

July 10, 2025

(For translation purposes only)

Raccoon Holdings, Inc.
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“Measures to Realize Management Conscious of Capital Costs and Share Prices”
and “Status of Dialogue with Shareholders and Investors”

Raccoon Holdings, Inc. (“Raccoon”) announces that at the Board of Directors meeting held on July 10, 2025, it decided a policy for analysis and response to its current situation regarding measures to realize management conscious of capital costs and share prices, as follows.

I. “Measures to realize management conscious of capital costs and share prices”

1. Analysis of current situation

Raccoon focuses on ROE as one of our key indices. Our policies are to aim to improve operating income margin while investing in growth against the backdrop of a high marginal income ratio and promote the improvement of ROE through assertive shareholder returns.

While shareholders’ equity costs fluctuate annually, Raccoon recognizes the average to be around 5%. In comparison, our ROE during normal operations has generally remained around the mid to high end of the 10% range. In the fiscal year ended April 30, 2024, ROE declined to 6.5% due to a drop in profit resulting from substantial advertising investments. However, in the fiscal year ended April 30, 2025, ROE significantly improved to 18.2%, well above the shareholders’ equity costs, as we achieved the target of a V-shaped recovery in profitability. As for PBR, it reached 3.8x in the fiscal year ended April 30, 2025, reflecting our efforts to improve capital efficiency through share repurchases and a moderate recovery in share prices.

(Trends in indices)

	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022	Fiscal year ended April 30, 2023	Fiscal year ended April 30, 2024	Fiscal year ended April 30, 2025
Net sales (million yen)	4,364	4,789	5,320	5,808	6,098
Operating income (million yen)	1,196	1,126	1,193	566	1,254
Operating margin	27.4%	23.5%	22.4%	9.8%	20.6%
Net income (million yen)	800	354	668	325	836
Shareholders’ equity (million yen)	5,310	5,289	5,315	4,778	4,419
ROE	17.2%	6.7%	12.6%	6.5%	18.2%
PBR	13.4x	5.9x	3.0x	3.0x	3.8x
Net assets per share (yen)	239.23	238.12	240.65	223.24	217.42
Dividend payout ratio	46.2%	125.2%	59.5%	92.4%	55.5%

2. Response policy

(1) Improvement of capital profitability

Raccoon announced the Mid-term Management Plan (for the fiscal years ending April 30, 2026 through April 30, 2028) on June 12, 2025. The target ROE for the final year of the Mid-term Management Plan is 25%. In the Mid-term Management Plan, we aim to increase the operating margin to 25% while achieving net sales growth across all businesses. By successfully implementing the Mid-term Management Plan, we will work to strengthen our earning power and improve ROE.

(2) Shareholder returns

Raccoon recognizes returning profits to shareholders as an important issue for management, and our basic policy is to maintain a consolidated dividend payout ratio of 45~50% while taking into consideration various factors including demand for funds for investment in the future growth of businesses and improvement of internal reserves in order to strengthen the management foundations. In cases where extraordinary income or losses are expected, the payout ratio is calculated excluding such extraordinary items.

We will actively engage in treasury share acquisition after taking a comprehensive selection of factors into consideration, including share price levels, the status of funds, and the market environment.

(3) Promotion of IR activities

Raccoon believes that active information disclosure and dialogue with shareholders and investors are important elements in improving corporate value. Accordingly, we are dedicated to the improvement of IR information provided on our corporate website and actively and voluntarily disclosing useful information for shareholders and investors even in cases where this information does not fall under the criteria for timely disclosure. In addition, we will strive to improve the selection of content with high fidelity between the Japanese and English-language versions, including disclosure materials in English and videos dubbed in English, to ensure that shareholders and investors, regardless of whether they are in Japan or overseas, have equal access to the information provided by Raccoon.

II. “Status of dialogue with shareholders and investors”

The status of dialogue with shareholders and investors in the fiscal year ended April 30, 2025 is as follows.

1. Details of events held in fiscal year ended April 30, 2025

Event details	Times held
Shareholders meetings	1
Financial results briefings	4
Individual meetings	107 (Domestic: 68%, International: 32%)
* Times held includes all meetings regardless of the number of attendees (companies)	

2. Major counterparts for dialogue

President and Representative Director, Executive Vice President of Finance and Director, IR Manager

3. Major themes and matters of interest from dialogue

Examples of dialogue that resulted in particular insights or understanding through explanations

- Direction of the next Mid-term Management Plan
- Approach to cash allocation
- Outlook on promotional costs (advertising investment)
- Impact of inflation on services (GMV, value of transactions per customer, transaction volume, etc.)
- Shareholder returns (background to share repurchases and introduction of shareholder benefits)
- Changes in the competitive landscape driven by corporate DX adoption

- Impact of U.S. tariffs and exchange rates
- Reason for the sale of the rent guarantee business
- Trends in value of transactions per customer in the EC business
- Background to the improvement in gross profit margin
- Future outlook on the default rate (rate of cost of sales)
- Raccoon's view on the gap between steady earnings growth and declining share price levels

* Transcripts of question and answer sessions from financial results briefings are disclosed in the "Transcript" sections available from Raccoon's website on the following page
https://www.raccoon.ne.jp/company/en/profile/financial_results/financial_info.html

4. Status of feedback provided to the management and Board of Directors

The Executive Vice President of Finance and Director reports the opinions received through dialogue to the Board of Directors as appropriate. Opinions that are closely related to on-site operations are shared with the supervisors, etc. of business divisions by the IR Manager after he/she has engaged in various meetings on relevant matters.