

Summary of Financial Results (Consolidated)

For the Second Quarter of Fiscal Year Ending April 30, 2025

(Japanese GAAP)

November 29, 2024

Listed company: Raccoon Holdings, Inc.

Code: 3031

Representative: Isao Ogata, President and Representative Director

Contact: Satoshi Konno, Executive Vice President of Finance and Director

Scheduled date of submission of semi-annual securities report: December 12, 2024

Scheduled date of commencement of dividend payment: January 14, 2025

Supplementary documents for financial results: Yes

Financial results briefing: Yes (for institutional investors and securities analysts)

Stock Exchange: Tokyo Stock Exchange

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(Rounded down to the nearest million yen)

1. Consolidated results for the second quarter of fiscal year ending April 30, 2025 (May 1, 2024 through October 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	%
Second quarter of fiscal year ending April 30, 2025	3,052	8.3	619	89.9	599	83.5	289	42.7
Second quarter of fiscal year ended April 30, 2024	2,819	9.2	326	(46.3)	326	(48.1)	202	(47.1)

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

¥300 million (48.5%)

Second quarter of fiscal year ended April 30, 2024

¥202 million ((47.1)%)

	Net income per share	Net income per share (diluted)
	Yen	Yen
Second quarter of fiscal year ending April 30, 2025	13.51	13.41
Second quarter of fiscal year ended April 30, 2024	9.37	9.33

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of October 31, 2024	16,251	5,109	30.4	231.16
As of April 30, 2024	15,382	4,932	31.1	223.24

(Reference) Shareholders' equity

As of October 31, 2024

¥4,937 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	—	10.00			
Fiscal year ending April 30, 2025 (forecast)			—	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
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: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of accounting specific to the preparation of semi-annual 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 period			
October 31, 2024	22,238,343	April 30, 2024	22,235,143
(ii) Number of treasury stock shares at the end of the period			
October 31, 2024	880,310	April 30, 2024	830,257
(iii) Average number of issued shares during the period			
Second quarter ended October 31, 2024	21,402,675	Second quarter ended October 31, 2023	21,614,116

* This semi-annual financial summary is not subject to the statutory review 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., (3) Explanation on forecasts including consolidated results forecasts” on page 5 of the accompanying materials.

(How to obtain supplementary information for financial results)

Supplementary documents for the financial results will be disclosed on the TDnet (Timely Disclosure network operated by the Tokyo Stock Exchange) shortly.

○ Contents of Accompanying Materials

1. Overview of Operating Results, etc.....	4
(1) Overview of operating results for the period under review	4
(2) Overview of the financial status for the period under review	5
(3) Explanation on forecasts including consolidated results forecasts.....	5
2. Semi-annual Consolidated Financial Statements and Major Notes	6
(1) Semi-annual consolidated balance sheets	6
(2) Semi-annual consolidated statements of income and comprehensive income	8
(3) Semi-annual consolidated statements of cash flows	10
(4) Notes on semi-annual consolidated financial statements	11
(Changes in accounting policies).....	11
(Notes regarding segment information).....	12
(Notes in the case of significant changes in amount of shareholders' equity).....	12
(Notes regarding going concern assumptions).....	12
(Significant subsequent events)	13

1. Overview of Operating Results, etc.

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

During the second quarter under review (May 1, 2024 through October 31, 2024), the Japanese economy continued its moderate recovery trend, partly due to improving employment and income conditions and an increase in inbound demand. Meanwhile, the outlook remains uncertain due to such factors as exchange rate fluctuations, and concerns over a decline in consumer confidence caused by escalating prices of commodities associated with soaring raw material prices.

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 second quarter under review were 3,052,930,000 yen (up 8.3% 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, but advertising expenses decreased by 23.3% year on year due to a reactionary decline resulting from a significant increase in investments in customer acquisition and various promotions in the previous fiscal year. Personnel expenses increased by 8.1% year on year, but other expenses decreased by 7.6% year on year, resulting in a 5.7% year-on-year decrease in selling, general and administrative expenses. As a result, the Company posted operating income of 619,975,000 yen (up 89.9% year on year) and ordinary income of 599,440,000 yen (up 83.5% year on year). The Company also recorded a loss on liquidation of business of 123,027,000 yen as a result of the transfer of part of the contractual status as a rent guarantee company from its consolidated subsidiary RACCOON RENT, Inc. to nap. Inc., resulting in net income attributable to owners of parent of 289,106,000 yen (up 42.7% 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 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 buying customers remained high. Meanwhile, 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, and this decrease also continued in the second quarter, affected by the record-breaking and prolonged late summer heat. However, a significant increase in buying customers drove growth in gross merchandise value, resulting in a year-on-year increase of 9.4% in national gross merchandise across Japan.

As for overseas, a significant increase in buying customers also drove growth in gross merchandise value. The Company has been investing in advertising through tie-up videos with YouTubers in the U.S. and South Korea since the previous fiscal year and has started in the U.K. in the second quarter. As a result, the gross merchandise value overseas increased by 15.9% year on year and the value of transactions of Super Delivery for the second quarter under review totaled 13,325,172,000 yen (up 11.2% year on year).

Additionally, as of the end of the second quarter under review, the number of Super Delivery members stood at 430,412 (up 33,995), the number of participating companies at 3,237 (up 25), and the number of items displayed at 1,830,732 (up 172,279), all compared on a year-on-year basis.

As a result, sales in the EC business stood at 1,724,279,000 yen (up 7.0% year on year). In terms of expenditures, advertising expenses and sales promotion expenses decreased by 23.5% year on year as the Company actively invested in advertising with a focus on listing, which is highly effective in attracting customers, instead of large-scale advertising investments such as television commercials implemented in the previous fiscal year. Personnel expenses increased by 11.8% year on year, but other expenses were reined in, resulting in a year-on-year decrease of 11.5% in selling, general and administrative expenses. Consequently, segment profit was 587,194,000 yen (up 37.0% 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 20,136,511,000 yen (up 13.0%) and the overall value of transactions (including 5,991,458,000 yen of transactions within the Group) stood at 26,127,970,000 yen (up 12.2%), 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 second quarter under review amounted to 105,339,841,000 yen (57,927,878,000 yen for RACCOON FINANCIAL, Inc. (up 3.0% year on year) and 47,411,963,000 yen for RACCOON RENT, Inc. (down 26.4% year on year)), down 12.7% from the end of the previous fiscal year. As a result, sales in the Financial business stood at 1,484,641,000 yen (up 10.0% 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. As for selling, general and administrative expenses, advertising expenses decreased by 23.4% year on year, and personnel expenses and other expenses were curbed. Consequently, segment profit totaled 375,197,000 yen (up 48.9% year on year).

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

(i) Financial status

Total assets at the end of the second quarter under review amounted to 16,251,427,000 yen, up 869,284,000 yen from the end of the previous fiscal year. Current assets increased 773,805,000 yen to 13,491,567,000 yen. The main factors behind the increase were the increase of 335,041,000 yen in cash and deposits mainly due to income taxes refund and the increase of 612,375,000 yen in accounts receivable - trade due to increased transactions. Non-current assets increased 95,479,000 yen to 2,759,860,000 yen. The main factors behind the increase were the recording of 30,000,000 yen in newly acquired investment securities and the increase of 30,366,000 yen in software and software in progress in total.

Liabilities at the end of the second quarter under review totaled 11,142,386,000 yen, up 693,061,000 yen from the end of the previous fiscal year. Current liabilities increased 727,731,000 yen to 10,189,077,000 yen. The main factor behind the increase was the increase of 640,720,000 yen in accounts payable - trade due to increased transactions. Non-current liabilities decreased 34,669,000 yen to 953,309,000 yen. The main factor behind the decrease was the decrease of 22,500,000 yen in long-term borrowings due to repayment.

Net assets at the end of the second quarter under review increased 176,223,000 yen to 5,109,041,000 yen. The main factor behind the increase was the increase in retained earnings due to the recording of 289,106,000 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 second quarter under review increased 335,256,000 yen from the end of the previous fiscal year to 4,948,636,000 yen. Cash flows from each activity for the second quarter under review and their primary factors are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities during the second quarter under review amounted to 626,595,000 yen (the funds decreased 57,662,000 yen year on year). The main factors behind this are the recording of 476,413,000 yen in income before income taxes and 220,538,000 yen in income taxes refund.

(Cash flows from investing activities)

Net cash used in investing activities during the second quarter under review amounted to 116,444,000 yen (the funds increased 178,349,000 yen year on year). The main factors for this are the recording of 88,626,000 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 used in financing activities during the second quarter under review amounted to 174,894,000 yen (the funds increased 550,989,000 yen year on year). The main factors behind this are cash dividends paid of 107,672,000 yen and purchase of treasury shares of 39,232,000 yen.

(3) Explanation on forecasts including consolidated results forecasts

For the forecast of results for the fiscal year ending April 30, 2025, there are no changes to the consolidated results forecasts as announced on June 13, 2024.

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. Semi-annual Consolidated Financial Statements and Major Notes

(1) Semi-annual consolidated balance sheets

(Thousand yen)

	End of previous consolidated fiscal year (As of April 30, 2024)	End of second quarter of the consolidated fiscal year under review (As of October 31, 2024)
Assets		
Current assets		
Cash and deposits	4,624,362	4,959,404
Accounts receivable - trade	7,702,545	8,314,921
Rights to claim compensation	47,696	45,787
Supplies	132	77
Prepaid expenses	224,394	170,191
Other	451,642	410,705
Allowance for doubtful accounts	(333,013)	(409,519)
Total current assets	12,717,761	13,491,567
Non-current assets		
Property, plant and equipment		
Buildings	620,329	620,329
Accumulated depreciation	(130,572)	(142,330)
Buildings, net	489,756	477,998
Tools, furniture and fixtures	82,769	83,267
Accumulated depreciation	(42,261)	(48,281)
Tools, furniture and fixtures, net	40,507	34,985
Land	882,140	882,140
Total property, plant and equipment	1,412,404	1,395,125
Intangible assets		
Software	310,072	365,839
Software in progress	102,804	77,404
Other	1,721	1,559
Total intangible assets	414,599	444,803
Investments and other assets		
Investment securities	461,733	482,576
Lease and guarantee deposits	1,748	1,748
Deferred tax assets	373,816	435,526
Other	80	80
Total investments and other assets	837,378	919,931
Total non-current assets	2,664,381	2,759,860
Total assets	15,382,142	16,251,427

(Thousand yen)

	End of previous consolidated fiscal year (As of April 30, 2024)	End of second quarter of the consolidated fiscal year under review (As of October 31, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	8,245,084	8,885,805
Current portion of long-term borrowings	45,000	45,000
Accounts payable - other	254,210	225,912
Income taxes payable	134,029	284,932
Allowance for guarantees	169,381	162,043
Provision for bonuses	103,455	108,329
Provision for sales promotion expenses	58,710	58,744
Deposits received	14,122	15,219
Other	437,351	403,088
Total current liabilities	9,461,345	10,189,077
Non-current liabilities		
Long-term borrowings	926,250	903,750
Other	61,728	49,559
Total non-current liabilities	987,978	953,309
Total liabilities	10,449,324	11,142,386
Net assets		
Shareholders' equity		
Capital stock	1,864,071	1,866,498
Capital surplus	1,263,889	1,266,316
Retained earnings	2,550,214	2,731,648
Treasury shares	(899,839)	(939,071)
Total shareholders' equity	4,778,337	4,925,392
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	—	11,713
Total accumulated other comprehensive income	—	11,713
Share acquisition rights	154,480	171,936
Total net assets	4,932,818	5,109,041
Total liabilities and net assets	15,382,142	16,251,427

(2) Semi-annual consolidated statements of income and comprehensive income
(Semi-annual consolidated statements of income)

(Thousand yen)

	Second quarter of the previous consolidated fiscal year (From May 1, 2023 to October 31, 2023)	Second quarter of the consolidated fiscal year under review (From May 1, 2024 to October 31, 2024)
Net sales	2,819,099	3,052,930
Cost of sales	540,882	593,312
Gross profit	2,278,217	2,459,618
Selling, general and administrative expenses	1,951,685	1,839,643
Operating income	326,531	619,975
Non-operating income		
Commission income	1,296	5,468
Surrender value of insurance policies	5,231	—
Other	3,631	1,691
Total non-operating income	10,159	7,160
Non-operating expenses		
Interest expenses	1,825	4,226
Commission expenses	1,486	754
Loss on investments in investment partnerships	4,047	22,421
Commission for purchase of treasury shares	2,465	196
Other	273	96
Total non-operating expenses	10,097	27,694
Ordinary income	326,593	599,440
Extraordinary losses		
Loss on liquidation of business	—	123,027
Total extraordinary losses	—	123,027
Income before income taxes	326,593	476,413
Income taxes	124,060	187,307
Net income	202,533	289,106
Net income attributable to owners of parent	202,533	289,106

(Semi-annual consolidated statements of comprehensive income)

(Thousand yen)

	Second quarter of the previous consolidated fiscal year (From May 1, 2023 to October 31, 2023)	Second quarter of the consolidated fiscal year under review (From May 1, 2024 to October 31, 2024)
Net income	202,533	289,106
Other comprehensive income		
Valuation difference on available-for-sale securities	—	11,713
Total other comprehensive income	—	11,713
Comprehensive income	202,533	300,819
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	202,533	300,819

(3) Semi-annual consolidated statements of cash flows

(Thousand yen)

	Second quarter of the previous consolidated fiscal year (From May 1, 2023 to October 31, 2023)	Second quarter of the consolidated fiscal year under review (From May 1, 2024 to October 31, 2024)
Cash flows from operating activities		
Income before income taxes	326,593	476,413
Depreciation	58,602	74,580
Share-based remuneration expenses	25,580	22,306
Increase (decrease) in allowance for doubtful accounts	64,734	76,505
Increase (decrease) in allowance for guarantees	4,896	(2,341)
Interest and dividend income	(26)	(404)
Interest expenses	1,825	4,226
Loss (gain) on investments in investment partnerships	4,047	22,421
Loss on liquidation of business	—	123,027
Decrease (increase) in notes and accounts receivable - trade	(136,628)	(610,581)
Decrease (increase) in rights to claim compensation	14,475	(3,450)
Decrease (increase) in inventories	(7)	55
Increase (decrease) in notes and accounts payable - trade	221,094	640,720
Increase (decrease) in deposits received	(12,244)	1,097
Increase (decrease) in advances received	(20,936)	3,302
Decrease (increase) in prepaid expenses	52,489	52,778
Decrease/increase in consumption taxes receivable/payable	14,139	59,967
Other	122,240	(258,227)
Subtotal	740,878	682,397
Interest and dividend income received	26	404
Interest expenses paid	(1,809)	(4,293)
Payments from liquidation of business	—	(164,452)
Income taxes paid	(361,141)	(107,998)
Income taxes refund	306,302	220,538
Cash flows provided by (used in) operating activities	684,257	626,595
Cash flows from investing activities		
Purchase of property, plant and equipment	—	(498)
Purchase of intangible assets	(130,346)	(88,626)
Purchase of investment securities	(171,250)	(30,000)
Proceeds from withdrawal of time deposits	—	500
Proceeds from distributions from investment partnerships	7,000	2,430
Payments for lease and guarantee deposits	(197)	(16)
Proceeds from refund of leasehold and guarantee deposits	—	16
Other	—	(250)
Cash flows provided by (used in) investing activities	(294,793)	(116,444)
Cash flows from financing activities		
Repayments of long-term borrowings	(22,500)	(22,500)
Cash dividends paid	(200,054)	(107,672)
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	6	3
Purchase of treasury shares	(503,576)	(39,232)
Proceeds from disposal of treasury shares	3,057	—
Other	(2,816)	(5,492)
Cash flows provided by (used in) financing activities	(725,883)	(174,894)
Net increase (decrease) in cash and cash equivalents	(336,420)	335,256
Cash and cash equivalents at beginning of period	5,427,680	4,613,379
Cash and cash equivalents at end of period	5,091,260	4,948,636

(4) Notes on semi-annual 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 six months 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 semi-annual 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 six months of the fiscal year under review.

These changes in accounting policies are applied retrospectively, including the semi-annual 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 semi-annual consolidated financial statements and the consolidated financial statements of the previous fiscal year.

(Notes regarding segment information)

[Segment information]

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

1. Information on sales and profits or losses by reporting segment

(Thousand yen)

	Reporting segment			Adjustment (Note 1)	Semi-annual consolidated financial statement amount (Note 2)
	EC	Financial	Total		
Sales					
Sales to external customers	1,611,393	1,207,705	2,819,099	—	2,819,099
Inter-segment sales and transfers	—	142,374	142,374	(142,374)	—
Total	1,611,393	1,350,080	2,961,473	(142,374)	2,819,099
Segment profit	428,745	251,984	680,730	(354,198)	326,531

(Notes) 1. The segment profit adjustment of minus 354,198,000 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 semi-annual consolidated statements of income.

2. Items related to impairment loss on non-current assets, goodwill, etc. by reporting segment

Not applicable

II. Second quarter of the consolidated fiscal year under review (from May 1, 2024, to October 31, 2024)

1. Information on sales and profits or losses by reporting segment

(Thousand yen)

	Reporting segment			Adjustment (Note 1)	Semi-annual consolidated financial statement amount (Note 2)
	EC	Financial	Total		
Sales					
Sales to external customers	1,724,279	1,328,651	3,052,930	—	3,052,930
Inter-segment sales and transfers	—	155,989	155,989	(155,989)	—
Total	1,724,279	1,484,641	3,208,920	(155,989)	3,052,930
Segment profit	587,194	375,197	962,392	(342,416)	619,975

(Notes) 1. The segment profit adjustment of minus 342,416,000 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 semi-annual 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

(Significant subsequent events)

(Transfer of consolidated subsidiary (share transfer))

At the Board of Directors meeting held on October 21, 2024, the Company decided to transfer all shares of RACCOON RENT, Inc. (hereinafter, “RACCOON RENT”), a consolidated subsidiary of the Company, to Entrust Inc. (hereinafter, “Entrust”); entered into a share transfer agreement on the same date; and transferred all shares on November 1, 2024. Accordingly, RACCOON RENT was excluded from the Group’s scope of consolidation.

1. Reason for transfer of the shares

RACCOON RENT, which has provided rent guarantee services for mainly personal residential property in the Kanto region since its foundation in 2009, joined the Raccoon Group in December 2018, aiming to provide more convenient rent guarantee services available for both residential and business property by adding the Group’s knowhow on corporate credit for business properties and IT technologies. Since joining the Group, it has provided convenient and unique services for real estate companies which manage various types of property such as the “Simple Plan” with lower initial guarantee commission fees occurring on renting property and “RACUHO,” an industry-first rent guarantee service which covers costs exceeding the guarantee.

Recently, we reviewed a policy for allocating management resources of the Raccoon Group. As a result, we decided to transfer shares in RACCOON RENT, determining that, following the selection and concentration of the business fields, we will be able to improve capital efficiency by concentrating management resources to the growing business. For selecting a transferee, we carefully and repeatedly discussed on whether business synergies are expected for continued development of RACCOON RENT’s rent guarantee services and furthermore, whether real estate companies that have used RACCOON RENT’s rent guarantee services and deepened relationships of trust with us can continue to use such services without any concerns in future. As a result, we determined it best to transfer the shares to Entrust and decided on this share transfer.

2. Name and business description of the consolidated subsidiary

Name	RACCOON RENT, Inc.
Business description	Rent guarantee business

3. Counterparty of share transfer

Entrust Inc.

4. Date of share transfer

November 1, 2024

5. Number of shares transferred, transfer price, and status of shares held before and after the transfer

Number of shares held before the transfer	4,900 shares	(Holding ratio: 100%)
Number of shares transferred	4,900 shares	(Holding ratio: 100%)
Transfer price	14,945,000 yen	(3,050 yen per share)
Number of shares held after the transfer	0 shares	(Holding ratio: 0%)