



July 11, 2024

(For translation purposes only)

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**“Measures to Realize Management Conscious of Capital Costs and Share Prices”**  
**and “Status of Dialogue with Shareholders and Investors”**

Raccoon Holdings, Inc. (“Raccoon”) announces that at the Board of Directors meeting held on July 11, 2024, it decided a policy for analysis and response to its current situation regarding measures to realize management conscious of capital costs and share prices, as follows.

I. “Measures to realize management conscious of capital costs and share prices”

1. Analysis of current situation

Raccoon focuses on ROE as one of our key indices. Our policies are to aim to improve operating income margin while investing in growth against the backdrop of a high marginal income ratio and promote the improvement of ROE through assertive shareholder returns.

Raccoon’s ROE during normal operations has generally remained around the mid to high end of the 10% range, coming in at a level that significantly exceeds shareholders’ equity costs, which generally remain around the 6% range. However, when reflecting on the past five years, we can see that ROE declined to 6.7% in the fiscal year ended April 30, 2022 due to the recording of impairment losses, and ROE declined to 6.5% in the fiscal year ended April 30, 2024 as a result of working to accelerate the pace of customer acquisitions by significantly enhancing advertising and sales promotion expenses from the perspective of mid- to long-term business expansion. The ROE of 6.5% in the fiscal year ended April 30, 2024 reached about the same level as the shareholders’ equity costs estimated by Raccoon.

PBR for the fiscal year ended April 30, 2024 was 3.0x. Although we strove to improve capital efficiency through conducting share repurchases, PBR remained at the same level as the fiscal year ended April 30, 2023 due to weakness in share prices.

(Trends in indices)

	Fiscal year ended April 30, 2020	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024
Net sales (million yen)	3,477	4,364	4,789	5,320	5,808
Operating income (million yen)	706	1,196	1,126	1,193	566
Operating margin	20.3%	27.4%	23.5%	22.4%	9.8%
Net income (million yen)	451	800	354	668	325
Shareholders' equity (million yen)	3,988	5,310	5,289	5,315	4,778
ROE	13.5%	17.2%	6.7%	12.6%	6.5%
PBR	3.3x	13.4x	5.9x	3.0x	3.0x
Net assets per share (yen)	197.68	239.23	238.12	240.65	223.24
Dividend payout ratio	27.4%	46.2%	125.2%	59.5%	92.4%

## 2. Response policy

### (1) Improvement of capital profitability

For the fiscal year ending April 30, 2025, we forecast a V-shaped recovery in terms of operating income as we continue to increase net sales, and forecast an increase in ROE.

We plan to position ROE as one of our key indices in the next Mid-term Management Plan as well, and will continue to promote the improvement of ROE. In addition, our policy is also to actively engage in treasury share acquisition, and utilize the results of this effort to increase ROE.

### (2) Shareholder returns

Raccoon recognizes returning profits to shareholders as an important issue for management, and our basic policy is to maintain a consolidated dividend payout ratio of 45~50% while taking into consideration various factors including demand for funds for investment in the future growth of businesses and improvement of internal reserves in order to strengthen the management foundations.

We will actively engage in treasury share acquisition after taking a comprehensive selection of factors into consideration, including share price levels, the status of funds, and the market environment.

### (3) Promotion of IR activities

Raccoon believes that active information disclosure and dialogue with shareholders and investors are important elements in improving corporate value. Accordingly, we are dedicated to the improvement of IR information provided on our corporate website and actively and voluntarily disclosing useful information for shareholders and investors even in cases where this information does not fall under the criteria for timely disclosure. In addition, we will strive to improve the selection of content with high fidelity between the Japanese and English-language versions, including disclosure materials in English and videos dubbed in English, to ensure that shareholders and investors, regardless of whether they are in Japan or overseas, have equal access to the information provided by Raccoon.

## II. “Status of dialogue with shareholders and investors”

The status of dialogue with shareholders and investors in the fiscal year ended April 30, 2024 is as follows.

### 1. Details of events held in fiscal year ended April 30, 2024

Event details	Times held
Shareholders meetings	1
Financial results briefings	4
Individual meetings	118 (Domestic: 71%, International: 29%)

\* Times held includes all meetings regardless of the number of attendees (companies)

## 2. Major counterparts for dialogue

President and Representative Director, Executive Vice President of Finance and Director, IR Manager

## 3. Major themes and matters of interest from dialogue

### Examples of dialogue that resulted in particular insights or understanding through explanations

- Past results and future outlook, and approach for the next fiscal year
- Details of strategic investments in advertising in measures for this fiscal year and subsequent effects
- Advertising strategy (investment) for the next fiscal year
- Increase in number of buying customers and decrease in value of transactions per buying customer in the EC business
- Trends after introduction of new plan
- Impact of changes in market environment (weak yen, inflation, etc.)
- Impact on Financial business of start of repayments of zero-zero loans
- Change in default rate (rate of cost of sales)
- Impact of increased interest rates on services
- Approach to cash balances
- Recognition regarding situation before COVID-19 and impact from COVID-19, and now post-convergence
- Corporate assessment and differences in relation to the Mid-term Management Plan completing in the fiscal year ending April 30, 2025
- Change in policy on Mid-term Management Plan (against backdrop of change from increase in value of transactions per customer → increase in number of buying customers)
- Implementation of wage increases and subsequent impact
- Shareholder returns (policies on dividend payout ratio and treasury share acquisition)

\* Transcripts of question and answer sessions from financial results briefings are disclosed in the “Transcript” sections available from Raccoon’s website on the following page  
[https://www.raccoon.ne.jp/company/en/profile/financial\\_results/financial\\_info.html](https://www.raccoon.ne.jp/company/en/profile/financial_results/financial_info.html)

## 4. Status of feedback provided to the management and Board of Directors

The officer in charge of IR reports the opinions received through dialogue to the Board of Directors as appropriate. Opinions that are closely related to on-site operations are shared with the supervisors, etc. of business divisions by IR specialists after they have engaged in various meetings on relevant matters.

## 5. Matters incorporated based on dialogues

- Release of transcripts of question and answer sessions from financial results briefings  
Released summary of transcript of question and answer sessions starting from FY 4/2024 Q1 Financial Results Briefing on Raccoon’s website
- Disclosure of net sales by service for Financial business  
Disclosed in FY 4/2024 Q1 Financial Results Briefing Materials