



February 29, 2024

(For translation purposes only)

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Notice Concerning Revisions to Financial Forecasts and Dividend Forecast

Raccoon Holdings, Inc. (“Raccoon”) announces that at the Board of Directors meeting held on February 29, 2024, it decided to revise the financial results forecasts and the dividend forecast for the fiscal year ending April 30, 2024 (May 1, 2023 to April 30, 2024), announced on June 12, 2023, based on recent performance trends as described below.

1. Revisions to Financial Results Forecasts

(1) Revisions to Consolidated Results Forecasts for the Fiscal Year Ending April 30, 2024 (May 1, 2023 to April 30, 2024)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Net income attributable to owners of parent	Consolidated net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecast (A)	6,240	850	850	530	24.62
	~ 6,440	~ 1,050	~ 1,050	~ 650	~ 30.20
Revised forecast (B)	5,850	550	550	330	15.34
Difference (B - A)	(390)	(300)	(300)	(200)	(9.28)
	~ (590)	~ (500)	~ (500)	~ (320)	~ (14.86)
Change (%)	(6.3)	(35.3)	(35.3)	(37.7)	(37.7)
	~ (9.2)	~ (47.6)	~ (47.6)	~ (49.2)	~ (49.2)
(Reference) Consolidated results for the previous fiscal year (fiscal year ended April 30, 2023)	5,320	1,193	1,225	668	30.27

(2) Reason for Revisions

In the fiscal year ending April 30, 2024, both the EC and Financial businesses are striving to accelerate the pace of capturing new customers by significantly increasing spending on advertising and publicity.

For domestic EC business, “Super Delivery,” we conducted aggressive promotional activities to coincide with the launch of a new membership plan (introduction of a free plan with no membership fee) that started in

September, as well as a welcome back campaign for inactive members. As a result, the pace of growth in the number of registered members and new customers in Japan was ramped up significantly, demonstrating the positive response to solid measures geared towards GMV growth in the medium to long term. On the other hand, the effect of the increase in the number of buying customers was partially canceled out by a significant increase in the percentage of new buyers with low per-customer spending, as well as by lower-than-expected per-customer spending on domestic purchases due to the continued lack of improvement in business conditions surrounding small and medium-sized retail stores in Japan.

Overseas, the gross merchandise value growth rate has been improving in the focus countries of Taiwan, the U.S., and South Korea, owing to the effects of various promotional initiatives. The gross merchandise value in the targeted countries has also been steadily increasing as a result of applying shipping price reductions aimed at specific countries and regions during the fiscal year ending April 30, 2024. Swayed by these factors, total overseas gross merchandise value has generally remained strong, however, gross merchandise value growth in Hong Kong, which accounts for a large proportion of the total, remains sluggish and is partially responsible for suppressing the growth of gross merchandise value.

In the case of Financial business, there was a decline in transaction volume in the steadily growing “Paid” business due to customer-related factors, such as the withdrawal of a major member company from Paid-covered business. As demand for services continues to rise, we expect the unit price per member company to increase again after it recovers, and we expect the decline in transaction volume to be short term, but it is lower than our initial expectations for the fiscal year ending April 30, 2024.

As a result, sales growth is expected to be lower than expected.

Operating income/loss also reflects the costs associated with the higher-than-expected points awarded for the welcome-back campaign launched for EC business, as well as the costs incurred in lowering the price of overseas shipping. In addition, the rate of cost of sales for the Financial business reflects a revision to conservative levels.

Consequently, we now expect results to be lower than our initial forecast, and have revised our financial results forecasts as detailed above.

2. Revisions to Dividend Forecast

(1) Reason for Revisions to Dividend Forecast

Raccoon recognizes that returning profits to shareholders is an important management issue and its basic policy is to aim for a consolidated dividend payout ratio of 45% to 50% while also considering factors such as the need for funds to invest in business growth and the enhancement of internal reserves for the purpose of reinforcing the financial base.

We regret to announce that the year-end dividend forecast for the fiscal year ending April 30, 2024 will be 5 yen per share due to the downward revision of the consolidated financial results forecast for the full fiscal year, as described above. As a result, the forecast annual per-share dividend has become 14 yen per share. The revised dividend payout ratio will also exceed the basic policy of 45 to 50%, for the reasons stated below in the “Notice Concerning Dividend of Surplus for Fiscal Year Ended April 30, 2023 and Dividend Forecast for Fiscal Year Ending April 30, 2024” announced on June 12, 2023.

*Reference

Extract from the “Notice Concerning Dividend of Surplus for Fiscal Year Ended April 30, 2023 and Dividend Forecast for Fiscal Year Ending April 30, 2024” announced on June 12, 2023

- (1) Raccoon aims to increase ROE as one of the objectives in our Mid-term Management Plan. Along with improving performance aligned with the Mid-term Management Plan, we have a policy to actively pursue shareholder returns through dividends and share repurchases.
- (2) As announced today, we expect a decrease in earnings for the fiscal year ending April 30, 2024. However, this is due to proactive investments made to enhance long-term growth potential, and the decrease in earnings is

expected to be temporary and limited to the fiscal year ending April 30, 2024.

- (3) After conducting a thorough examination of our cash flow levels, we have determined that even with a temporary increase in dividend payout ratio, sufficient funds will be secured to support our business investments.

(2) Details of revision

	Annual dividend ratio (yen)		
	End of Q2	Year end	Annual
Previous forecast (Announced on June 12, 2023)	9.00	9.00	18.00
Revised forecast		5.00	14.00
Financial results for current fiscal year	9.00		
Financial results for previous fiscal year (ended April 30, 2023)	9.00	9.00	18.00

*The above forecasts are based on currently available information and actual results may differ from these forecasts due to various factors.