July 27, 2026

(For translation purposes only)

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Notice Concerning Action to Implement Management Conscious of Cost of Capital and Stock Price (Update)

Raccoon Holdings, Inc. ("Raccoon") hereby announces that, based on the resolution of the Board of Directors meeting held on July 25, 2026, Raccoon has conducted a renewed analysis and evaluation of its current situation regarding its action to implement management conscious of cost of capital and stock price and has resolved on policies for improvement.

For details, please refer to the attached document.

Action to Implement Management Conscious of Cost of Capital and Stock Price

RACCOON HOLDINGS, Inc. （TSE Prime Market: 3031）

July 25, 2026

Building sustained growth expectations toward a market valuation commensurate with our high capital efficiency

We conducted a renewed analysis and evaluation of our current position upon revising the Mid-term Management Plan in connection with the business alliance with Advantage Partners, Inc.

Recognition	**With ROE of 18.7% and ROIC of 14.4%, capital efficiency substantially exceeds our cost of equity (assumed at 8%) and WACC (6.6%). Meanwhile, market capitalization remains low at approx. ¥13.0 billion**
Issues	**・Market valuation (tmarket capitalization, P/B ratio, etc.) does not reflect our high capital efficiency and continuous value creation** **・Recent β is an anomalous value with weakened correlation to the market, so the theoretical (CAPM) figure cannot be adoped**

⬇

Building sustained growth expectations is our top priority

Actions	**In addition to achieving the Mid-term Management Plan (FY2027/4–FY2029/4), we will build sustained growth expectations through enhanced disclosure and dialogue with investors**

* Stock price and market capitalization as of the end of FY2026/4.

01 Analysis and Evaluation of Current Position

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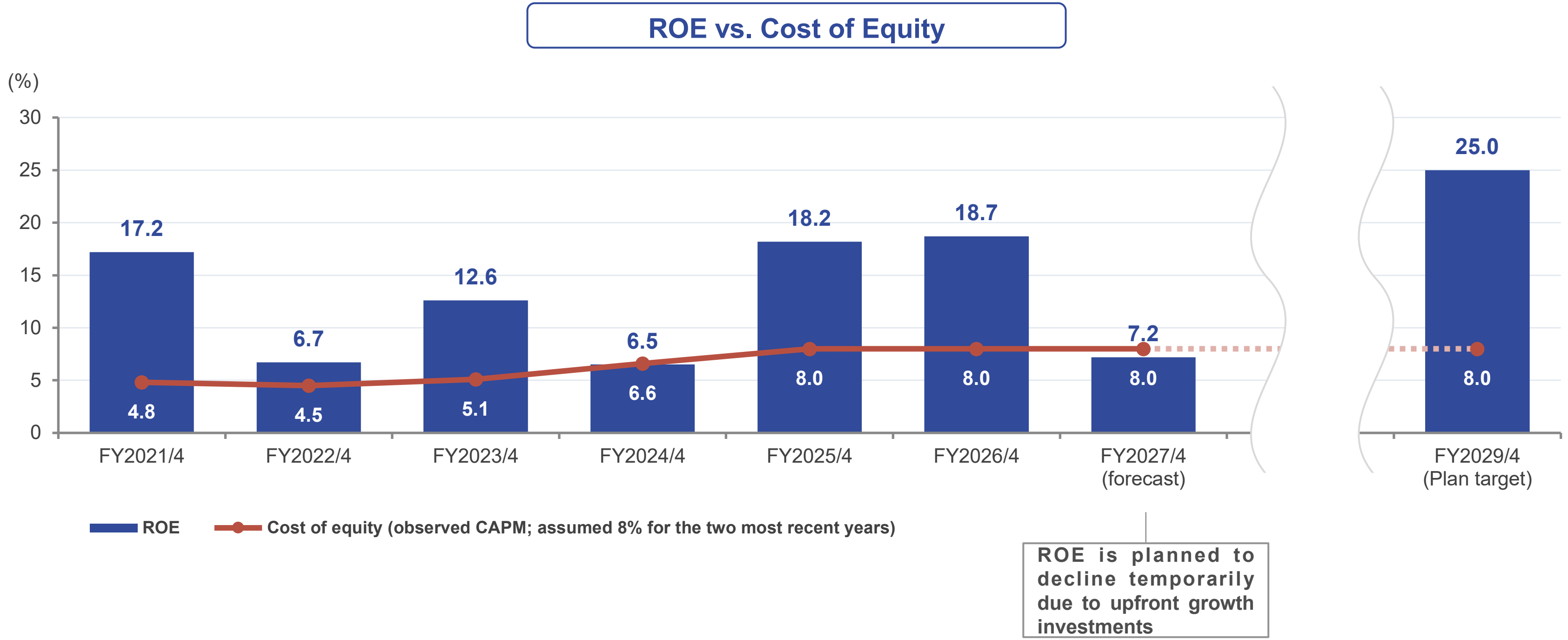
ROE has exceeded 18% since FY2025/4, well above our assumed cost of equity (8%)



ROE = Profit attributable to owners of parent ÷ Equity (average of beginning and end of period).
Cost of equity is based on CAPM using observed β through FY2024/4; from FY2025/4, when β became anomalous, we apply our assumed 8% (see p.5 for the rationale).

For the two most recent fiscal years in which β was anomalous, we have conservatively adopted a cost of equity of 8% instead of the theoretical value

Theoretical values based on CAPM, etc. (end of FY2026/4)

CAPM: 3.95%

(Risk-free rate 2.52% + β 0.22 × market risk premium 6.45%)

WACC: 3.31%

(Based on observed β)

Our assessment — theoretical values treated as reference only

・Recent β (0.22) is an anomaly reflecting temporarily weakened correlation with the market;

the theoretical value of 3.95% diverges from the reality of our valuation

・Adopting it as-is would set an excessively low hurdle rate,

so we set our own level as a management decision

Rationale for our assumed 8%

① Normalization of β (correcting distortion in observed values)

CAPM using the 5-year average β of 0.87 for the normal period (FY2020/4–FY2024/4) = 2.52% + 0.87 × 6.45% = approx. 8.1% (end of FY2026/4)

② Earnings yield (inverse of trailing P/E)

1 ÷ trailing P/E of 16.1x = 6.2% (end of FY2026/4)
A floor that excludes growth; investors' required return exceeds this (forward P/E not used due to the temporary profit decline)

③ Residual income model (market-implied)

From r = g + (ROE − g) ÷ P/B: approx. 8.1% with P/B of 3.1x, ROE of 18.7%, and perpetual growth rate g of 3% (end of FY2026/4)

④ Consistency with investor expectations

Since the Ito Review, global investors see 7–8% cost of capital and 8% ROE as the minimum for Japanese equities — in line with our dialogue

All of ①–④ suggest our cost of capital is around 8%. We conservatively adopt a cost of equity of 8% (reviewed annually)
Spreads on an 8% basis are shown on the next page

Even assuming an 8% cost of equity, ROE and ROIC substantially exceed the cost of capital and WACC, creating value

Cost of equity used and calculation method

Two most recent years (FY2025/4, FY2026/4) = our assumed 8%

For the two years with anomalous β (0.39, 0.22), we conservatively adopt 8% based on rationale ①–④ on the previous page (reviewed annually)

FY2024/4 and earlier = CAPM using observed β

For periods with normal observed β, standard CAPM estimates are used (6.6% for FY2024/4)

WACC =

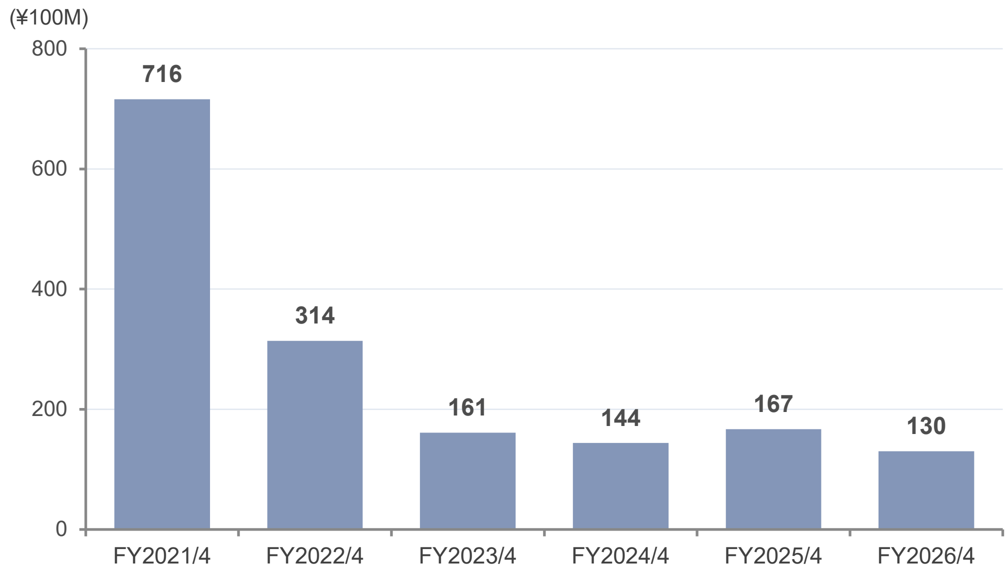
Cost of equity × equity ratio + cost of debt × debt ratio

	FY2024/4	FY2025/4	FY2026/4
ROE	6.5%	18.2%	18.7%
Cost of equity	6.6%	8.0%	8.0%
Equity spread	-0.1pt	+10.2pt	+10.7pt

	FY2024/4	FY2025/4	FY2026/4
ROIC	6.5%	15.2%	14.4%
WACC	6.2%	7.5%	6.6%
EVA spread (ROIC − WACC)	+0.3pt	+7.7pt	+7.8pt

Market valuation (market capitalization, P/B ratio, etc.) does not reflect our high capital efficiency and continuous value creation.

Market Capitalization (Fiscal Year-End)



Market cap: down approx. 82%

FY2021/4 ¥71.6 billion → FY2026/4 ¥13.0 billion

EVA spread +7.8pt

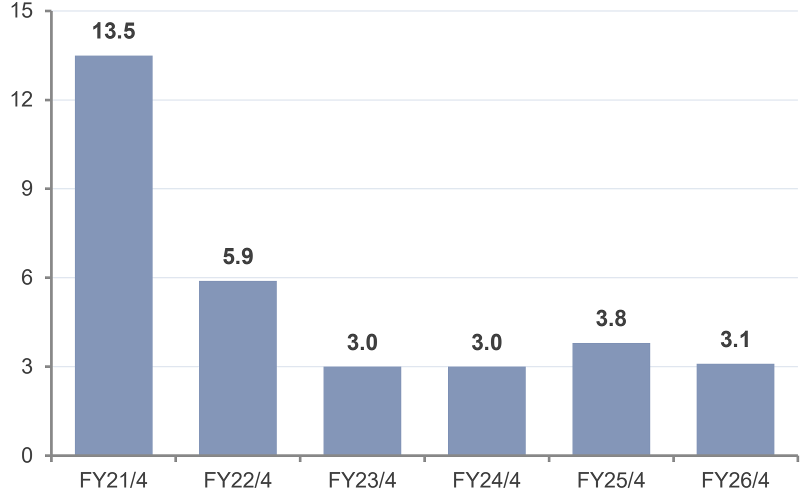
Continued value creation (ROIC > WACC, based on our assumed 8%) FY2026/4

P/B 3.1x ・ P/E 16.1x

Actual as of end of FY2026/4

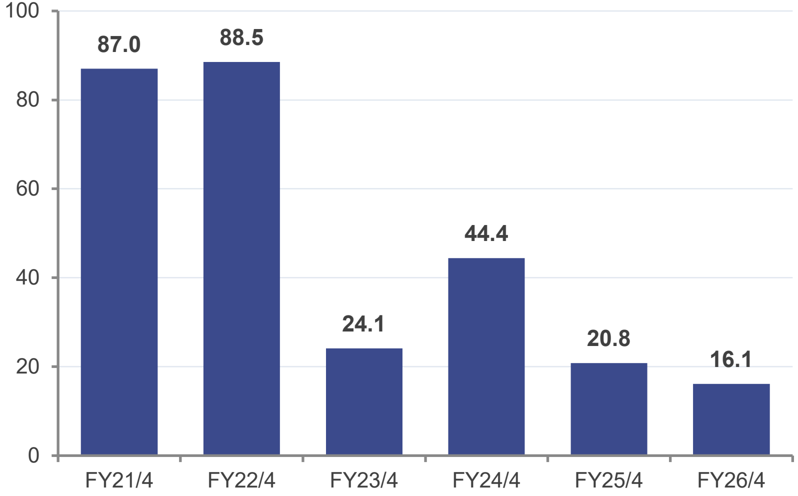
P/B — down sharply from the DX boom period

While remaining above 1x, P/B has fallen sharply from the DX boom (13.5x at end of FY2021/4) and has recently hovered around 3x



P/E — limited pricing-in of growth expectations

16.1x at end of FY2026/4
Growth expectations priced in are limited relative to our high capital efficiency



* P/B = fiscal year-end market capitalization ÷ equity; P/E is the price-earnings ratio stated in the Annual Securities Report (fiscal year-end stock price ÷ net income per share).

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Result: no material issues identified in the balance sheet at this time.
We will continue managing cash on hand at the appropriate level (¥3.0–4.0 billion) and investing in intangible assets.

Cash and liquidity	Cash on hand: ¥5.7 billion (end of FY2026/4) Appropriate level set at ¥3.0–4.0 billion (estimated based on GMV of each service); the excess will fund growth investments and shareholder returns
Capital structure / debt	Credit facilities of ¥7.95 billion secured (overdraft facilities and commitment lines) We will consider the optimal capital structure, including use of debt, depending on the scale and timing of growth investments
Business assets and working capital	Asset-light business structure based on BtoB platforms Performance risk in the payment and guarantee businesses is controlled through advanced credit screening based on payment data from over one million companies
Intangible assets (off-B/S)	Credit data, transaction data, and our customer base (approx. 600,000 group customers) are the sources of value creation We will continue investing in human capital and systems, and strengthen communication through disclosure and dialogue

We examined why market valuation remains low despite high capital efficiency.

- ## Insufficient penetration of our long-term value creation story

  Our long-term value creation story — the "Raccoon BtoB Network" concept and the 2031 Vision (market capitalization of ¥50 billion) — has not sufficiently penetrated the stock market

- ## Doubts about growth sustainability (earnings predictability)

  The FY2027/4 profit decline, under two years into the previous Plan, has raised doubts about growth sustainability
  We will explain upfront investments and the path to profit recovery with clear milestones

- ## Deepening understanding of our business

  Our business model combining EC (Super Delivery) and Financial (Paid, URIHO) is not widely understood, making it difficult to establish an appropriate valuation yardstick

Based on these issues, we will advance "02: Initiatives to Enhance Corporate Value"

02 Initiatives to Enhance Corporate Value

Mid-term Management Plan Targets (FY2029/4)

Net sales	¥10.3 billion	CAGR +16.1% (FY2026/4: ¥6.57 billion)
Adjusted EBITDA	¥2.45 billion	Margin 23.8% (FY2026/4: ¥1.59 billion, 24.2%)
ROE	25.0%	FY2026/4 actual: 18.7%

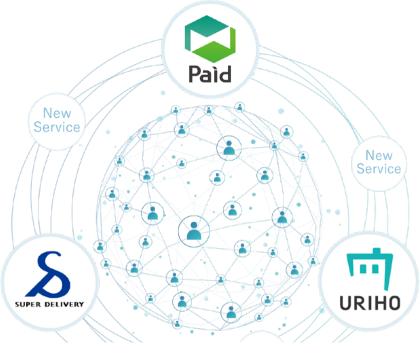
2031 Vision (Long-term Aspiration)

Market capitalization	¥50 billion	Net sales of ¥13.5 billion and adjusted EBITDA of ¥4.4 billion (announced February 27, 2026)

Under the "Raccoon BtoB Network" concept as our medium- to long-term management policy, the Mid-term Management Plan (FY2027/4–FY2029/4) pursues key initiatives under two pillars: Group Strategy and Business Strategies.

The "Raccoon BtoB Network" Concept

- SMBs can transact safely and conveniently
- Diverse services that streamline group customers' operations



Raccoon BtoB Network

Key initiatives of the Group Strategy

- **Building the foundation for group-wide customers**

  Integrate customer databases across services to build a shared group customer base

- **Incentive design for multi-service usage**

  Offer incentives to use group services, such as higher credit limits, preferential plans, and reward points

- **Expanding transactions using credit limits**

  Leverage accumulated credit limits to promote transactions among group customers (N-to-N transactions)

Continuously communicate our growth path and execution progress through earnings briefings, investor meetings, and other channels

Accelerate growth of existing services and achieve discontinuous growth by creating new services

- **EC business (Super Delivery)**

  GMV from ¥31.0 billion to ¥48.7 billion (CAGR +16.2%); strengthen repeat purchasing, refine targeting, and localize for key overseas markets

- **Financial business (Paid, URIHO)**

  Paid: sales CAGR +23.9% through development of large accounts; URIHO: subscription sales CAGR +20.9%

- **Creation of new services**

  In addition to M&A and investments (¥3.0 billion for M&A, etc.), build relationships with the startup community through VC partnerships. Expand group services to meet diverse SMB needs, including extensions of existing businesses and business-capital alliances

Capital Allocation Policy

Cumulative over the 3-year Plan (FY2027/4–FY2029/4)

Cash

Operating cash flow — Approx. ¥3.0bn

Cash on hand — ¥5.7bn

* As of end of FY2026/4

Credit facilities — ¥7.95bn

* As of end of FY2026/4 (total of overdraft facilities and commitment lines; to be used as needed)

Allocation

Priority 1: Growth investments — approx. ¥5.0 billion in total

¥3.0 billion for M&A and other investments, plus ¥1.4 billion for marketing, ¥0.2 billion for the BtoB Network platform, and ¥0.4 billion for talent/development (¥2.0 billion in total, partly expensed). Limited to disciplined investments

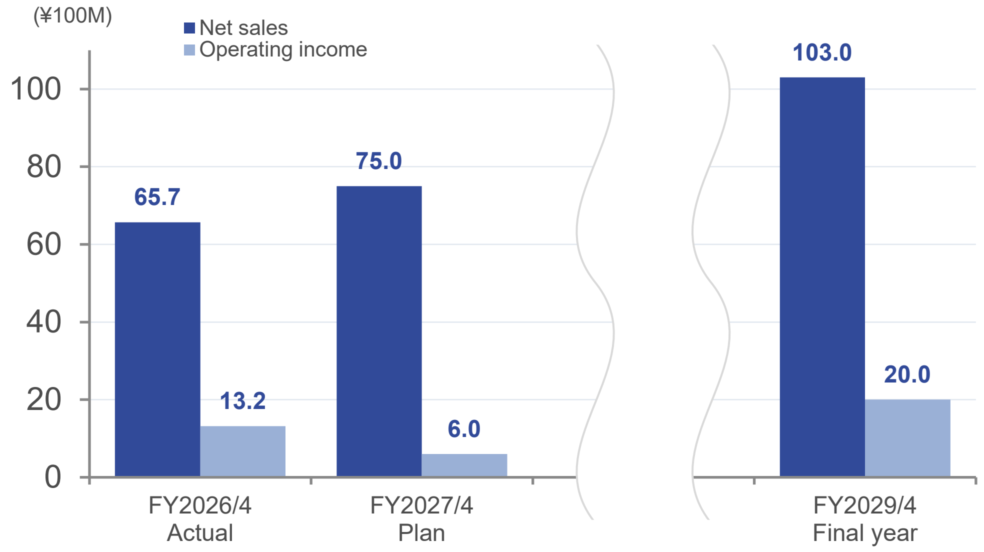
Priority 2: Appropriate level of cash on hand — ¥3.0–4.0 billion

Estimated based on GMV of each service as liquidity to withstand contingencies. The surplus above the current ¥5.7 billion will fund growth investments and shareholder returns

Priority 3: Shareholder returns

Target a payout ratio of 45–50%, combined with progressive dividends and profit-linked supplementary dividends. Maintain the shareholder benefit program and repurchase shares flexibly

Growth Investments and the Path to Profit Recovery (Temporary Profit Decline in FY2027/4)



Operating income margin: 20.1% (FY2026/4) → 8.0% (FY2027/4) → 19.4% (FY2029/4)

Investment decisions backed by pilot testing

- **Test investments of ¥51 million in Feb–Mar 2026 verified their effectiveness**

- **SD: new member registrations via ads +33.4%**
- **Paid: sales opportunities created +50.0%**
- **URIHO: new subscriptions +26.3%**

- **Based on these results, upfront investments will be made in FY2027/4; sales growth then accelerates, with operating income margin recovering to approx. 20% in the final year**

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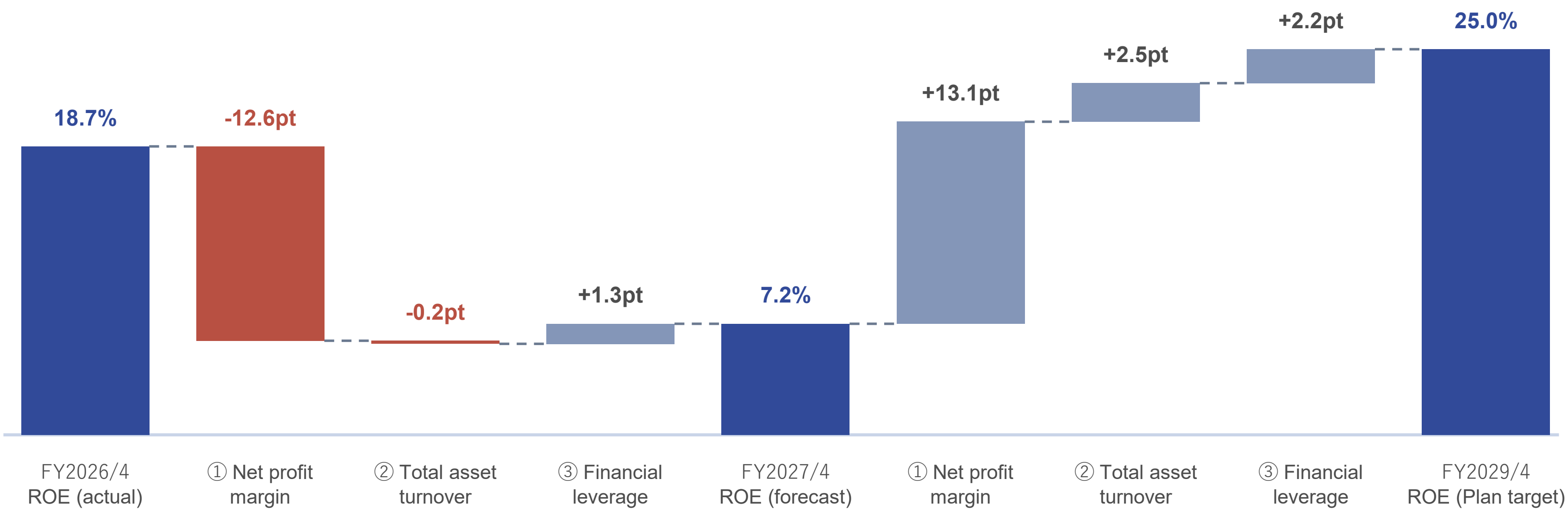
Changes in each period are decomposed into three factors: ROE = Net profit margin × Total asset turnover × Financial leverage



① Net profit margin: 12.2% → 4.0% (-12.6pt) on upfront investments, then recovers to 11.3% (+13.1pt)

② Total asset turnover: 0.37x → 0.36x (-0.2pt) → 0.40x (+2.5pt); sales growth outpaces Paid volume expansion

③ Financial leverage: 4.14x → 5.06x (+1.3pt) → 5.56x (+2.2pt); more debt with Paid expansion, disciplined equity

Enhanced Disclosure and Dialogue with Investors

Enhanced disclosure

Annual updates of this document

Assess results and progress against target indicators, updating and disclosing this document at least once a year; promptly explain major events such as M&A execution

Enhanced earnings presentation materials

Incorporate progress on the Mid-term Management Plan and these initiatives into earnings materials, continuously reflecting investor interests

Expanded English disclosure

Advance English translation of earnings and IR materials to strengthen the foundation for dialogue with overseas investors

Investor dialogue and feedback

Expanded dialogue

Top management and the IR team will continue meetings with institutional investors in Japan and overseas
Expand the shareholder base through briefings for individual investors and the shareholder benefit program

Use of feedback

Report assessments and issues identified through dialogue to the Board of Directors semiannually, reflecting them in reviews of strategy and disclosure

Agile review of targets and measures

Review targets and measures flexibly in light of changes in the business environment and capital market evaluations, and disclose them together with dialogue outcomes

Notes on This Document

Forward-looking statements contained in this document are based on information available at this time and are subject to change due to macroeconomic conditions, market conditions, trends in industries related to the Company, and other internal and external factors.

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