

Summary of Financial Results (Consolidated)
For the First Quarter of Fiscal Year Ending April 30, 2025
(Japanese GAAP)

August 30, 2024

Listed company: Raccoon Holdings, Inc.

Stock Exchange: Tokyo Stock Exchange

Code: 3031

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Scheduled date of commencement of dividend payment: -

Supplementary documents for financial results: Yes

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, 2025 (May 1, 2024 through July 31, 2024)

(1) Consolidated operating results

(The percentages are year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of fiscal year ending April 30, 2025	1,523	9.6	299	7.6	298	6.2	205	12.3
First quarter of fiscal year ended April 30, 2024	1,389	9.1	278	(11.4)	281	(10.1)	182	(8.5)

(Note) Comprehensive income First quarter of fiscal year ending April 30, 2025

¥205 million (12.3%)

First quarter of fiscal year ended April 30, 2024

¥182 million ((8.5)%)

	Net income per share	Net income per share (diluted)
	Yen	Yen
First quarter of fiscal year ending April 30, 2025	9.58	9.52
First quarter of fiscal year ended April 30, 2024	8.37	8.34

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of July 31, 2024	15,807	5,043	30.8	227.79
As of April 30, 2024	15,382	4,932	31.1	223.24

(Reference) Shareholders' equity

As of July 31, 2024

¥4,875 million

As of April 30, 2024

¥4,778 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, 2024	—	9.00	—	5.00	14.00
Fiscal year ending April 30, 2025	—				
Fiscal year ending April 30, 2025 (forecast)		10.00	—	10.00	20.00

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

3. Forecast of consolidated results for the fiscal year ending April 30, 2025 (May 1, 2024 through April 30, 2025)

(The percentages are year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	3,000	6.4	580	77.6	570	74.5	250	23.4	11.68
Full year	6,100	5.0	1,250	120.5	1,250	133.3	700	114.7	32.70

(Note) Revisions to financial forecasts announced most recently: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: 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

(4) Number of issued shares (common shares)

(i) Number of issued shares (including treasury stock) at the end of the quarter			
July 31, 2024	22,235,143	April 30, 2024	22,235,143
(ii) Number of treasury stock shares at the end of the quarter			
July 31, 2024	830,310	April 30, 2024	830,257
(iii) Average number of issued shares during the quarter			
First quarter ended July 31, 2024	21,404,874	First quarter ended July 31, 2023	21,825,518

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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. Overview of Operating Results, etc., (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.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the quarter under review

During the first quarter under review (May 1, 2024 through July 31, 2024), the Japanese economy was in a moderate recovery trend, with improving employment and income conditions, partly due to an increase in inbound demand. However, the outlook remains uncertain, affected by exchange rate fluctuations, escalating prices of commodities, concerns over a global economic downturn, as well as the fact that the benefits of inbound demand are skewed towards the Tokyo metropolitan area.

Under such circumstances, the Raccoon Group aims to double its operating income and achieve record profits in the fiscal year ending April 30, 2025. Specifically, we have worked to expand the scale of our business by increasing our customer acquisition base in both the EC business and the Financial business. As a result, consolidated net sales for the first quarter under review were 1,523,582,000 yen (up 9.6% year on year).

In terms of expenditures, the Company actively invested in advertising with a focus on listing, which is highly effective in attracting customers in the EC business, resulting in advertising expenses increasing by 12.0% year on year. Personnel expenses and other expenses increased by 8.4% year on year, and selling, general and administrative expenses increased by 9.3% year on year. As a result, the Company posted operating income of 299,854,000 yen (up 7.6% year on year), ordinary income of 298,522,000 yen (up 6.2% year on year), and net income attributable to owners of parent of 205,150,000 yen (up 12.3% year on year).

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. For the current fiscal year, the Company is working to maintain the pace of growth in the number of buying customers, which increased in the previous fiscal year.

Domestically, the Company invested in advertising with a focus on listing, which is highly effective in attracting customers. As a result, the pace of growth in the number of registered members and buying customers remained high as in the previous fiscal year. Meanwhile, domestic average sale per buying customer continued to decrease due to a significant increase in the number of new buyers with a low average sale per customer, but this was offset by an increase in buying customers, resulting in a year-on-year increase of 11.4% in national gross merchandise across Japan.

As for overseas, gross merchandise value in the U.S. and South Korea, where the Company has been strengthening investments in sales promotions and advertising since the previous fiscal year, continued to grow at a high rate. Gross merchandise value in Taiwan, which had been stagnant for a while, has returned to a growth trend. As a result, the gross merchandise value overseas increased by 19.2% year on year and the value of transactions of Super Delivery for the first quarter under review totaled 6,698,109,000 yen (up 13.5% year on year).

Additionally, as of the end of the first quarter under review, the number of Super Delivery members stood at 413,894 (up 17,477), the number of participating companies at 3,207 (down 5), and the number of items displayed at 1,698,822 (up 40,369), all compared on a year-on-year basis.

As a result, sales in the EC business stood at 865,654,000 yen (up 8.6% year on year). In terms of expenditures, advertising expenses and sales promotion expenses increased by 25.0% year on year as the Company actively invested in advertising with a focus on listing, which is highly effective in attracting customers. Personnel expenses increased by 12.7% year on year, but other expenses were reined in, resulting in a year-on-year increase of 14.5% in selling, general and administrative expenses. Consequently, segment profit was 298,936,000 yen (down 2.7% 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. The value of transactions continued to grow steadily, the value of transactions outside the Group totaled 9,781,435,000 yen (up 11.2%) and the overall value of transactions (including 3,031,356,000 yen of transactions within the Group) stood at 12,812,792,000 yen (up 11.4%), both compared on a year-on-year basis.

In URIHO, the Company has continued its endeavors to increase guarantee balance by adding more members, leading to growth in net sales. The guarantee balance in URIHO steadily accumulated, and guarantees outstanding at the end of the first quarter under review amounted to 118,765,623,000 yen (57,369,511,000 yen for RACCOON FINANCIAL, Inc. (up 2.0% year on year) and 61,396,112,000 yen for RACCOON RENT, Inc. (down 4.7% year on year)), down 1.6% from the end of the previous fiscal year. As a result, sales in the Financial business stood at 736,845,000 yen (up 11.1% year on year).

In terms of expenditures, the rate of cost of sales continues to be maintained within an appropriate range due to the Group's appropriate credit screening control. Selling, general and administrative expenses were limited to a year-on-year increase of 1.1% as advertising expenses decreased by 16.3% year on year, and the increase in other expenses was also curbed. Consequently, segment profit totaled 183,051,000 yen (up 44.7% year on year).

(2) Overview of the financial status for the quarter under review

(i) Financial status

Total assets at the end of the first quarter under review amounted to 15,807,558,000 yen, up 425,415,000 yen from the end of the previous fiscal year. Current assets increased 364,441,000 yen to 13,082,202,000 yen. The main factors behind the increase were the increase of 285,813,000 yen in cash and deposits mainly due to borrowings and the increase of 125,027,000 yen in accounts receivable - trade due to increased transactions. Non-current assets increased 60,974,000 yen to 2,725,356,000 yen. The main factors behind the increase were the recording of 30,000,000 yen in newly acquired investment securities and the increase of 19,192,000 yen in software and software in progress in total.

Liabilities at the end of the first quarter under review totaled 10,763,954,000 yen, up 314,629,000 yen from the end of the previous fiscal year. Current liabilities increased 330,204,000 yen to 9,791,550,000 yen. The main factors behind the increase were the recording of 300,000,000 yen in new short-term borrowings and the increase of 83,832,000 yen in accounts payable - trade due to increased transactions. Non-current liabilities decreased 15,574,000 yen to 972,404,000 yen. The main factor behind the decrease was the decrease of 11,250,000 yen in long-term borrowings due to repayment.

Net assets at the end of the first quarter under review increased 110,786,000 yen to 5,043,604,000 yen. The main factor behind the increase was the increase in retained earnings due to the recording of 205,150,000 yen in net income attributable to owners of parent, despite the decrease of 107,672,000 yen in retained earnings due to cash dividends paid.

(ii) Cash flows

Cash and cash equivalents (the "funds") at the end of the first quarter under review increased 279,274,000 yen from the end of the previous fiscal year to 4,892,654,000 yen. Cash flows from each activity for the first quarter under review and their primary factors are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities during the first quarter under review amounted to 175,626,000 yen. The main factor behind this is an increase in funds resulting from income before income taxes of 298,522,000 yen, despite a decrease in funds due to an increase of 125,027,000 yen in notes and accounts receivable - trade.

(Cash flows from investing activities)

Net cash used in investing activities during the first quarter under review amounted to 74,660,000 yen. The main factors for this are the recording of 46,662,000 yen as purchase of intangible assets primarily for developing software and the recording of 30,000,000 yen as purchase of investment securities.

(Cash flows from financing activities)

Net cash provided by financing activities during the first quarter under review amounted to 178,308,000 yen. The main factor behind this is an increase in funds resulting from a net increase of 300,000,000 yen in short-term borrowings, despite a decrease in funds resulting from cash dividends paid of 107,672,000 yen.

(3) Explanation on forecasts including consolidated results forecasts

The Company has announced its forecast figures for the first half of the fiscal year ending April 30, 2025 in the "Announcement of Financial Forecasts for the Second Quarter of the Fiscal Year Ending April 30, 2025" dated today, in which it forecasts net sales of 3,000 million yen, operating income of 580 million yen, ordinary income of 570 million yen, and net income attributable to owners of parent of 250 million yen. Since the Company manages its financial results on a full-year basis, the forecasts of consolidated results for the first half have not been announced in previous years. In the previous fiscal year, advertising expenses significantly increased from the second quarter onward, but we do not anticipate any major changes in advertising expenses in each quarter of the current fiscal year. The year-on-year profit growth rate for the current fiscal year is expected to show a different trend from previous years, with a relatively low growth rate in the first half (especially the first quarter) and a relatively high growth rate in the second half. Therefore, the Company has announced its consolidated results forecast figures for the first half of the fiscal year ending April 30, 2025 in order to promote investors' understanding. For details, please refer to the

“Announcement of Financial Forecasts for the Second Quarter of the Fiscal Year Ending April 30, 2025.” The full-year financial forecasts are generally in line with plans and remain unchanged from the previously announced forecasts at this time.

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, 2024)	End of first quarter of the consolidated fiscal year under review (As of July 31, 2024)
Assets		
Current assets		
Cash and deposits	4,624,362	4,910,176
Accounts receivable - trade	7,702,545	7,827,573
Rights to claim compensation	47,696	55,494
Supplies	132	76
Prepaid expenses	224,394	208,394
Other	451,642	458,396
Allowance for doubtful accounts	(333,013)	(377,909)
Total current assets	12,717,761	13,082,202
Non-current assets		
Property, plant and equipment		
Buildings	620,329	620,329
Accumulated depreciation	(130,572)	(136,451)
Buildings, net	489,756	483,877
Tools, furniture and fixtures	82,769	83,267
Accumulated depreciation	(42,261)	(45,266)
Tools, furniture and fixtures, net	40,507	38,000
Land	882,140	882,140
Total property, plant and equipment	1,412,404	1,404,018
Intangible assets		
Software	310,072	302,158
Software in progress	102,804	129,911
Other	1,721	1,638
Total intangible assets	414,599	433,707
Investments and other assets		
Investment securities	461,733	489,733
Lease and guarantee deposits	1,748	1,748
Deferred tax assets	373,816	396,067
Other	80	80
Total investments and other assets	837,378	887,629
Total non-current assets	2,664,381	2,725,356
Total assets	15,382,142	15,807,558

(Thousand yen)

	End of previous consolidated fiscal year (As of April 30, 2024)	End of first quarter of the consolidated fiscal year under review (As of July 31, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	8,245,084	8,328,917
Short-term borrowings	—	300,000
Current portion of long-term borrowings	45,000	45,000
Accounts payable - other	254,210	213,918
Income taxes payable	134,029	134,055
Allowance for guarantees	169,381	173,490
Provision for bonuses	103,455	43,638
Provision for sales promotion expenses	58,710	60,173
Deposits received	14,122	21,972
Other	437,351	470,383
Total current liabilities	9,461,345	9,791,550
Non-current liabilities		
Long-term borrowings	926,250	915,000
Other	61,728	57,404
Total non-current liabilities	987,978	972,404
Total liabilities	10,449,324	10,763,954
Net assets		
Shareholders' equity		
Capital stock	1,864,071	1,864,071
Capital surplus	1,263,889	1,263,889
Retained earnings	2,550,214	2,647,692
Treasury shares	(899,839)	(899,871)
Total shareholders' equity	4,778,337	4,875,782
Share acquisition rights	154,480	167,821
Total net assets	4,932,818	5,043,604
Total liabilities and net assets	15,382,142	15,807,558

(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, 2023 to July 31, 2023)	First quarter of the consolidated fiscal year under review (From May 1, 2024 to July 31, 2024)
Net sales	1,389,533	1,523,582
Cost of sales	269,274	303,621
Gross profit	1,120,258	1,219,961
Selling, general and administrative expenses	841,582	920,106
Operating income	278,676	299,854
Non-operating income		
Commission income	631	535
Surrender value of insurance policies	5,231	—
Other	917	651
Total non-operating income	6,781	1,187
Non-operating expenses		
Interest expenses	958	2,046
Commission expenses	886	376
Commission for purchase of treasury shares	2,465	—
Other	0	96
Total non-operating expenses	4,310	2,519
Ordinary income	281,147	298,522
Income before income taxes	281,147	298,522
Income taxes	98,404	93,372
Net income	182,742	205,150
Net income attributable to owners of parent	182,742	205,150

(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, 2023 to July 31, 2023)	First quarter of the consolidated fiscal year under review (From May 1, 2024 to July 31, 2024)
Net income	182,742	205,150
Comprehensive income	182,742	205,150
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	182,742	205,150

(3) Consolidated statements of cash flows

(Thousand yen)

	First quarter of the consolidated fiscal year under review (From May 1, 2024 to July 31, 2024)
Cash flows from operating activities	
Income before income taxes	298,522
Depreciation	34,467
Share-based remuneration expenses	13,340
Increase (decrease) in allowance for doubtful accounts	44,895
Increase (decrease) in allowance for guarantees	4,109
Interest and dividend income	(2)
Interest expenses	2,046
Decrease (increase) in notes and accounts receivable - trade	(125,027)
Decrease (increase) in rights to claim compensation	(7,797)
Decrease (increase) in inventories	55
Increase (decrease) in notes and accounts payable - trade	83,832
Increase (decrease) in deposits received	7,850
Increase (decrease) in advances received	39,008
Decrease (increase) in prepaid expenses	15,999
Decrease/increase in consumption taxes receivable/payable	(18,579)
Other	(107,112)
Subtotal	285,608
Interest and dividend income received	2
Interest expenses paid	(2,047)
Income taxes paid	(107,936)
Cash flows provided by (used in) operating activities	175,626
Cash flows from investing activities	
Purchase of property, plant and equipment	(498)
Purchase of intangible assets	(46,662)
Purchase of investment securities	(30,000)
Proceeds from withdrawal of time deposits	500
Proceeds from distributions from investment partnerships	2,000
Cash flows provided by (used in) investing activities	(74,660)
Cash flows from financing activities	
Repayments of long-term borrowings	(11,250)
Cash dividends paid	(107,672)
Purchase of treasury shares	(32)
Net increase (decrease) in short-term borrowings	300,000
Other	(2,736)
Cash flows provided by (used in) financing activities	178,308
Net increase (decrease) in cash and cash equivalents	279,274
Cash and cash equivalents at beginning of period	4,613,379
Cash and cash equivalents at end of period	4,892,654

(4) Notes on quarterly consolidated financial statements

(Changes in accounting policies)

(Application of the “Accounting Standard for Current Income Taxes,” etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, revised on October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the first quarter of the fiscal year under review. Revisions to categories for recording “Income taxes” (taxation on other comprehensive income) conform to the transitional treatment in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022, and Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, revised on October 28, 2022; the “Revised Guidance of 2022”). These changes in accounting policies have no impact on the quarterly consolidated financial statements.

As for the revision related to the review of the treatment in the consolidated financial statements in the case of the deferral for tax purposes of gain or loss on sale arising from the sale of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Revised Guidance of 2022 from the beginning of the first quarter of the fiscal year under review. These changes in accounting policies are applied retrospectively, including the quarterly consolidated financial statements and the consolidated financial statements of the previous fiscal year which have been adjusted retrospectively. These changes in accounting policies have no impact on the quarterly consolidated financial statements and the consolidated financial statements of the previous fiscal year.

(Notes regarding segment information)

[Segment information]

I. First quarter of the previous consolidated fiscal year (from May 1, 2023, to July 31, 2023)

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	796,974	592,558	1,389,533	—	1,389,533
Inter-segment sales and transfers	—	70,479	70,479	(70,479)	—
Total	796,974	663,037	1,460,012	(70,479)	1,389,533
Segment profit	307,218	126,488	433,706	(155,030)	278,676

(Notes) 1. The segment profit adjustment of minus 155,030,000 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, 2024, to July 31, 2024)

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	865,654	657,928	1,523,582	—	1,523,582
Inter-segment sales and transfers	—	78,916	78,916	(78,916)	—
Total	865,654	736,845	1,602,499	(78,916)	1,523,582
Segment profit	298,936	183,051	481,987	(182,132)	299,854

(Notes) 1. The segment profit adjustment of minus 182,132,000 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

(Notes in the case of significant changes in amount of shareholders' equity)

Not applicable

(Notes regarding going concern assumptions)

Not applicable