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(For translation purposes only)

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**Notice Concerning Increase in Profit Margins Leading to
Medium- to Long-Term Corporate Value Enhancement**

Raccoon Holdings, Inc. (“Raccoon”) uses ROE as one of its key indicators. Backed by a high marginal profit rate, Raccoon aims to improve its operating margin while investing in growth, and to enhance ROE through proactive shareholder returns. Raccoon hereby announces that events contributing to the medium- to long-term improvement in profit margins have occurred in both the EC business and Financial business, and these are expected to contribute to improving capital profitability in the future, as follows.

1. Details of events contributing to the medium- to long-term improvement in profit margins

(1) Increase in the gross margin of the EC business due to lower credit card fees for “Super Delivery”

It has been determined today that, effective November 1, 2024, the fee rate for credit card payment, one of the payment methods for “Super Delivery,” will be reduced. As a result of this reduction, the gross margin of the EC business is expected to increase by approximately 2% compared to the previous rate.

(2) Increase in the gross margin of the Financial business due to the exclusion of RACCOON RENT, Inc. (“RACCOON RENT”) from consolidated subsidiaries

As announced in the “(Progress of Disclosed Matters) Notice Concerning Transfer of Consolidated Subsidiary (Share Transfer)” on October 21, 2024, all shares in RACCOON RENT, Raccoon’s consolidated subsidiary, are scheduled to be transferred on November 1, 2024. RACCOON RENT will be excluded from consolidated subsidiaries at the time of completion of this share transfer. Due to this transfer, the sales growth rate of the Financial business for the current fiscal year (fiscal year ending April 30, 2025) will be lower compared to the previous fiscal year (fiscal year ended April 30, 2024), when RACCOON RENT’s results were included. However, since the rent guarantee business, the gross margin of which is relatively low among the services in the Financial business, will be excluded, the gross margin of the Financial business is expected to increase by approximately 3%.

2. Future outlook and impact on results

Since the increase in gross margins for the EC business and Financial business will begin in November 2024, the contribution to the consolidated results for the fiscal year ending April 30, 2025 is expected to be minor, and as such the results forecasts have not been changed. Any changes to consolidated results forecasts will be promptly disclosed.