHO	Guarantee balance	<ul style="list-style-type: none"> Successful implemented measures Results exceeding targets 	<ul style="list-style-type: none"> Aggressive development through promotional measures Increasing proposal schemes 	43,933 million yen (+42.8% YoY)	58,347 million yen (+32.8% YoY)	70,000 million yen (CAGR +32%)



Strategic advertising

1. CAGR is the average annual growth rate of the results of FY 4/2022 through the targets of the FY 4/2025 Mid-term Management Plan

Appendix

- **FY 4/2023 Results and FY 4/2024 Forecasts**
- EC Business Highlights
- Financial Business Highlights
- Shareholder Returns
- ESG-Related Information

Full Year: Comparison with Earnings Forecasts

Full-year net sales and all income items increased year on year, although initial forecasts were not achieved

	FY 4/2022	FY 4/2023			(Unit: Million Yen)
	Results	Results	YoY	Compared with initial forecasts	Initial forecasts ²
Net sales	4,789	5,320	+11.1%	-3.3%	5,500
Operating income	1,126	1,193	+6.0%	-8.2%	1,300
Operating margin	23.5%	22.4%	-1.1%pts	-1.2%pts	23.6%
Ordinary income	1,135	1,225	+8.0%	-5.7%	1,300
Net income¹	354	668	+88.6%	-17.4%	810
Margin	7.4%	12.6%	5.2%pts	-2.2%pts	14.7%

1. Net income attributable to owners of parent 2. Forecasts for FY 4/2023 announced June 2022

(((Cash Flow

One of the Company's distinctive features: Sustainably generate free cash flow even during its business expansion period

(Unit: Million Yen)

	FY 4/2022	FY 4/2023	Difference
Cash flows from operating activities	1,856	1,122	-734
Cash flows from investment activities	-197	-165	31
Free cash flow	1,659	956	-702
Cash flows from financing activities	-1,128	-862	265
Increase/decrease in cash and cash equivalents	531	93	-437
Cash and cash equivalents at end of period	5,333	5,427	93

Results Forecast for FY 4/2024

	FY 4/2023	FY 4/2024	YoY
Net sales	5,320 million yen	6,240~6,440 million yen	+17.3~+21.0%
Operating income	1,193 million yen	850~1,050 million yen	-28.8~-12.0%
Operating margin	22.4%	13.2~16.8%	-9.2~-5.6%pts
Ordinary income	1,225 million yen	850~1,050 million yen	-30.7~-14.4%
Net income	668 million yen	530~650 million yen	-20.8~-2.8%
Net income per share	30.27 yen	24.62~30.20 yen	-18.7~-0.2%

((((Reference) Results Forecast for FY 4/2024

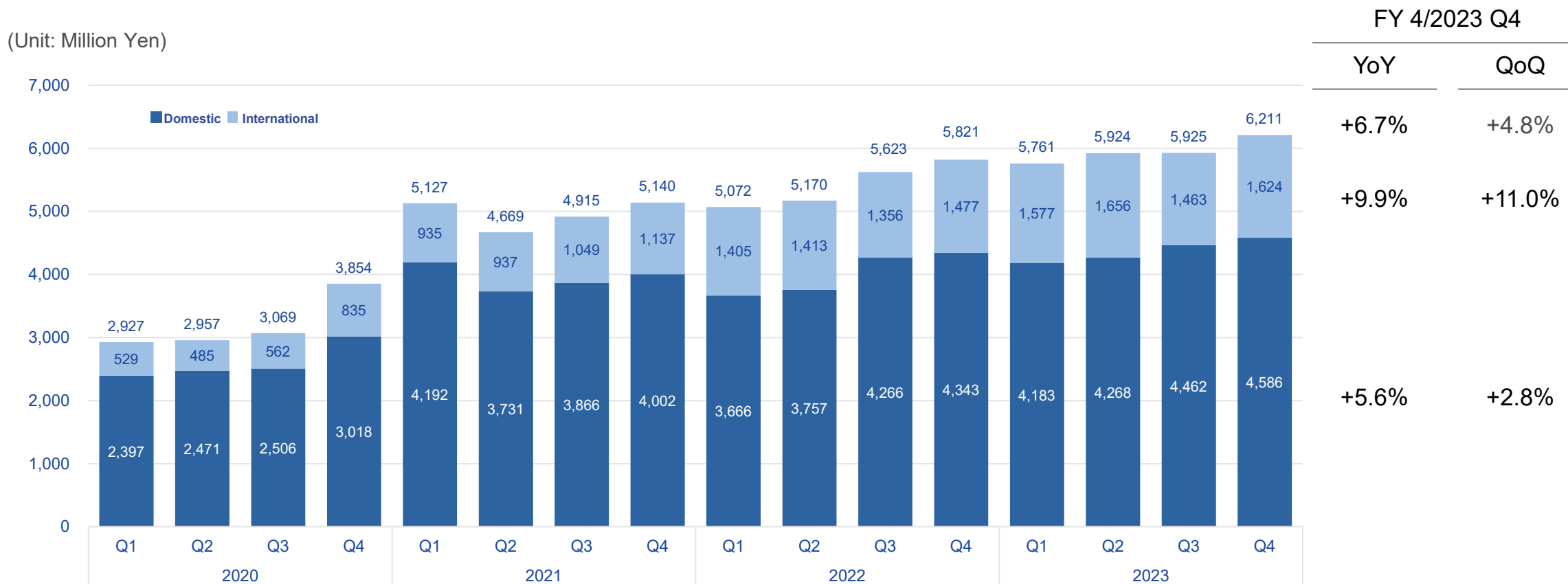
- Forecast of increased operating income excluding advertising and sales promotion expenses by maintaining a high gross profit margin
- The Company can implement strategic growth investments due to high profitability

	FY 4/2023	FY 4/2024	YoY
Net sales	5,320 million yen	6,240~6,440 million yen	+17.3~21.0%
Gross profit	4,284 million yen	5,050~5,200 million yen	+17.9~21.4%
Gross profit margin	80.5%	78.4~83.3%	-2.1~+2.8%
Operating income (excluding advertising and sales promotion expenses)	1,941 million yen	2,270~2,420 million yen	+16.9~24.6%
Operating margin (excluding advertising and sales promotion expenses)	36.5%	35.2~38.8%	-1.2~+2.3%

- FY 4/2023 Results and FY 4/2024 Forecasts
- **EC Business Highlights**
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Trends in SUPER DELIVERY Gross Merchandise Value (GMV) (by Quarter)

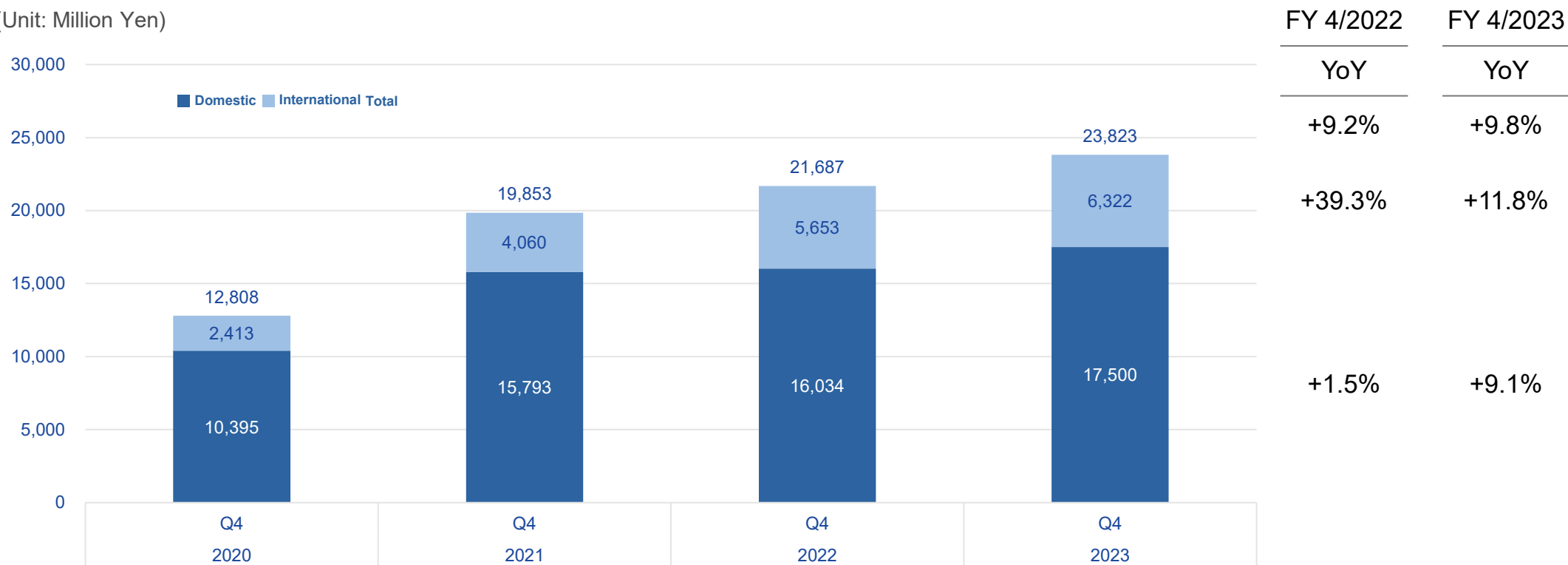
- Total GMV in Q4 was 6,211 million yen (+6.7% YoY, +4.8% QoQ)
- International GMV growth rate was high due to moving up of the Chinese New Year (it fell on Q4 in 2022, Q3 in 2023), recovery in Taiwan after the second half and other factors



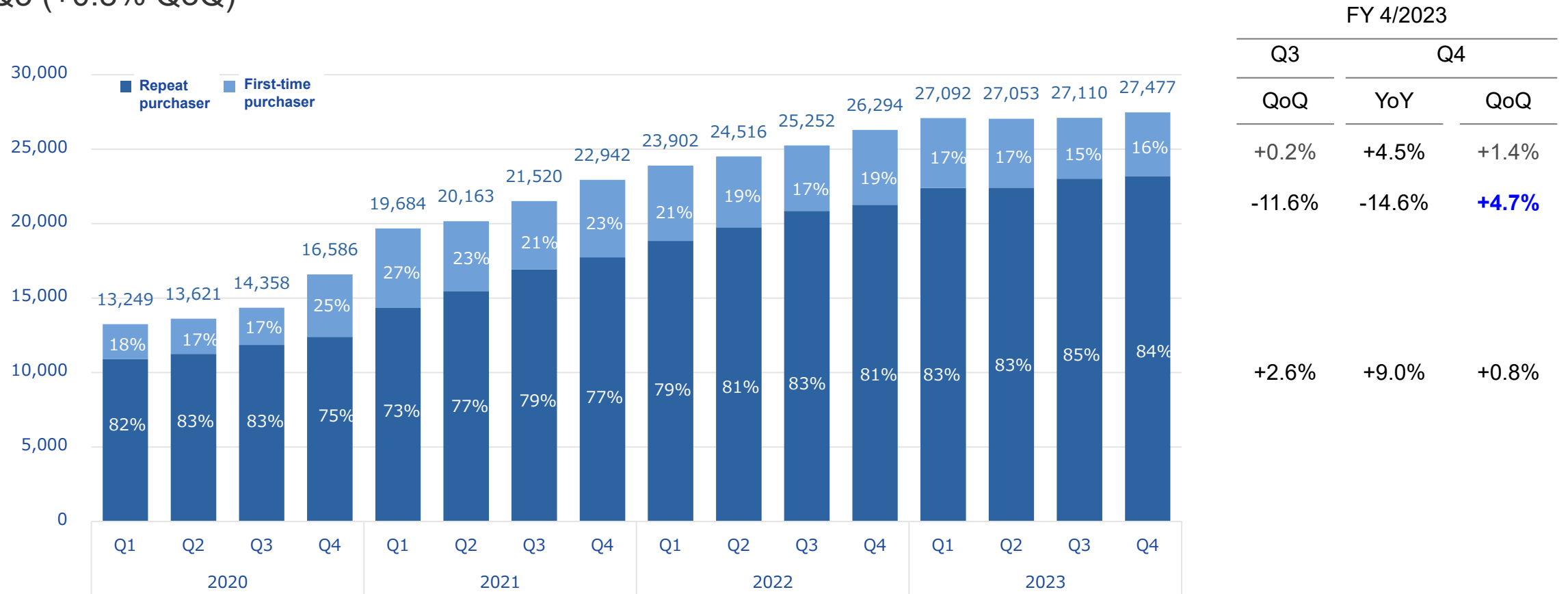
Trends in SUPER DELIVERY Gross Merchandise Value (GMV) (Cumulative)

- Full-year total GMV was 23,823 million yen (+9.8% YoY)
- Growth in international GMV decelerated as growth in Taiwan and Hong Kong slowed down, affected by impacts of COVID-19 and other factors. Meanwhile, in Japan, GMV growth rate increased due to a gradual improvement in the business environment for non-retail businesses following the relaxation of restrictions on activities in response to COVID-19 pandemic

(Unit: Million Yen)

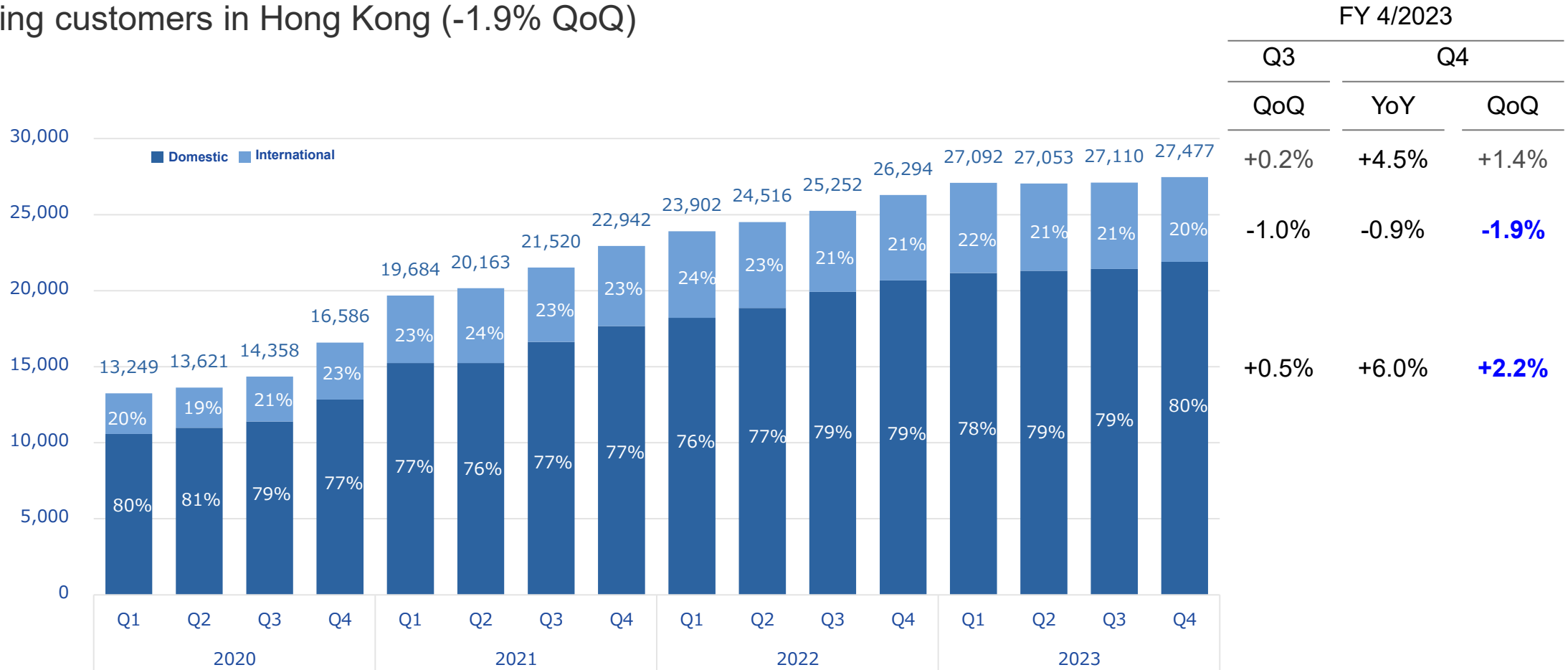


- Number of first-time purchasers, which declined in Q3, reversed to an increase in Q4 due to increased domestic non-retail customers (+4.7% QoQ)
- Number of repeat purchasers increased slightly in Q4, as total number of buying customers remained flat in Q3 (+0.8% QoQ)

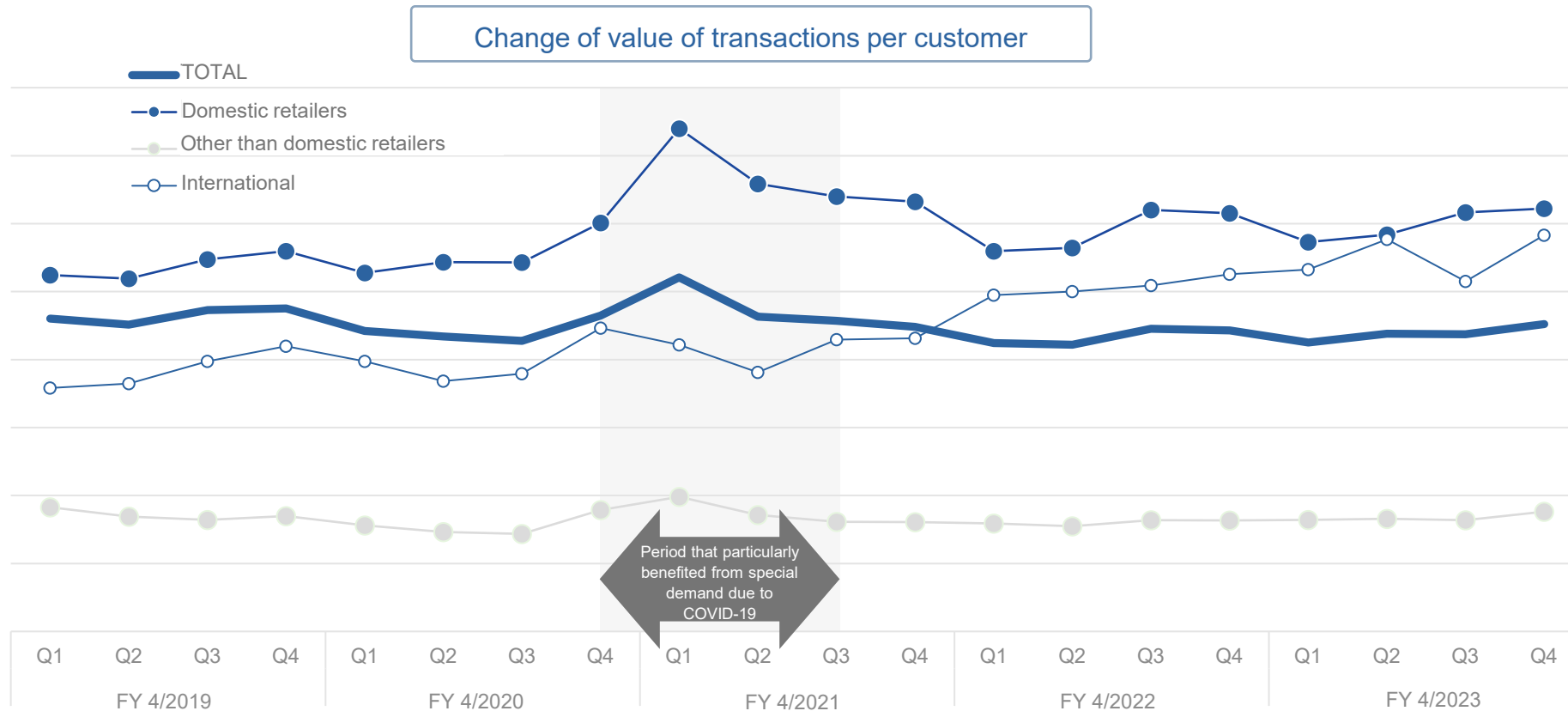


Trend in No. of Buying Customers (Domestic/International)

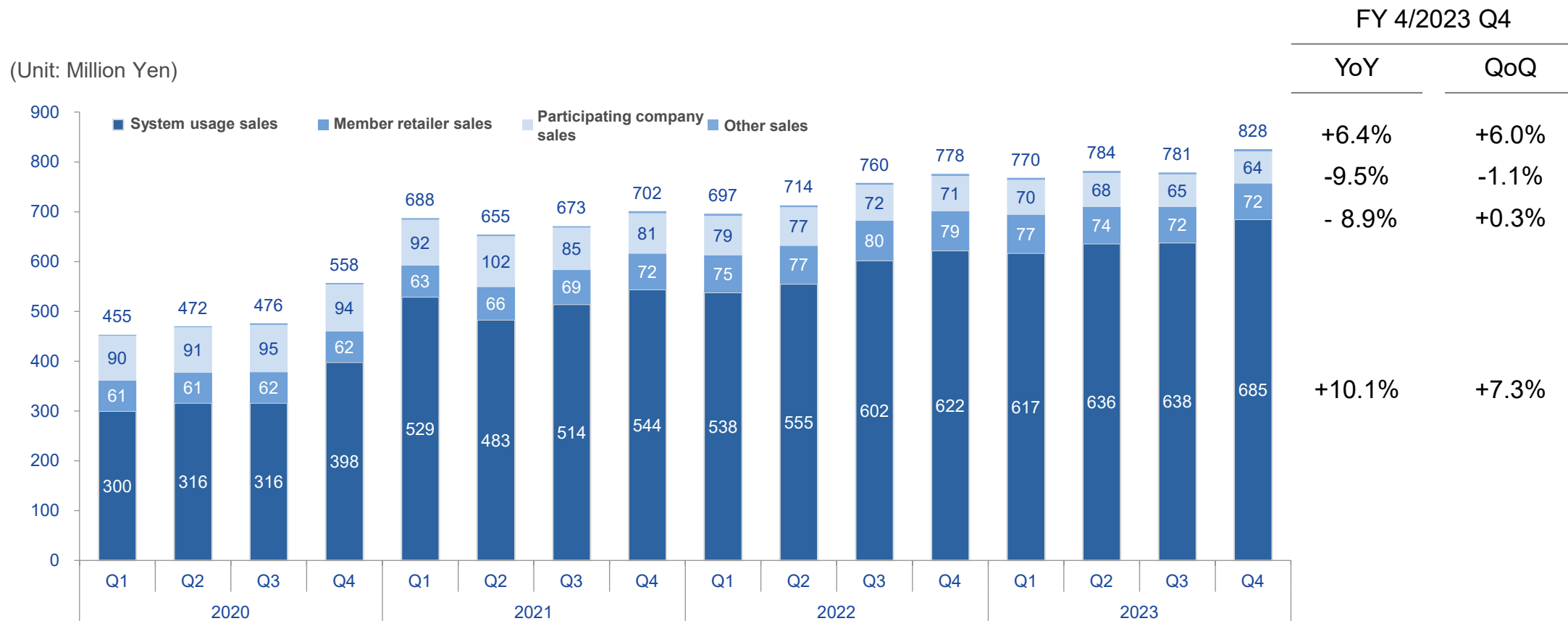
- Number of domestic buying customers continued to increase in Q4 due to an increase in non-retailers by the effect of investment in sales promotion (+2.2% QoQ)
- Number of international buying customers decreased slightly in the Q4, affected by a decrease in number of buying customers in Hong Kong (-1.9% QoQ)



- Domestic value of transactions per customer increased both for retailers (+0.9% QoQ) and non-retailers (+7.6% QoQ), owing to a positive effect of the campaign to switching to Paid and other sales promotion
- Although international value of transactions per customer decreased in Q3 due to the impact of the Chinese New Year, it rose in Q4 to the same level as in Q2, before the Chinese New Year (+13.2% QoQ)



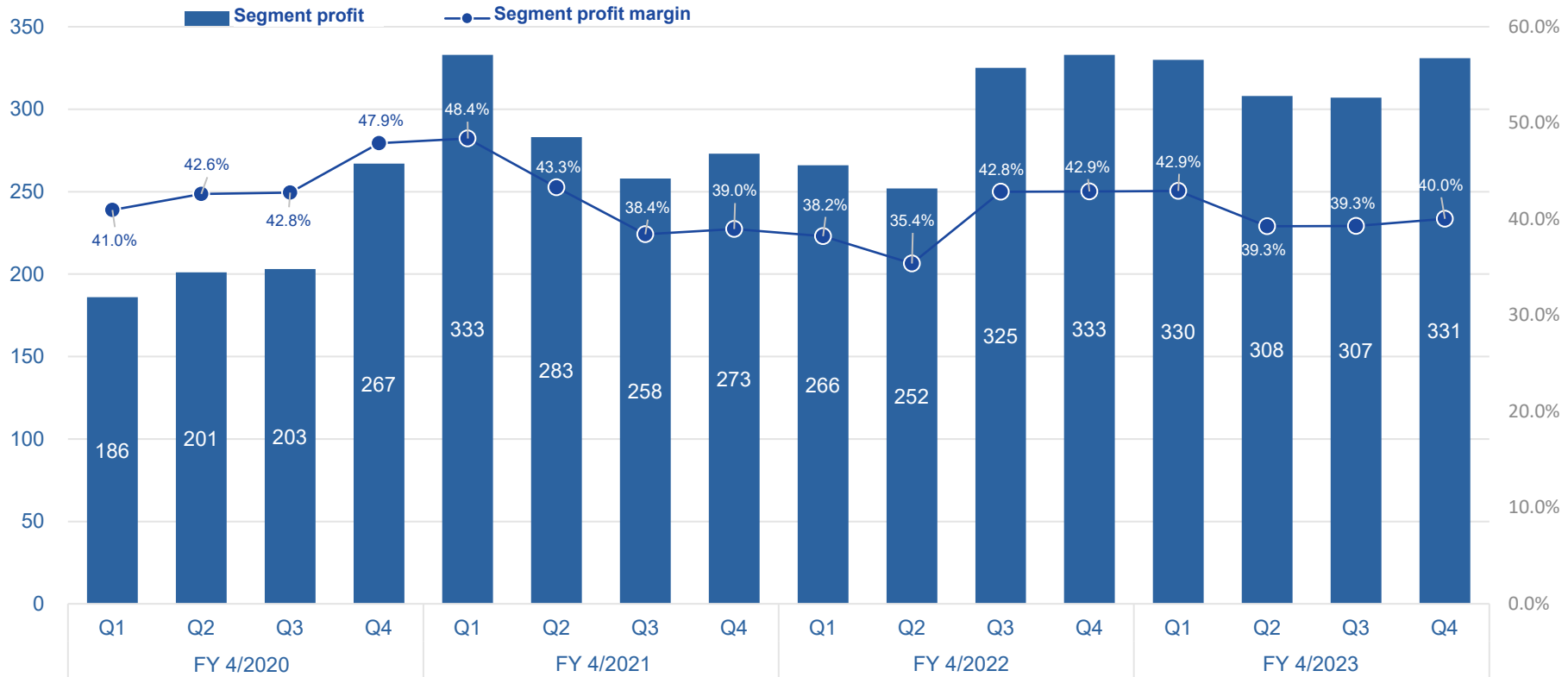
- Sales growth in FY 4/2023 Q4 was driven by an increase in system usage sales associated with GMV growth
- The factor for the increase in system usage sales beyond GMV growth was a raised take rate for international transactions



EC Business **Trends in Segment Profit by Quarter**

- Segment profit in Q4 increased compared with Q3, on which the Chinese New Year fell, due to the effect of increased sales (+8.0% QoQ)
- Although segment profit margin decreased year on year (-2.8 pts YoY) due to increased investments in sales promotion, it remained high at 40%

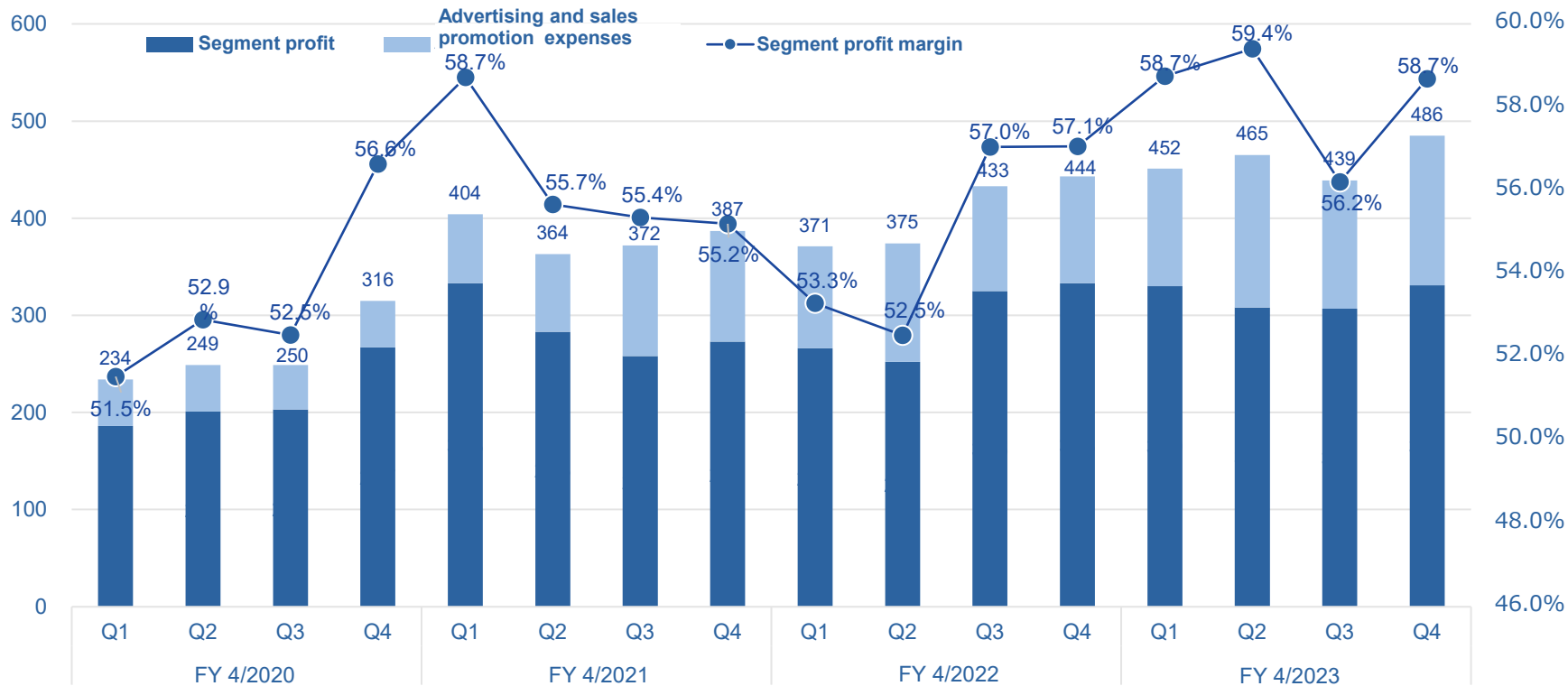
(Unit: Million Yen)



FY 4/2023 Q4	
YoY	QoQ
-2.8pts	+0.7pts
-0.7%	+8.0%

- Increased beyond increased sale growth rate in Q4 (+9.4% YoY, +10.7% QoQ), since the profit structure is such that segment profit margin increases in line with a sales growth
- Profitability backed by high segment profit margin (excluding advertising and sales promotion expenses) of over 50% enables growth investment

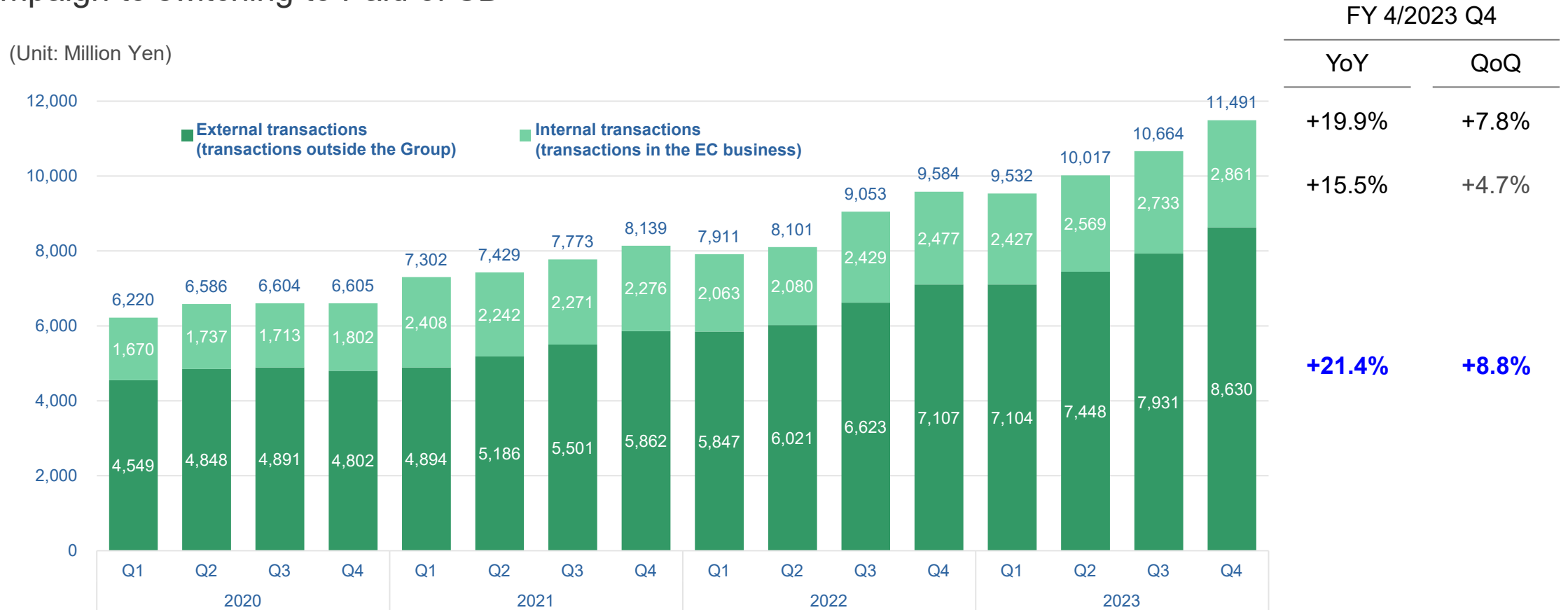
(Unit: Million Yen)



FY 4/2023 Q4	
YoY	QoQ
+1.6pts	+2.5pts
+9.4%	+10.7%

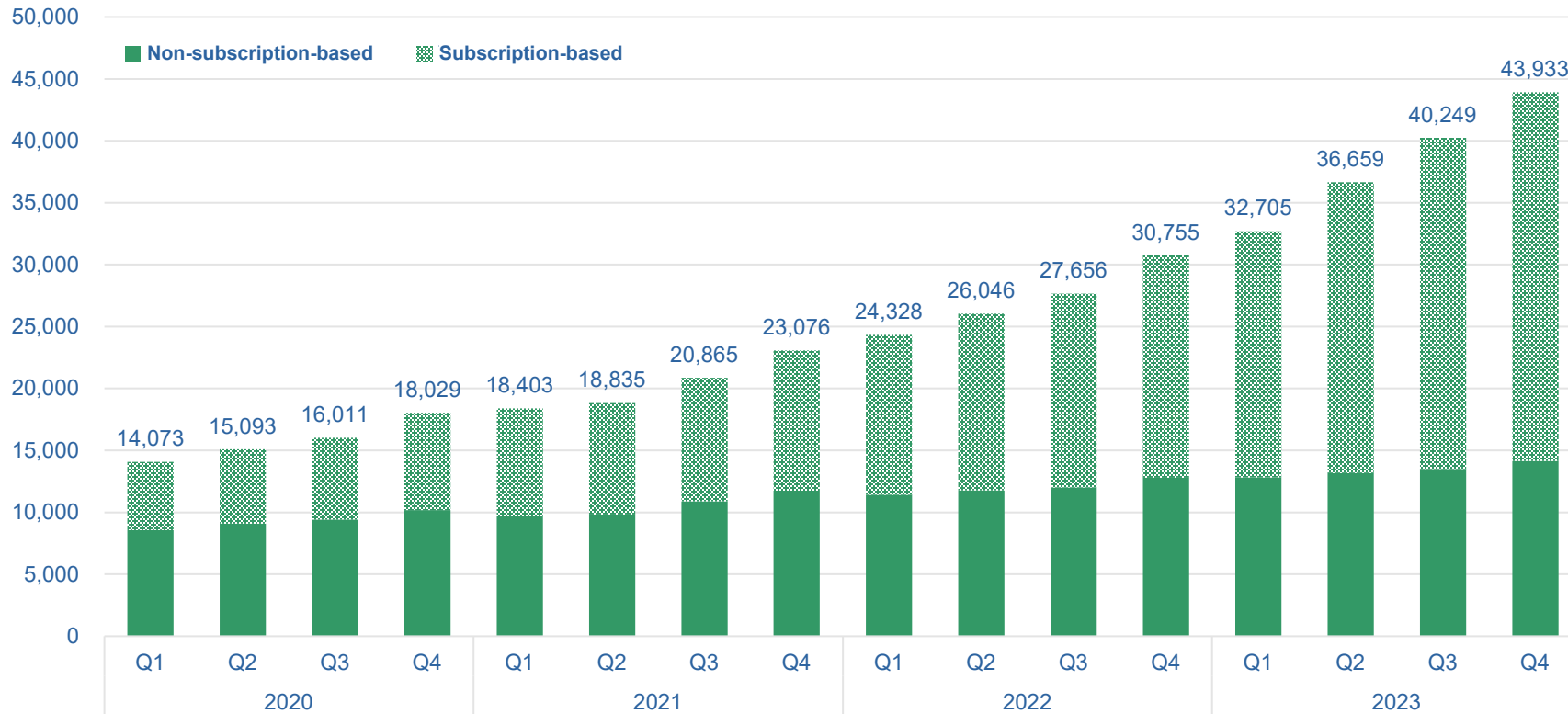
- FY 4/2023 Results and FY 4/2024 Forecasts
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- Shareholder Returns
- ESG-Related Information

- External transactions in Q4 increased to 8,630 million yen by capturing strong demand through measures (+21.4% YoY, +8.8% QoQ)
- Internal transactions in Q4 maintained a steady pace of QoQ growth owing to a positive effect of the campaign to switching to Paid of SD



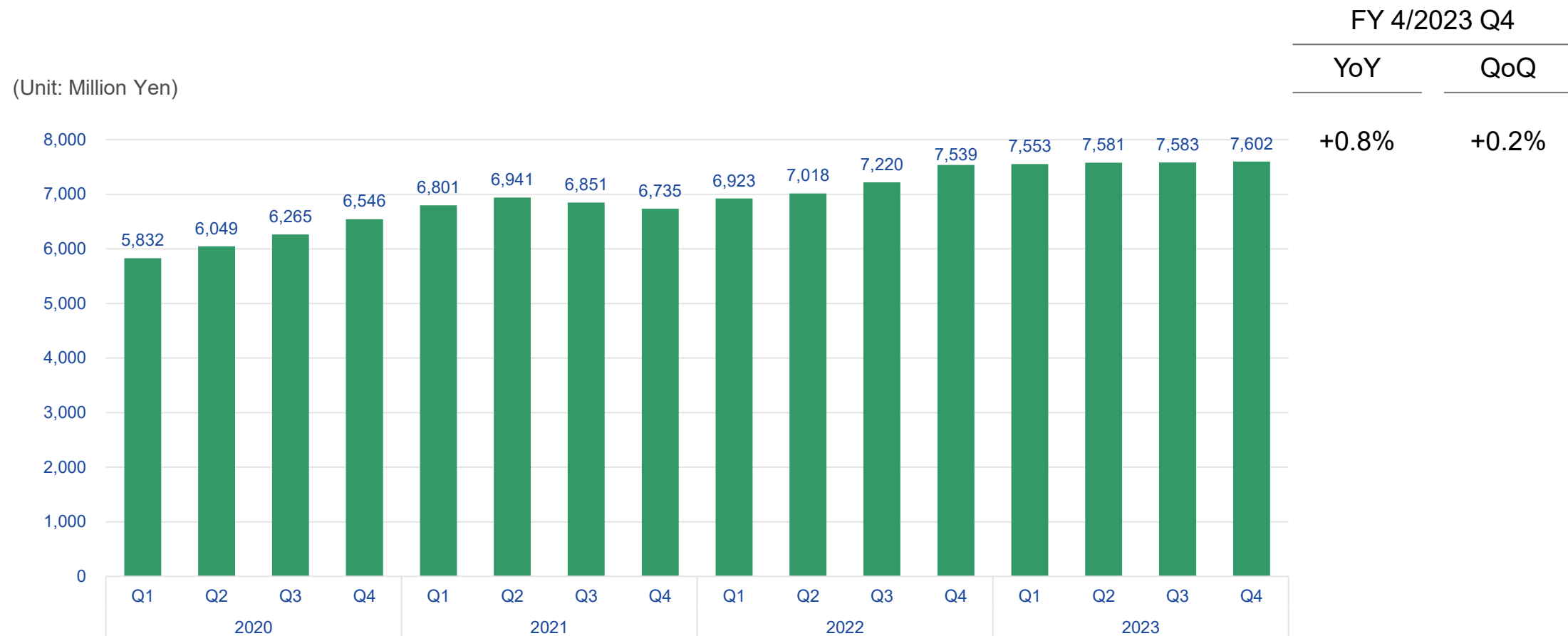
- The guarantee balance increased to 43,933 million yen as of the end of Q4 owing to a positive effect of measures in response to extremely strong demand (+42.8% YoY, +9.2% QoQ)
- As for an online subscription-based guarantee service URIHO, a key service, the guarantee balance increased by 65.9% year on year

(Unit: Million Yen)



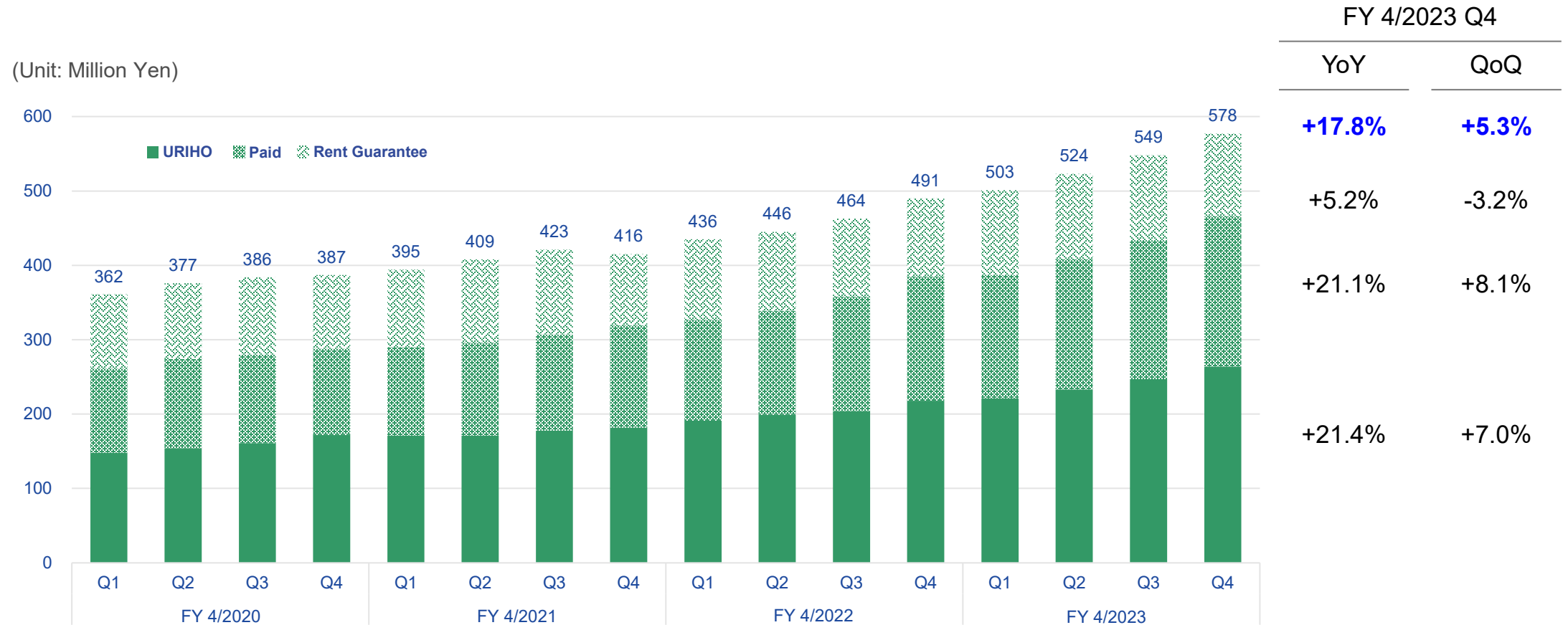
FY 4/2023 Q4	
YoY	QoQ
+42.8%	+9.2%
+65.9%	+11.4%

- The guarantee balance remained steady, standing at 7,602 million yen as of the end of Q4 (+0.8% YoY, +0.2% QoQ)

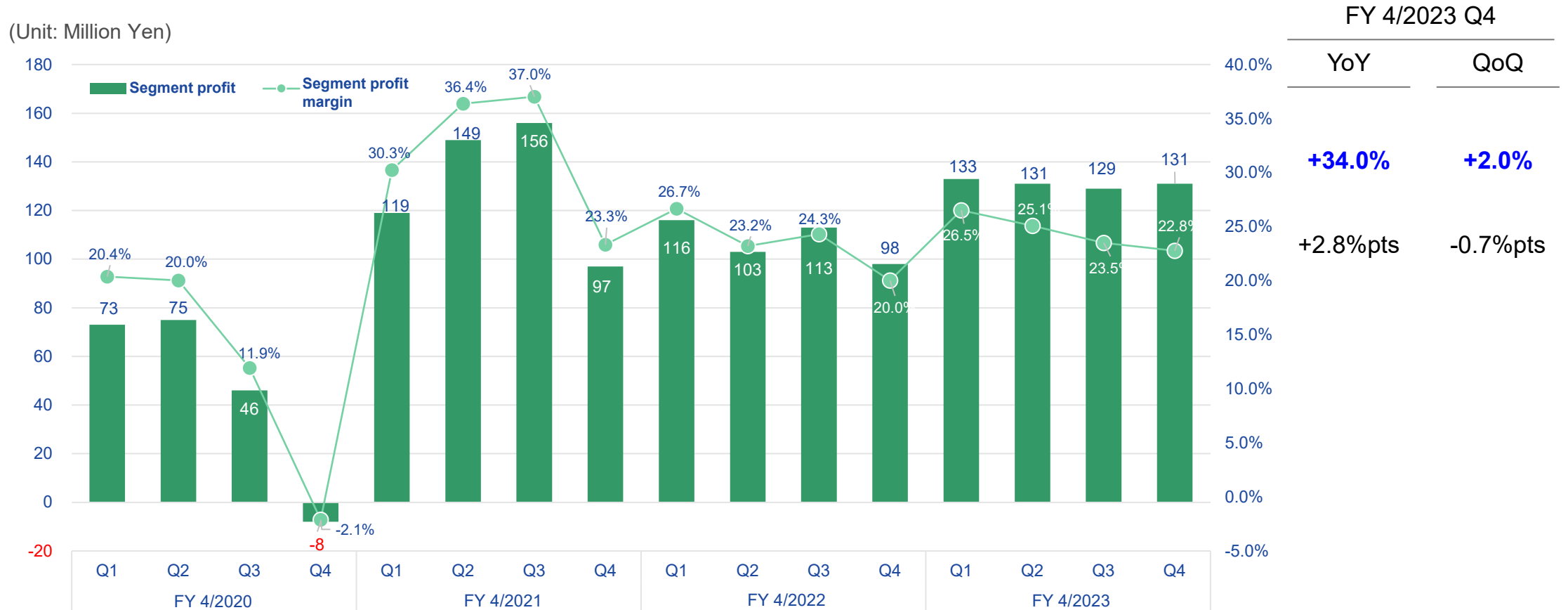


*The figures indicate the actual guarantee balance calculated by the formula of guarantee balance / guarantee period x average implementation period. Accordingly, the figures differ from the balances indicated in the relevant Summary of Financial Results and Securities Report.

- Net sales in the Financial business increased to 578 million yen in Q4 (+17.8% YoY, +5.3% QoQ)
- URIHO (+21.4% YoY, +7.0% QoQ) and Paid (+21.1% YoY, +8.1% QoQ) drove sales growth



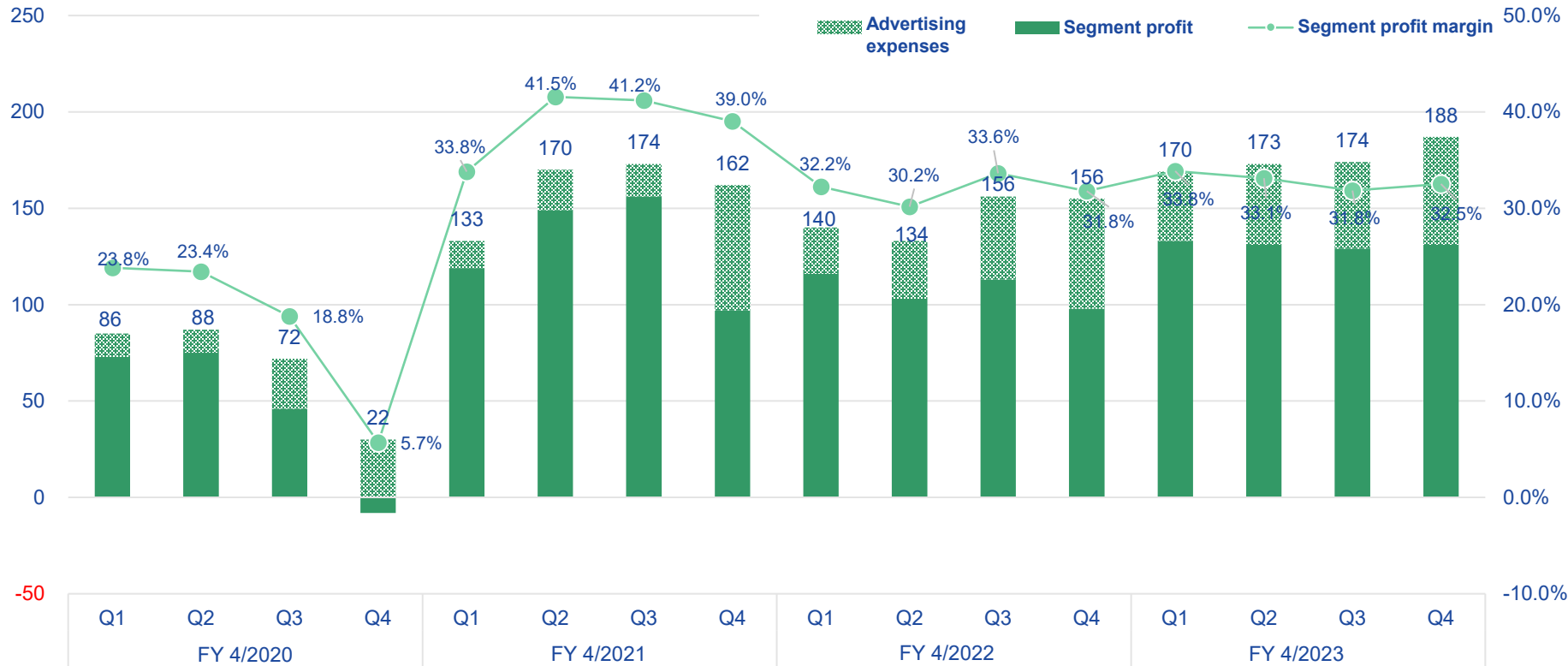
- Segment profit in Q4 was 131 million yen due to a sales growth (+34.0% YoY, +2.0% QoQ), despite a rise in the rate of cost caused by the relaxation of credit screening standards



Financial Business Trends in Segment Profit (Excluding Advertising and Sales Promotion Expenses) by Quarter

- Segment profit (excluding advertising and sales promotion expenses) in Q4 increased beyond increased sale growth rate (+20.6% YoY, +7.5% QoQ)
- Segment profit margin was stably maintained over 30%. Stable and high profitability enables growth investment

(Unit: Million Yen)



FY 4/2023 Q4	
YoY	QoQ
+20.6%	+7.5%
+0.7pts	+0.7pts

- FY 4/2023 Results and FY 4/2024 Forecasts
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- ESG-Related Information

Dividends and Acquisition of Shares

- While initial forecasts were not achieved in FY 4/2023, the Company maintained dividends per share of 18 yen as planned at the beginning of the fiscal year
- Considering the acquisition of own shares announced June 2022, the total return ratio for the fiscal year under review is 99.0%

Investment & Shareholder Returns Policy

Excerpt from the Mid-term Management Plan (announced June 2022)

The Company's policy is to actively offer shareholder returns while securing funds for investment in future growth.

Operating cash flow	Approx. 4.0 billion yen <small>*Cumulative total during period of Mid-term Management Plan (Fiscal year ending April 30, 2023 to fiscal year ending April 30, 2025)</small>	
	Future growth investments	
Shareholder returns	Dividends	Dividend payout ratio 45~50%
	Share repurchases	Flexible execution depending on share price

Shareholder returns for FY 4/2023

Dividends

- Dividends per share: 18 yen
- Dividend payout ratio: 59.5%

Acquisition of treasury stock (announced June 2022)

- Period: June 13, 2022, to June 24, 2022
- Number of shares acquired: 160,000 shares (0.7% of the number of issued shares)
- Amount of acquisition cost: 0.26 billion yen

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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

