

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

June 12, 2025

Listed company: Raccoon Holdings, Inc.

Stock Exchange: Tokyo Stock Exchange

Code: 3031

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Scheduled date of annual shareholders meeting: July 26, 2025

Scheduled date of commencement of dividend payment: July 28, 2025

Scheduled date of submission of annual securities report: July 23, 2025

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 fiscal year ended April 30, 2025 (May 1, 2024 through April 30, 2025)

(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	%
Year ended April 30, 2025	6,098	5.0	1,254	121.3	1,397	160.8	836	156.7
Year ended April 30, 2024	5,808	9.2	566	(52.5)	535	(56.3)	325	(51.3)

(Note) Comprehensive income
Year ended April 30, 2025 ¥846 million (159.8%)
Year ended April 30, 2024 ¥325 million ((51.3)%)

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
Year ended April 30, 2025	39.61	39.28	18.2	8.8	20.6
Year ended April 30, 2024	15.15	15.07	6.5	3.5	9.8

(Reference) Equity in earnings of affiliates
Year ended April 30, 2025 ¥- million
Year ended April 30, 2024 ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of April 30, 2025	16,217	4,584	27.3	217.42
As of April 30, 2024	15,382	4,932	31.1	223.24

(Reference) Shareholders' equity
As of April 30, 2025 ¥4,419 million
As of April 30, 2024 ¥4,778 million

(3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
As of April 30, 2025	1,049	(344)	(988)	4,330
As of April 30, 2024	660	(524)	(950)	4,613

2. Dividends

	Dividend per share					Total amount of dividends	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	End of Q1	End of Q2	End of Q3	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended April 30, 2024	–	9.00	–	5.00	14.00	301	92.4	6.0
Fiscal year ended April 30, 2025	–	10.00	–	12.00	22.00	460	55.5	10.0
Fiscal year ending April 30, 2026 (forecast)	–	11.00	–	11.00	22.00		49.7	

3. Forecast of consolidated results for the fiscal year ending April 30, 2026 (May 1, 2025 through April 30, 2026)

(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
Full year	6,740	10.5	1,410	12.4	1,400	0.2	900	7.5	44.27

* Notes

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

Newly included: -

Excluded: 1 company (RACCOON RENT, Inc.)

(2) 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

(3) Number of issued shares (common shares)

(i) Number of issued shares (including treasury stock) at the end of the period			
April 30, 2025	22,258,943	April 30, 2024	22,235,143
(ii) Number of treasury stock shares at the end of the period			
April 30, 2025	1,930,310	April 30, 2024	830,257
(iii) Average number of issued shares during the fiscal year			
Year ended April 30, 2025	21,129,314	Year ended April 30, 2024	21,510,072

*This financial summary is not subject to audit procedures by a certified public accountant or audit corporation.

* 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., (4) Future prospects” on page 6 of the accompanying materials.

(How to obtain supplementary information for financial results and information on results briefings)

Supplementary documents for the financial results will be disclosed on the TDnet (Timely Disclosure network operated by the Tokyo Stock Exchange) shortly. Additionally, the Company will hold a results briefing session for institutional investors and securities analysts via a live stream on Thursday, June 12, 2025. The video of this results briefing session will be provided on the website promptly after the session is held.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy showed a moderate recovery trend due to improving employment and income conditions and continued inbound demand. However, the international outlook remains uncertain due to the prolonged situations in Ukraine and the Middle East, concerns over the future of the Chinese economy, and various policy developments under the Trump administration in the United States.

Under such circumstances, aiming to double its operating income and achieve record profits in the fiscal year ended April 30, 2025, the Raccoon Group has worked to expand the scale of both the EC business and the Financial business. As a result, consolidated net sales for the fiscal year under review were 6,098,405,000 yen (up 5.0% year on year). Additionally, following the completion of the share transfer, RACCOON RENT, Inc. was excluded from the Company's consolidated subsidiaries in the third quarter.

In terms of expenditures, in the Financial business, the rate of cost of sales increased in the fourth quarter due to a temporary cost associated with the revision of reinsurance terms. However, this temporary cost was limited to the fourth quarter and resulted from an additional allowance associated with the reinsurance revision. Even after accounting for this temporary cost, the rate of cost of sales remained within the Company's expected range, and the Company's credit screening continues to be appropriately controlled. The Company actively invested in advertising with a focus on listing, which is highly effective in attracting customers in the EC business. However, unlike the previous fiscal year, we did not run television commercials or similar advertisements. Consequently, advertising expenses decreased by 28.0% year on year. Personnel expenses increased by 4.7% year on year, mainly due to base salary increases implemented in response to inflation, but other expenses decreased by 6.6% year on year, resulting in a 9.0% year-on-year decrease in selling, general and administrative expenses. As a result, the Company posted operating income of 1,254,725,000 yen (up 121.3% year on year), ordinary income of 1,397,299,000 yen (up 160.8% year on year), and net income attributable to owners of parent of 836,932,000 yen (up 156.7% 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 fiscal year under review, the Company worked 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. Throughout the fiscal year under review, the increase in the number of buying customers remained at a high level, driving the growth of the national gross merchandise across Japan, which increased by 8.9% year on year.

As for overseas, although there were concerns about the negative impact of U.S. tariff policies, both the number of buying customers and the average sale per customer increased steadily in the fourth quarter. As a result, the gross merchandise value overseas increased by 12.7% year on year and the value of transactions of Super Delivery for the fiscal year under review totaled 27,676,709,000 yen (up 9.9% year on year).

As a result, sales in the EC business stood at 3,562,903,000 yen (up 6.9% year on year). In terms of expenditures, advertising expenses and sales promotion expenses decreased by 22.8% year on year as the Company actively invested in advertising with a focus on listing, which is highly effective in attracting customers, and did not undertake large-scale advertising investments such as television commercials implemented in the previous fiscal year. Personnel expenses increased by 11.6% year on year, but other expenses were reined in. Consequently, segment profit was 1,239,347,000 yen (up 39.7% year on year).

(ii) Financial business

In the Paid service, continuous efforts have been made to actively acquire 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 41,286,892,000 yen (up 14.5%) and the overall value of transactions (including 12,476,661,000 yen of transactions within the Group) stood at 53,763,554,000 yen (up 12.9%), 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. Guarantees outstanding at the end of the fiscal year under review amounted to 62,998,644,000 yen, up 12.0% from the end of the previous fiscal year.

Additionally, the transfer of shares in RACCOON RENT, Inc. (rent guarantee business) to Entrust Inc. was completed on November 1, 2024, and consequently, RACCOON RENT, Inc. was excluded from the Company's consolidated subsidiaries in the third quarter.

As a result, sales in the Financial business stood at 2,860,360,000 yen (up 3.0% year on year). In terms of expenditures, the rate of cost of sales has remained at a low level due to the Company's appropriate credit screening control. The rate of cost of sales increased in the fourth quarter due to a temporary cost associated with the revision of reinsurance terms, however, it remained within the Company's expected range. As for advertising expenses, as the Company did not air television commercials this fiscal year, they decreased by 40.8% year on year. Personnel expenses and other expenses were also curbed. Consequently, segment profit totaled 733,821,000 yen (up 97.6% year on year).

(2) Overview of the financial status for the fiscal year under review

Total assets at the end of the fiscal year under review amounted to 16,217,838,000 yen, up 835,695,000 yen from the end of the previous fiscal year. Current assets increased 595,195,000 yen to 13,312,957,000 yen. The main factor causing the increase was the increase of 1,141,035,000 yen in accounts receivable - trade due to increased transactions, despite the decrease of 283,840,000 yen in cash and deposits mainly due to purchase of treasury shares. Non-current assets increased 240,499,000 yen to 2,904,881,000 yen. The main factor for the increase was the increase of 220,033,000 yen in investment securities mainly due to acquisitions and the recording of gain on investments in investment partnerships.

Liabilities at the end of the fiscal year under review totaled 11,633,564,000 yen, up 1,184,239,000 yen from the end of the previous fiscal year. Current liabilities increased 1,232,999,000 yen to 10,694,345,000 yen. The main factors for the increase were the increase of 950,786,000 yen in accounts payable - trade due to increased transactions and the recording of 300,000,000 yen in short-term borrowings. Non-current liabilities decreased 48,760,000 yen to 939,218,000 yen. The main factor for the decrease was the decrease of 45,000,000 yen in long-term borrowings due to repayment.

Net assets at the end of the fiscal year under review decreased 348,544,000 yen to 4,584,273,000 yen. The main factors for the decrease were the decrease of 322,549,000 yen in retained earnings due to cash dividends paid, despite the increase in retained earnings due to the recording of 836,932,000 yen in net income attributable to owners of parent, and the increase of 908,987,000 yen in treasury shares mainly due to purchase of treasury shares.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (the "funds") at the end of the fiscal year under review decreased 282,838,000 yen from the end of the previous fiscal year to 4,330,540,000 yen. Cash flows from each activity for the fiscal year under review and their primary factors are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities during the fiscal year under review amounted to 1,049,771,000 yen. The main factor for this is the recording of 1,247,709,000 yen in income before income taxes.

(Cash flows from investing activities)

Net cash used in investing activities during the fiscal year under review amounted to 344,536,000 yen. The main factors for this are the recording of 183,215,000 yen as purchase of intangible assets primarily for developing software and the recording of 215,000,000 yen as purchase of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities during the fiscal year under review amounted to 988,073,000 yen. The main factors for this are the recording of 908,987,000 yen as purchase of treasury shares and the recording of 322,549,000 yen as cash dividends paid, despite the recording of 300,000,000 yen as net increase (decrease) in short-term borrowings.

(4) Future prospects

For the fiscal year ending April 30, 2026, the Company forecasts net sales of 6,740 million yen, operating income of 1,410 million yen, ordinary income of 1,400 million yen, and net income attributable to owners of parent of 900 million yen.

For the fiscal year ending April 30, 2026, the Company aims for double-digit growth in both net sales and income, and intends to continue to expand the scale of its business by accelerating the pace of customer acquisitions. In particular, in the EC business, we aim to increase the number of buying customers while maintaining the average sale per customer, which has shown signs of bottoming out since the second half of the fiscal year ended April 30, 2025. For the fiscal year ending April 30, 2026, we do not plan to undertake large-scale advertising investments such as mass media campaigns, such as those implemented in the fiscal year ended April 30, 2024. Instead, we intend to continue implementing initiatives that proved effective in the fiscal year ended April 30, 2025, and as a result, advertising and sales promotion expenses are expected to increase by slightly under 15% year on year.

With respect to the impact of U.S. tariff policies, the Company has not factored it into the results forecast for the fiscal year ending April 30, 2026, as there are still many uncertainties at this time. Should any material impact requiring disclosure be expected due to changes in circumstances going forward, we will disclose such information promptly.

Additionally, the Company has announced the Mid-term Management Plan (for the fiscal years ending April 30, 2026 through April 30, 2028) concurrently with this document. For more detailed and medium- to long-term strategies, please refer to this plan.

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. Basic Policy on Selection of Accounting Standards

The Raccoon Group intends to continue preparing its consolidated financial statements using Japanese GAAP for the foreseeable future, taking into consideration the comparability of consolidated financial statements by term and comparability between companies.

The Raccoon Group intends to appropriately address the adoption of International Financial Reporting Standards considering circumstances in Japan and overseas.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheets

(Thousand yen)

	End of previous consolidated fiscal year (As of April 30, 2024)	End of consolidated fiscal year under review (As of April 30, 2025)
Assets		
Current assets		
Cash and deposits	4,624,362	4,340,522
Accounts receivable - trade	7,702,545	8,843,581
Rights to claim compensation	47,696	19,719
Supplies	132	57
Prepaid expenses	224,394	228,945
Other	451,642	264,460
Allowance for doubtful accounts	(333,013)	(384,329)
Total current assets	12,717,761	13,312,957
Non-current assets		
Property, plant and equipment		
Buildings	620,329	620,329
Accumulated depreciation	(130,572)	(154,087)
Buildings, net	489,756	466,241
Tools, furniture and fixtures	82,769	89,630
Accumulated depreciation	(42,261)	(45,261)
Tools, furniture and fixtures, net	40,507	44,368
Land	882,140	882,140
Total property, plant and equipment	1,412,404	1,392,750
Intangible assets		
Software	310,072	301,247
Software in progress	102,804	139,594
Other	1,721	632
Total intangible assets	414,599	441,474
Investments and other assets		
Investment securities	461,733	681,766
Lease and guarantee deposits	1,748	15,757
Deferred tax assets	373,816	373,082
Other	80	50
Total investments and other assets	837,378	1,070,656
Total non-current assets	2,664,381	2,904,881
Total assets	15,382,142	16,217,838

(Thousand yen)

	End of previous consolidated fiscal year (As of April 30, 2024)	End of consolidated fiscal year under review (As of April 30, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	8,245,084	9,195,870
Short-term borrowings	—	300,000
Current portion of long-term borrowings	45,000	45,000
Accounts payable - other	254,210	216,482
Income taxes payable	134,029	368,261
Allowance for guarantees	169,381	188,143
Provision for bonuses	103,455	111,801
Provision for sales promotion expenses	58,710	56,150
Deposits received	14,122	15,195
Other	437,351	197,439
Total current liabilities	9,461,345	10,694,345
Non-current liabilities		
Long-term borrowings	926,250	881,250
Other	61,728	57,968
Total non-current liabilities	987,978	939,218
Total liabilities	10,449,324	11,633,564
Net assets		
Shareholders' equity		
Capital stock	1,864,071	1,877,096
Capital surplus	1,263,889	1,276,914
Retained earnings	2,550,214	3,064,598
Treasury shares	(899,839)	(1,808,827)
Total shareholders' equity	4,778,337	4,409,782
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	—	9,994
Total accumulated other comprehensive income	—	9,994
Share acquisition rights	154,480	164,495
Total net assets	4,932,818	4,584,273
Total liabilities and net assets	15,382,142	16,217,838

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)

(Thousand yen)

	Previous consolidated fiscal year (From May 1, 2023 to April 30, 2024)	Consolidated fiscal year under review (From May 1, 2024 to April 30, 2025)
Net sales	5,808,066	6,098,405
Cost of sales	1,194,751	1,162,236
Gross profit	4,613,314	4,936,168
Selling, general and administrative expenses	4,046,351	3,681,443
Operating income	566,962	1,254,725
Non-operating income		
Commission income	8,448	9,938
Gain on investments in investment partnerships	—	154,858
Surrender value of insurance policies	5,231	—
Miscellaneous income	4,136	5,507
Total non-operating income	17,817	170,305
Non-operating expenses		
Interest expenses	4,324	10,064
Commission expenses	2,236	12,904
Loss on investments in investment partnerships	39,619	—
Commission for purchase of treasury shares	2,465	4,484
Miscellaneous loss	273	276
Total non-operating expenses	48,918	27,730
Ordinary income	535,861	1,397,299
Extraordinary losses		
Loss on liquidation of business	—	123,027
Loss on sale of shares of subsidiaries and associates	—	26,563
Total extraordinary losses	—	149,590
Income before income taxes	535,861	1,247,709
Income taxes - current	309,897	486,518
Income taxes - deferred	(100,018)	(75,741)
Total income taxes	209,878	410,776
Net income	325,982	836,932
Net income attributable to owners of parent	325,982	836,932

(Consolidated statements of comprehensive income)

(Thousand yen)

	Previous consolidated fiscal year (From May 1, 2023 to April 30, 2024)	Consolidated fiscal year under review (From May 1, 2024 to April 30, 2025)
Net income	325,982	836,932
Other comprehensive income		
Valuation difference on available-for-sale securities	—	9,994
Total other comprehensive income	—	9,994
Comprehensive income	325,982	846,927
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	325,982	846,927

(3) Consolidated statements of changes in equity

Previous consolidated fiscal year (from May 1, 2023, to April 30, 2024)

(Thousand yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	1,860,286	1,260,104	2,618,097	(422,523)	5,315,965	—	—	113,037	5,429,003
Changes during period									
Issuance of new shares	3,785	3,785			7,570				7,570
Dividends of surplus			(393,865)		(393,865)				(393,865)
Net income attributable to owners of parent			325,982		325,982				325,982
Purchase of treasury shares				(503,576)	(503,576)				(503,576)
Disposal of treasury shares				26,260	26,260				26,260
Net changes in items other than shareholders' equity						—	—	41,442	41,442
Total changes during period	3,785	3,785	(67,882)	(477,316)	(537,628)	—	—	41,442	(496,185)
Balance at end of period	1,864,071	1,263,889	2,550,214	(899,839)	4,778,337	—	—	154,480	4,932,818

Consolidated fiscal year under review (from May 1, 2024, to April 30, 2025)

(Thousand yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	1,864,071	1,263,889	2,550,214	(899,839)	4,778,337	—	—	154,480	4,932,818
Changes during period									
Issuance of new shares	13,025	13,025			26,050				26,050
Dividends of surplus			(322,549)		(322,549)				(322,549)
Net income attributable to owners of parent			836,932		836,932				836,932
Purchase of treasury shares				(908,987)	(908,987)				(908,987)
Disposal of treasury shares					—				—
Net changes in items other than shareholders' equity						9,994	9,994	10,015	20,010
Total changes during period	13,025	13,025	514,383	(908,987)	(368,554)	9,994	9,994	10,015	(348,544)
Balance at end of period	1,877,096	1,276,914	3,064,598	(1,808,827)	4,409,782	9,994	9,994	164,495	4,584,273

(4) Consolidated statements of cash flows

(Thousand yen)

	Previous consolidated fiscal year (From May 1, 2023 to April 30, 2024)	Consolidated fiscal year under review (From May 1, 2024 to April 30, 2025)
Cash flows from operating activities		
Income before income taxes	535,861	1,247,709
Depreciation	126,750	147,478
Share-based remuneration expenses	49,006	36,041
Increase (decrease) in allowance for doubtful accounts	88,063	51,316
Increase (decrease) in allowance for guarantees	41,472	54,568
Interest and dividend income	(48)	(2,390)
Interest expenses	4,324	10,064
Loss (gain) on investments in investment partnerships	39,619	(154,858)
Loss on liquidation of business	—	123,027
Loss (gain) on sale of shares of subsidiaries and associates	—	26,563
Decrease (increase) in notes and accounts receivable - trade	(635,126)	(1,142,195)
Decrease (increase) in rights to claim compensation	33,567	(9,950)
Decrease (increase) in inventories	51	74
Increase (decrease) in notes and accounts payable - trade	715,102	950,786
Increase (decrease) in deposits received	(12,416)	1,082
Increase (decrease) in advances received	(30,471)	(13,675)
Decrease (increase) in prepaid expenses	(31,590)	(36,781)
Decrease/increase in consumption taxes receivable/payable	(36,376)	9,576
Other	28,344	(39,389)
Subtotal	916,133	1,259,045
Interest and dividend income received	48	2,390
Interest expenses paid	(4,349)	(10,483)
Payments from liquidation of business	—	(164,452)
Income taxes paid	(557,147)	(257,267)
Income taxes refund	306,302	220,538
Cash flows provided by (used in) operating activities	660,987	1,049,771
Cash flows from investing activities		
Purchase of property, plant and equipment	—	(4,255)
Purchase of intangible assets	(236,649)	(183,215)
Purchase of investment securities	(296,250)	(215,000)
Proceeds from withdrawal of time deposits	—	500
Proceeds from distributions from investment partnerships	8,180	162,430
Payments for lease and guarantee deposits	(197)	(14,639)
Proceeds from refund of leasehold and guarantee deposits	205	630
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(90,987)
Cash flows provided by (used in) investing activities	(524,711)	(344,536)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	300,000
Repayments of long-term borrowings	(48,750)	(45,000)
Cash dividends paid	(393,865)	(322,549)
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	6	23
Purchase of treasury shares	(503,576)	(908,987)
Proceeds from disposal of treasury shares	3,057	—
Other	(7,449)	(11,559)
Cash flows provided by (used in) financing activities	(950,577)	(988,073)
Net increase (decrease) in cash and cash equivalents	(814,301)	(282,838)
Cash and cash equivalents at beginning of period	5,427,680	4,613,379
Cash and cash equivalents at end of period	4,613,379	4,330,540

(5) Notes on consolidated financial statements

(Notes regarding going concern assumptions)

Not applicable

(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 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 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 fiscal year under review. These changes in accounting policies are applied retrospectively, including the consolidated financial statements of the previous fiscal year which have been adjusted retrospectively. These changes in accounting policies have no impact on the consolidated financial statements of the previous fiscal year.

(Segment information, etc.)

[Segment information]

1. Summary of reporting segments

The Company's reporting segments are organizational units for which separate financial information is available, and they are regularly reviewed by the Board of Directors to determine the allocation of management resources and assess business results. In the Raccoon Group, the Company, which is a holding company, formulates comprehensive strategies and engages in overall management, while each business company conducts its own business activities based on those management strategies. Each business company provides infrastructure services for business-to-business transactions with the aim of making corporate activities more efficient and convenient. Business activities are undertaken in an effort to increase sales and profits while striving to improve services.

Accordingly, the Raccoon Group is comprised of segments by service based on business companies, with the two reporting segments of the EC business and Financial business.

The EC business conducts business centered around the operation of Super Delivery, a business-to-business (BtoB) transaction website. The Financial business engages in the operation of the Paid service, a BtoB deferred payment service for transactions between enterprises, the operation of the URIHO service, service to provide guarantees for accounts receivables of enterprises from their business partners, and a rent guarantee service.

RACCOON RENT, Inc., which operated a rent guarantee service, has been excluded from the scope of consolidation as of November 2024 due to the transfer of all its shares.

2. The method of measurements of sales, profits or losses, assets, liabilities, and other items by reporting segment

The method of accounting for reporting business segments is generally the same as that stated in the basis for preparing consolidated financial statements.

Profits for reporting segments are figures based on operating income.

Inter-segment sales and transfers are determined according to prevailing market prices.

3. Information on sales, profits or losses, assets, liabilities, and other items by reporting segment

Previous consolidated fiscal year (from May 1, 2023, to April 30, 2024)

(Thousand yen)

	Reporting segment			Adjustment (Note 1)	Consolidated financial statement amount (Notes 2, 3, 4)
	EC	Financial	Total		
Sales					
Sales to external customers	3,331,676	2,476,390	5,808,066	—	5,808,066
Inter-segment sales and transfers	—	300,429	300,429	(300,429)	—
Total	3,331,676	2,776,819	6,108,495	(300,429)	5,808,066
Segment profit	887,260	371,299	1,258,559	(691,596)	566,962
Segment assets	4,225,977	9,539,685	13,765,662	1,616,480	15,382,142
Segment liabilities	3,132,558	8,420,904	11,553,463	(1,104,138)	10,449,324
Other items					
Depreciation	37,073	52,325	89,399	37,351	126,750
Increase in property, plant and equipment and intangible assets	46,945	164,125	211,071	47,324	258,396

(Notes) 1. The segment profit adjustment of minus 691,596,000 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 consolidated statements of income.

3. Segment assets are adjusted to total assets in the consolidated balance sheets.

4. Segment liabilities are adjusted to total liabilities in the consolidated balance sheets.

Consolidated fiscal year under review (from May 1, 2024, to April 30, 2025)

(Thousand yen)

	Reporting segment			Adjustment (Note 1)	Consolidated financial statement amount (Notes 2, 3, 4)
	EC	Financial	Total		
Sales					
Sales to external customers	3,562,903	2,535,501	6,098,405	—	6,098,405
Inter-segment sales and transfers	—	324,858	324,858	(324,858)	—
Total	3,562,903	2,860,360	6,423,263	(324,858)	6,098,405
Segment profit	1,239,347	733,821	1,973,168	(718,443)	1,254,725
Segment assets	4,954,724	10,512,346	15,467,071	750,766	16,217,838
Segment liabilities	3,537,663	9,287,845	12,825,508	(1,191,944)	11,633,564
Other items					
Depreciation	31,699	76,433	108,133	39,345	147,478
Extraordinary losses	—	149,590	149,590	—	149,590
Increase in property, plant and equipment and intangible assets	28,301	127,249	155,551	46,459	202,010

- (Notes) 1. The segment profit adjustment of minus 718,443,000 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 consolidated statements of income.
3. Segment assets are adjusted to total assets in the consolidated balance sheets.
4. Segment liabilities are adjusted to total liabilities in the consolidated balance sheets.

[Related information]

Previous consolidated fiscal year (from May 1, 2023, to April 30, 2024)

1. Information by product and service

The classifications of products and services are identical to the reporting segments, and the information is omitted.

2. Information by region

(1) Sales

The information is omitted as sales to external customers in Japan account for more than 90% of sales in the consolidated statements of income.

(2) Property, plant and equipment

The information is omitted as the Company does not have any property, plant and equipment outside Japan.

3. Information by major customer

The information is omitted as no external customer accounts for 10% or more of sales in the consolidated statements of income.

Consolidated fiscal year under review (from May 1, 2024, to April 30, 2025)

1. Information by product and service

The classifications of products and services are identical to the reporting segments, and the information is omitted.

2. Information by region

(1) Sales

The information is omitted as sales to external customers in Japan account for more than 90% of sales in the consolidated statements of income.

(2) Property, plant and equipment

The information is omitted as the Company does not have any property, plant and equipment outside Japan.

3. Information by major customer

The information is omitted as no external customer accounts for 10% or more of sales in the consolidated statements of income.

[Information on items related to impairment loss on non-current assets by reporting segment]

Previous consolidated fiscal year (from May 1, 2023, to April 30, 2024)

Not applicable.

Consolidated fiscal year under review (from May 1, 2024, to April 30, 2025)

Not applicable

[Information on the amortization and unamortized balance of goodwill by reporting segment]

Previous consolidated fiscal year (from May 1, 2023, to April 30, 2024)

Not applicable

Consolidated fiscal year under review (from May 1, 2024, to April 30, 2025)

Not applicable

[Information on gain on bargain purchase by reporting segment]

Not applicable

(Per share information)

(Yen)

	Previous consolidated fiscal year (From May 1, 2023, to April 30, 2024)	Consolidated fiscal year under review (From May 1, 2024, to April 30, 2025)
Net assets per share	223.24	217.42
Net income per share	15.15	39.61
Net income per share (diluted)	15.07	39.28

(Note) Net income per share and net income per share (diluted) are calculated based on the following.

	Previous consolidated fiscal year (From May 1, 2023, to April 30, 2024)	Consolidated fiscal year under review (From May 1, 2024, to April 30, 2025)
Net income per share		
Net income attributable to owners of parent (Thousand yen)	325,982	836,932
Amount not attributable to shareholders of common shares (Thousand yen)	—	—
Net income attributable to owners of parent attributable to common shares (Thousand yen)	325,982	836,932
Average number of common shares during the period (Shares)	21,510,072	21,129,314
Net income per share (diluted)		
Adjustment of net income attributable to owners of parent (Thousand yen)	—	—
Increase in number of common shares (Shares)	126,043	177,502
[of which share acquisition rights (Shares)]	(126,043)	(177,502)
Outline of potential common shares not used to calculate net income per share (diluted) because they do not have dilution effect	—	—

(Note) The Company's shares remaining in the employee stock ownership plan (J-ESOP), which have been recorded as treasury shares in shareholders' equity, are included in the treasury shares deducted from the total number of issued shares at the end of the term for the purpose of calculating "Net assets per share" (129,660 shares for the previous fiscal year and 129,660 shares for the fiscal year under review).

In addition, these are included in the treasury shares deducted when calculating the average number of issued shares during the term for the purpose of calculating "Net income per share" and "Net income per share (diluted)" (130,749 shares for the previous fiscal year and 129,660 shares for the fiscal year under review).

(Significant subsequent events)

Not applicable