

**Summary of Financial Results (Consolidated)**  
**For the First Half of the Fiscal Year Ending April 30, 2021**  
**(Japanese GAAP)**

November 30, 2020

Listed company: Raccoon Holdings, Inc.

Stock Exchange: Tokyo Stock Exchange

Code: 3031

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Scheduled date of submission of quarterly report: December 10, 2020

Scheduled date of commencement of dividend payment: January 12, 2021

Supplementary documents for quarterly financial results: Yes

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

(Rounded down to the nearest million yen)

1. Consolidated results for the first six months ended October 31, 2020 (May 1, 2020, through October 31, 2020)

(1) Consolidated operating results

(The percentages are year-on-year changes)

	Net sales		EBITDA		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half of fiscal year ending April 2021	2,149	28.9	736	68.7	662	81.4	662	79.2	428	80.7
First half of fiscal year ended April 2020	1,667	23.4	436	40.8	365	34.8	369	38.4	236	30.1

(Note) Comprehensive income First half of fiscal year ending April 2021 ¥428 million (80.7%)

First half of fiscal year ended April 2020 ¥236 million (30.1%)

(Note) EBITDA = Operating income + depreciation + amortization of goodwill (+ equity in earnings of affiliates)

	Net income per share	Net income per share (diluted)
	Yen	Yen
First half of fiscal year ending April 2021	20.19	19.62
First half of fiscal year ended April 2020	12.75	12.65

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of October 31, 2020	13,123	5,631	42.8	251.13
As of April 30, 2020	13,600	3,999	29.3	197.68

(Reference) Shareholders' equity As of October 31, 2020 ¥5,615 million

As of April 30, 2020 ¥3,988 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, 2020	-	0.00	-	6.50	6.50
Fiscal year ending April 30, 2021	-	8.00	-	-	-
Fiscal year ending April 30, 2021 (forecast)	-	-	-	8.00	16.00

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

3. Forecast of consolidated results for the fiscal year ending April 30, 2021 (May 1, 2020, through April 30, 2021)

(The percentages are year-on-year changes)

	Net sales		EBITDA		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	4,450	28.0	1,330	56.7	1,180	67.1	1,160	63.7	740	64.0	34.61
	~	~	~	~	~	~	~	~	~	~	~
	4,600	32.3	1,410	66.2	1,270	79.9	1,250	76.4	800	77.3	37.42

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

\* Notes

(1) Important changes in subsidiaries during the first half (changes in specified subsidiaries resulting in change in the scope of consolidation): 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.: None

(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			
October 31, 2020	22,361,043	April 30, 2020	20,176,043
(ii) Number of treasury stock shares at the end of the quarter			
October 31, 2020	41	April 30, 2020	—
(iii) Average number of issued shares during the first half			
First half ended October 31, 2020	21,207,239	First half ended October 31, 2019	18,586,094

\*This financial summary is not subject to the statutory quarterly 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. Qualitative Information on Results for the First Half Under Review, (3) Explanation of forecasts including consolidated results forecast on page 6.

(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. Qualitative Information on Results for the First Half Under Review

### (1) Explanation of operating results

During the first half of the fiscal year under review (May 1, 2020, through October 31, 2020), the Japanese economy remained in an extremely difficult situation with the rapid deterioration of the business climate due to restrictions on economic activities caused by the spread of the novel coronavirus (COVID-19). Some signs of recovery have been seen alongside the gradual easing of restrictions on economic activities after the state of emergency declaration was lifted. However, with concerns over resurgence still lingering and no end in sight, the outlook remains extremely uncertain.

Under such circumstances, the Raccoon Group worked to expand the infrastructure services it offers for business-to-business transactions based on the management philosophy of “making corporate activities more efficient and convenient.” The new normal brought about by the COVID-19 pandemic changed corporate activities demanding companies to draw upon digital technologies called “digital transformation (DX)” for their operations.

With the utilization of IT, demand for the Company’s services, which can prepare for non-face-to-face business activities and continuation of business activities, has remained strong and inquiries and applications from companies have continued to increase in both the EC and Financial businesses. As a result, consolidated net sales amounted to 2,149,402,000 yen (up 28.9% year on year) in the first half under review.

In terms of expenditures, the ratio of cost of sales for the Financial business dropped sharply due to the amount of guarantees it provided continuing to decrease from the first quarter (decrease of 6.8 percentage points from the first quarter.) As for selling, general and administrative expenses, advertising expenses and personnel cost increased but other expenses in general remained at a low level. As a result, EBITDA stood at 736,355,000 yen (up 68.7%), operating income at 662,684,000 yen (up 81.4%), ordinary income at 662,644,000 yen (up 79.2%), and net income attributable to owners of parent at 428,170,000 yen (up 80.7%), all on a year-on-year basis.

Results by segment are as follows:

#### (i) EC business

In Super Delivery, the mainstay service in the EC business, efforts have been made to increase both new membership and transaction value through improvement in average sale per customer. The Super Delivery service is available for a wide variety of businesses either in or outside Japan, including overseas businesses, on top of domestic retailers and non-retail businesses.

As the COVID-19 pandemic prolongs, corporate sales activities have begun to shift towards digitalization. Super Delivery is no exception and the Company has strived to enable participating companies and member retailers to expand opportunities for sales activities while promoting digitalization by having Super Delivery not only play a role as a simple wholesale purchasing site but also hold live commerce events, etc. through utilization of IT know-how that it excels in. On another front, the number of registrations for both membership and participating companies has continued to increase since the fourth quarter of the fiscal year ended April 2020, as there was an inflow of companies that sought wholesale and purchases through non-face-to-face sales activities. Consequently, at the end of the second quarter under review, the number of Super Delivery member retailers stood at 191,867 (up 24,800), the number of participating companies counted 2,112 (up 259), and the number of items displayed was 1,386,898 (up 239,607), all compared with the end of the previous fiscal year.

As for the value of transactions for the second quarter under review, the ratio of masks and sterilization goods, for which the value of transactions soared in the fourth quarter of the fiscal year ended April 2020, has plunged in the first quarter and the second quarter under review. Amid such, however, the value of transactions maintained a high growth rate backed by the increase in the value of transactions of other products and the number of purchasing retailers. The number of purchasing retailers increased as the number of member retailers increased with more companies seeking to make non-face-to-face purchases due to the outbreak of COVID-19. In addition, the fact that Super Delivery has taken root as a purchasing tool as a result of corporate activities shifting towards digitalization under the prolonged pandemic has boosted the business. Consequently, the transaction value in the first half under review totaled 9,797,541,000 yen (up 66.5%) with the value of transactions in Japan increasing by 62.7% and the value of transactions overseas increasing by 84.4%, both on a year-on-year basis.

Sales in the EC business stood at 1,343,989,000 yen (up 44.9%), and segment profit was 616,912,000 yen (up 59.1%), both on a year-on-year basis.

(ii) Financial business

In the Paid service, the number of member companies steadily increased to surpass 3,900. The Company has continued its endeavors to improve the operating rate of the acquired member companies and increase sales per company. On another front, sales of member companies which saw their sales decrease due to the spread of COVID-19 continued to be on a recovery trend with the value of transactions remaining strong as well. Accordingly, the value of transactions outside the Group totaled 10,081,302,000 yen (up 7.3%) and the overall value of transactions (including 4,650,429,000 yen of transactions within the Group) stood at 14,731,731,000 yen (up 15.0%), both on a year-on-year basis.

In Guarantee services, against the backdrop of the prolonged COVID-19 pandemic, inquiries from small- to medium-sized companies investigating countermeasures against the risk of bankruptcy and arrears of their business partners have continued to increase for the T&G Credit Guarantee service and the URIHO service. The Company aims to increase the number of clients by pressing ahead with business collaborations with local financial institutions as it has been doing thus far to expand sales channels as well as working to increase name recognition in the service while seeking more efficient advertising media. Furthermore, the limit on annual sales of applicable target companies for the URIHO service was abolished in September 2020 so that all companies from large to medium and small will be able to use the service.

Regarding rent guarantee services, the Company continued its efforts to increase name recognition of its services for both business and residential properties among real estate companies. At the same time, the Company is working to reach real estate companies through tenant/residential rental application services and launched a partnership with Nihon Jyoho Create Co., Ltd. in October 2020 concerning application for rent guarantee utilizing the data of the electronic tenant/residential rental application services.

Guarantees outstanding at the end of the second quarter under review amounted to 79,719,693,000 yen (18,835,716,000 yen for RACCOON FINANCIAL, Inc. and 60,883,977,000 yen for RACCOON RENT, Inc.), up 5.4% from the end of the previous fiscal year (up 16.9% from the second quarter of the previous fiscal year). As a result, sales in the Financial business stood at 926,442,000 yen (up 11.7% year on year). In terms of expenditures, segment profit totaled 268,838,000 yen (up 79.7% year on year) as a result of a significant drop in the ratio of cost of sales due to the decrease in the amount of guarantees it provided.

(2) Explanation on the financial status

(i) Financial status

Total assets at the end of the second quarter under review amounted to 13,123,546,000 yen, down 476,530,000 yen from the end of the previous fiscal year. Current assets decreased 422,388,000 yen to 10,501,024,000 yen. The main factor for the decrease is the decrease of 879,290,000 yen in cash and deposits due to repayment of short-term loans payable despite the increase of 473,178,000 yen in accounts receivable - trade due to increased transactions. Non-current assets decreased 54,141,000 yen to 2,622,522,000 yen. The main factors for the decrease are the recording of 21,250,000 yen in amortization of goodwill, the decrease of 14,030,000 yen in buildings and the decrease of 10,194,000 yen in deferred tax assets.

Liabilities at the end of the second quarter under review totaled 7,491,992,000 yen, down 2,108,373,000 yen from the end of the previous fiscal year. Current liabilities decreased 1,977,179,000 yen to 6,169,001,000 yen. The main factor for the decrease is the decrease of 2,540,000,000 yen in short-term loans payable due to repayment. Non-current liabilities decreased 131,193,000 yen to 1,322,991,000 yen. The main factor for the decrease is the decrease of 130,840,000 yen in long-term loans payable due to repayment.

Net assets at the end of the second quarter under review totaled 5,631,554,000 yen, up 1,631,842,000 yen from the end of the previous fiscal year. The main factors for the increase are the increase of a total of 1,330,082,000 yen in capital stock and capital surplus due to the exercising of subscription rights to shares and the increase in retained earnings due to the recording of 428,170,000 yen as net income attributable to owners of parent, while retained earnings decreased 131,144,000 yen due to payment of cash dividends.

(ii) Cash flows

Cash and cash equivalents ("net cash") at the end of the second quarter under review decreased by 879,423,000 yen to 5,754,647,000 yen from the end of the previous fiscal year. The following outlines the cash flows and the factors of change in cash flows in the first half under review.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 660,263,000 yen (net cash decreasing by 578,329,000 yen year on year). The main factor for this is the recording of 651,788,000 yen as income before income taxes.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 20,694,000 yen (net cash increasing by 29,337,000 yen year on year). The main factor for this is the recording of 34,826,000 yen as purchase of intangible assets for developing software and 13,489,000 yen as proceeds from distributions from investment partnerships.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 1,518,993,000 yen (net cash decreasing by 619,644,000 yen year on year). The main factors for this are the decrease of 2,540,000,000 yen in short-term loans payable and the recording of 1,325,560,000 yen as proceeds from issuance of shares resulting from exercise of subscription rights to shares.

(3) Explanation of forecasts including consolidated results forecasts

Consolidated results for the Company generally progressed according to the forecasts. For this reason, the Company made no changes to the results forecasts announced in the previous Summary

The forward-looking statements presented above are based on information available to the Company at the time this Summary was prepared and certain assumptions that the Company considers rational. Actual results and the like may differ significantly from these figures due to various uncertain factors.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Consolidated balance sheets

(Thousand yen)

	End of previous consolidated fiscal year (As of April 30, 2020)	End of second quarter of the consolidated fiscal year under review (As of October 31, 2020)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,641,033	5,761,743
Accounts receivable - trade	4,208,093	4,681,272
Rights to claim compensation	43,761	61,807
Supplies	105	172
Prepaid expenses	187,585	164,621
Other	70,770	54,759
Allowance for doubtful accounts	(227,937)	(223,352)
<b>Total current assets</b>	<b>10,923,413</b>	<b>10,501,024</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	627,207	622,859
Accumulated depreciation	(41,729)	(51,411)
Buildings, net	585,478	571,448
Vehicles	3,537	—
Accumulated depreciation	(3,537)	—
Vehicles, net	0	—
Tools, furniture and fixtures	48,347	40,585
Accumulated depreciation	(42,015)	(35,184)
Tools, furniture and fixtures, net	6,331	5,400
Land	882,140	882,140
<b>Total property, plant and equipment</b>	<b>1,473,950</b>	<b>1,458,989</b>
<b>Intangible assets</b>		
Software	191,723	199,380
Software in progress	30,113	17,809
Goodwill	281,579	260,328
Other	2,118	1,948
<b>Total intangible assets</b>	<b>505,534</b>	<b>479,467</b>
<b>Investments and other assets</b>		
Investment securities	427,740	428,155
Lease and guarantee deposits	15,463	11,263
Deferred tax assets	241,725	231,530
Other	12,249	13,115
<b>Total investments and other assets</b>	<b>697,178</b>	<b>684,065</b>
<b>Total non-current assets</b>	<b>2,676,664</b>	<b>2,622,522</b>
<b>Total assets</b>	<b>13,600,077</b>	<b>13,123,546</b>

(Thousand yen)

	End of previous consolidated fiscal year (As of April 30, 2020)	End of second quarter of the consolidated fiscal year under review (As of October 31, 2020)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	4,365,434	4,801,258
Short-term borrowings	2,640,000	100,000
Current portion of long-term borrowings	344,996	303,338
Accounts payable - other	77,515	119,453
Income taxes payable	78,073	189,988
Allowance for guarantees	125,073	111,058
Provision for bonuses	74,457	95,525
Provision for sales promotion expenses	13,280	17,270
Deposits received	8,612	19,299
Other	418,737	411,808
Total current liabilities	8,146,180	6,169,001
Non-current liabilities		
Long-term borrowings	1,418,342	1,287,502
Asset retirement obligations	3,682	1,030
Other	32,160	34,459
Total non-current liabilities	1,454,184	1,322,991
Total liabilities	9,600,365	7,491,992
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,187,195	1,852,237
Capital surplus	849,051	1,514,092
Retained earnings	1,952,147	2,249,172
Treasury shares	—	(42)
Total shareholders' equity	3,988,394	5,615,460
Share acquisition rights	11,317	16,094
Total net assets	3,999,711	5,631,554
<b>Total liabilities and net assets</b>	<b>13,600,077</b>	<b>13,123,546</b>



(2) Consolidated statements of income and consolidated statements of comprehensive income  
(Consolidated statements of income)  
(First half under review)

(Thousand yen)

	First half of the previous consolidated fiscal year (From May 1, 2019, to October 31, 2019)	First half of the consolidated fiscal year under review (From May 1, 2020, to October 31, 2020)
Net sales	1,667,844	2,149,402
Cost of sales	303,610	315,557
Gross profit	1,364,234	1,833,845
Selling, general and administrative expenses	998,989	1,171,160
Operating income	365,244	662,684
Non-operating income		
Commission income	1,341	2,539
Gain on investments in investment partnerships	4,392	14,319
Other	2,720	2,635
Total non-operating income	8,454	19,493
Non-operating expenses		
Interest expenses	1,984	7,218
Commission expenses	1,478	7,173
Taxes and dues	270	4,482
Other	254	659
Total non-operating expenses	3,986	19,533
Ordinary income	369,712	662,644
Extraordinary losses		
Office relocation expenses	—	10,856
Total extraordinary losses	—	10,856
Income before income taxes	369,712	651,788
Income taxes	132,752	223,618
Net income	236,960	428,170
Net income attributable to owners of parent	236,960	428,170

(Consolidated statements of comprehensive income)  
(First half under review)

(Thousand yen)

	First half of the previous consolidated fiscal year (From May 1, 2019, to October 31, 2019)	First half of the consolidated fiscal year under review (From May 1, 2020, to October 31, 2020)
Net income	236,960	428,170
Comprehensive income	236,960	428,170
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	236,960	428,170

## (3) Consolidated statements of cash flows

(Thousand yen)

	First half of the previous consolidated fiscal year (From May 1, 2019, to October 31, 2019)	First half of the consolidated fiscal year under review (From May 1, 2020, to October 31, 2020)
<b>Cash flows from operating activities</b>		
Income before income taxes	369,712	651,788
Depreciation	50,499	52,768
Amortization of goodwill	21,250	21,250
Share-based remuneration expenses	1,273	9,299
Increase (decrease) in allowance for doubtful accounts	36,842	(4,584)
Increase (decrease) in allowance for guarantees	1,095	(14,015)
Interest and dividend income	(14)	(30)
Loss (gain) on investments in investment partnerships	(4,392)	(14,319)
Interest expenses	1,984	7,218
Relocation expenses	—	10,856
Decrease (increase) in notes and accounts receivable - trade	84,232	(473,178)
Decrease (increase) in rights to claim compensation	(8,791)	(18,045)
Decrease (increase) in inventories	(6)	(67)
Increase (decrease) in notes and accounts payable - trade	865,239	435,823
Increase (decrease) in deposits received	(8,778)	10,687
Increase (decrease) in advances received	(17,808)	13,369
Decrease (increase) in prepaid expenses	33,804	22,963
Decrease/increase in consumption taxes receivable/payable	81,712	(26,685)
Other	(37,454)	93,477
Subtotal	1,470,402	778,576
Interest and dividend income received	14	30
Interest expenses paid	(2,164)	(5,561)
Payments of relocation expenses	—	(7,899)
Income taxes paid	(266,356)	(107,537)
Income taxes refund	36,696	2,654
Cash flows provided by (used in) operating activities	1,238,593	660,263
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(14,862)	(4,217)
Purchase of intangible assets	(45,156)	(34,826)
Proceeds from distributions from investment partnerships	10,500	13,489
Payments for lease and guarantee deposits	(572)	—
Proceeds from refund of leasehold and guarantee deposits	—	4,200
Other	60	660
Cash flows provided by (used in) investing activities	(50,032)	(20,694)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(700,000)	(2,540,000)
Repayments of long-term loans payable	(105,832)	(172,498)
Cash dividends paid	(111,381)	(131,144)
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	1,552	1,325,560
Purchase of treasury shares	—	(42)
Proceeds from disposal of treasury shares resulting from exercise of subscription rights to shares	18,000	—
Other	(1,687)	(867)
Cash flows provided by (used in) financing activities	(899,348)	(1,518,993)
Net increase (decrease) in cash and cash equivalents	289,212	(879,423)
Cash and cash equivalents at beginning of period	2,323,730	6,634,071
Cash and cash equivalents at end of period	2,612,943	5,754,647

(Segment information)

Segment information

I. First half of the previous consolidated fiscal year (from May 1, 2019, to October 31, 2019)

1. Sales and profits or losses in each reporting segment

(Thousand yen)

	Reporting segment			Adjustment (Note 1)	Consolidated financial statement amount (Notes 2)
	EC	Financial	Total		
Sales					
Sales to external customers	927,477	740,366	1,667,844	—	1,667,844
Inter-segment sales and transfers	—	88,720	88,720	(88,720)	—
Total	927,477	829,087	1,756,565	(88,720)	1,667,844
Segment profit	387,655	149,569	537,224	(171,979)	365,244

(Notes) 1. The segment profit adjustment of minus 171,979,000 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 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.

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

Not applicable

II. First half of the consolidated fiscal year under review (from May 1, 2020, to October 31, 2020)

1. Sales and profits or losses in each reporting segment

(Thousand yen)

	Reporting segment			Adjustment (Note 1)	Consolidated financial statement amount (Notes 2)
	EC	Financial	Total		
Sales					
Sales to external customers	1,343,989	805,412	2,149,402	—	2,149,402
Inter-segment sales and transfers	—	121,029	121,029	(121,029)	—
Total	1,343,989	926,442	2,270,431	(121,029)	2,149,402
Segment profit	616,912	268,838	885,751	(223,066)	662,684

(Notes) 1. The segment profit adjustment of minus 223,066,000 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 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.

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

Not applicable

(Significant subsequent events)

Not applicable