

FY2016 (ending April 2017) 3Q Results



Raccoon Co., LTD Code:3031 TSE1

Disclaimer

All estimates made in this document were based on information available to us at the current time, and may include inaccuracies. Actual decisions and financial results in the future may differ.

FY2016 (ending April 2017) 3rd Quarter Summary

Total Sales	1,743,886 thousand yen (YoY 6.2% increase)
Recurrent Profit	312,032 thousand yen (YoY 12.5% increase)

- Sales fees and general & administrative expenses increased due to the rise in advertising cost and tax rates. However, the guarantees segmental profits increased dramatically through margin improvement with the decrease in amount of guarantees fulfilled.



Operating Profit 317,615 thousand yen (YoY 13.2% increase)

- EC Business made impaired loss in software, 32,777 thousand yen, as extraordinary loss (2nd Quarter)



Net Income 182,305 thousand yen (YoY 2.4% increase)

1Q-3Q Results

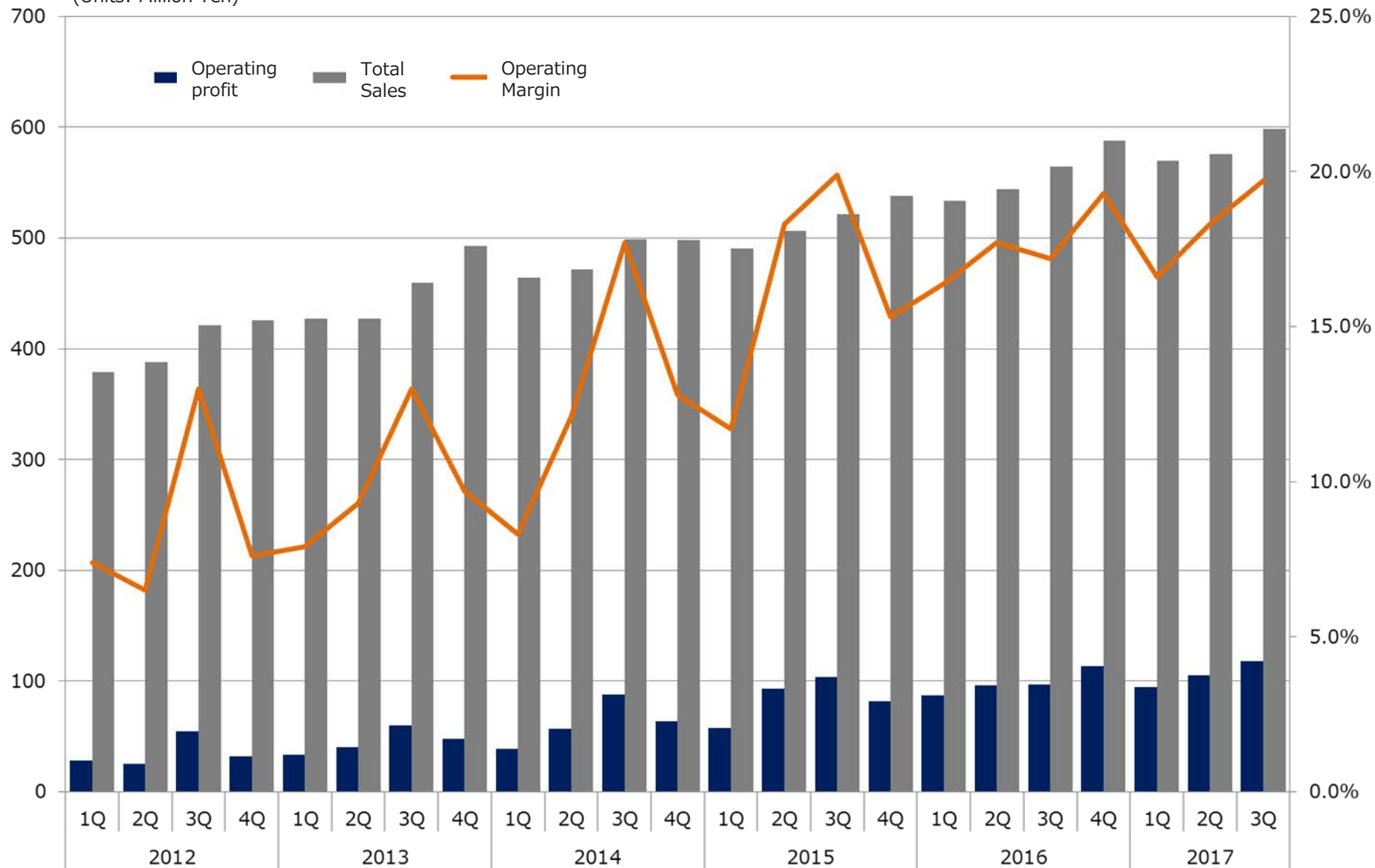
	FY 2017 3Q (May2016 - Jan 2017)	FY 2016 3Q (May2015 -Jan 2016)	YoY	Estimation	Progress Rate
Total Sales	1743 million Yen	1641 million Yen	+6.2%	2500 million Yen	69.8%
Operating Profit	317 million Yen	280 million Yen	+13.2%	420 million Yen	75.6%
Operating Margin	18.2%	17.1%	+1.1pt	16.8%	+1.4pt
Recurrent Profit	312 million Yen	277 million Yen	+12.5%	420 million Yen	74.3%
Net profit attributable to owner of parents	182 million Yen	177 million Yen	+2.4%	250 million Yen	72.9%

3Q Results (Quarterly)

	FY 2017 3Q (Nov2016 - Jan 2017)	FY 2016 3Q (Nov2015 -Jan 2016)	YoY	FY 2017 3Q (Aug- Oct 2016)	Percentage Increase
Total Sales	598 million Yen	564 million Yen	+ 6.0%	575 million Yen	+ 3.9%
Operating Profit	117 million Yen	96 million Yen	+ 21.4%	105 million Yen	+ 11.5%
Operating Margin	19.7%	17.2%	+ 2.5pt	18.3%	+ 1.3pt
Recurrent Profit	116 million Yen	95 million Yen	+ 21.9%	101 million Yen	+ 15.3%
Net profit attributable to owner of parents	78 million Yen	60 million Yen	+ 28.3%	46 million Yen	+ 68.0%

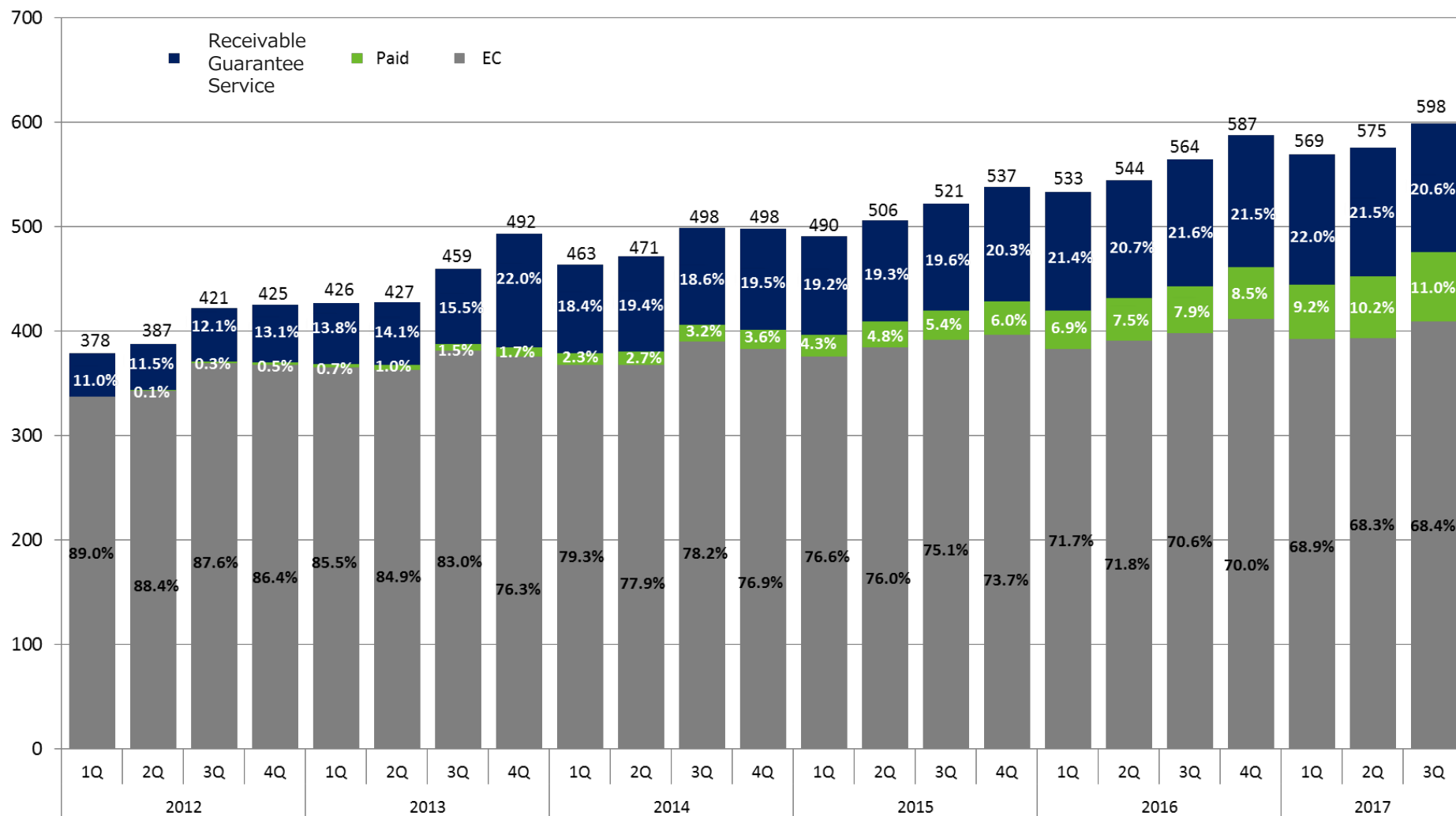
Trend in Results (In Quarters)

(Units: Million Yen)



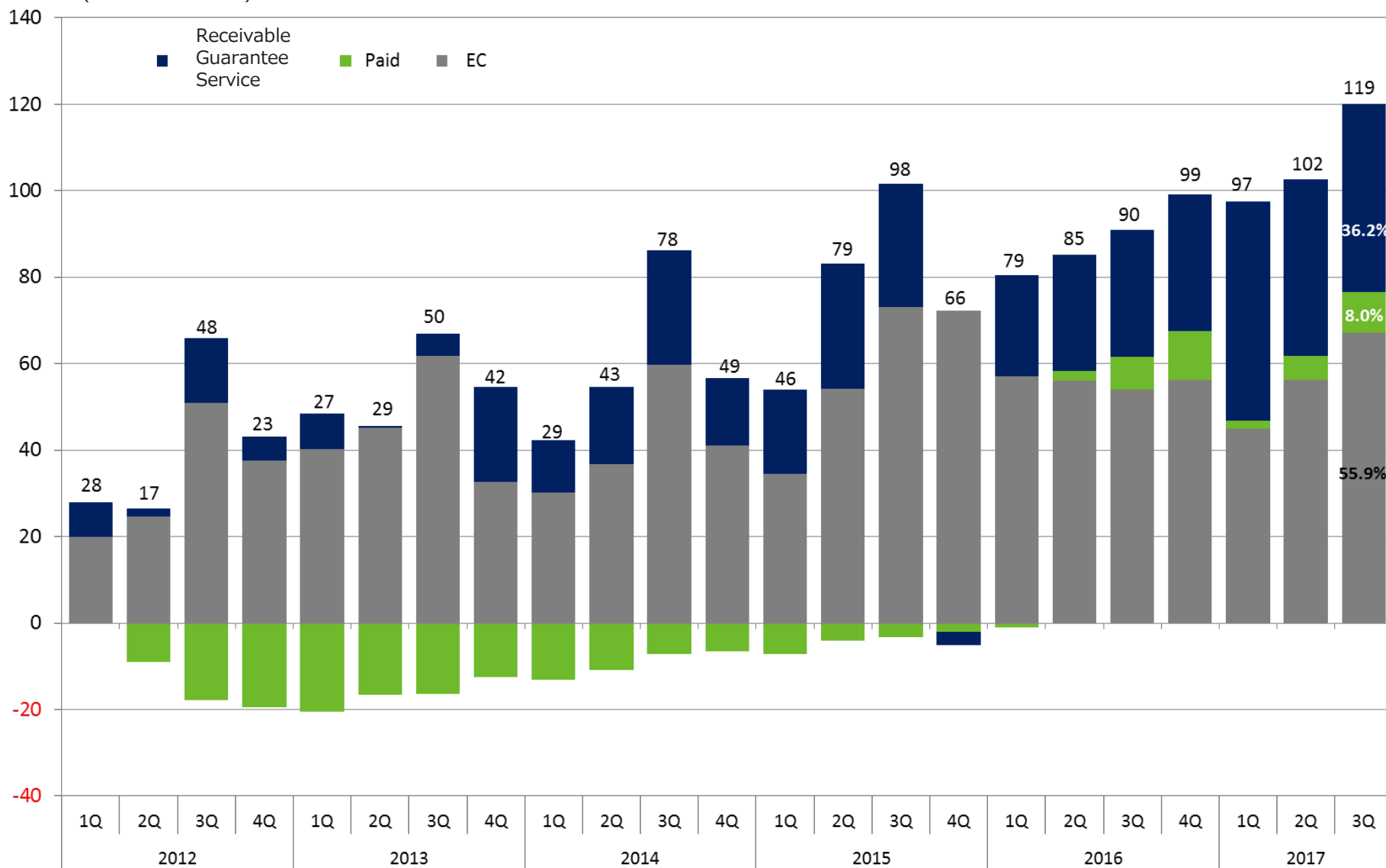
Trend in Sales by Business (In Quarters)

(Units: Million Yen)



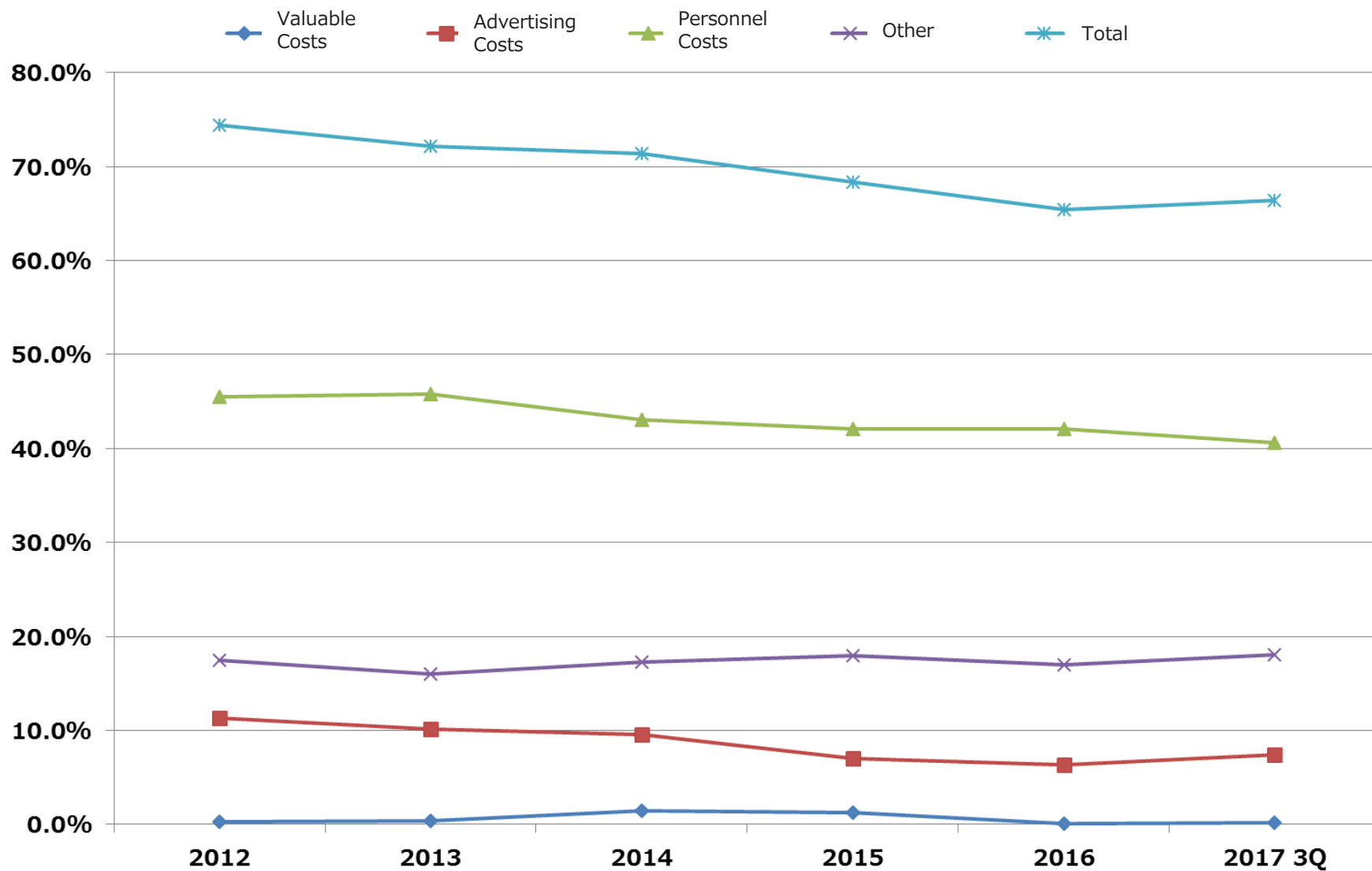
Trend in Operating Profit by Business (In Quarters)

(Units: Million Yen)



**Consolidated Adjustments are not included

Trend in SG&A Sales Ratio



Balance Sheet Summary

	FY 2017 3Q	FY 2016	Difference	Difference In %
Current Assets	4656 million Yen	4615 million Yen	41 million Yen	0.9%
Fixed Assets	336 million Yen	353 million Yen	-17 million Yen	-4.9%
Current Liability	3048 million Yen	3087 million Yen	-39 million Yen	-1.3%
Fixed Liability	63 million Yen	104 million Yen	-40 million Yen	-38.5%
Net Assets	1880 million Yen	1777 million Yen	103 million Yen	5.8%
Total Assets	4993 million Yen	4969 million Yen	24 million Yen	0.5%

Summary by segments

EC Business

EC Business 3Q Summary

Segment Sales	1,194,986 thousand yen (YoY 2.0% Increase)
Segment Profit	168,198 thousand yen (YoY 0.7% Increase)

● Super Delivery

- Business collaboration with “minpaku-bukken .com” and business matching contract with Seibu Shinkin Bank may be strong measure to increase membership retailers.
- Domestic transaction value increased 0.4% YoY due to increase in customers.
- Overseas transaction value (SD + Super Delivery international customers) increased vigorously to 60.2% YoY.



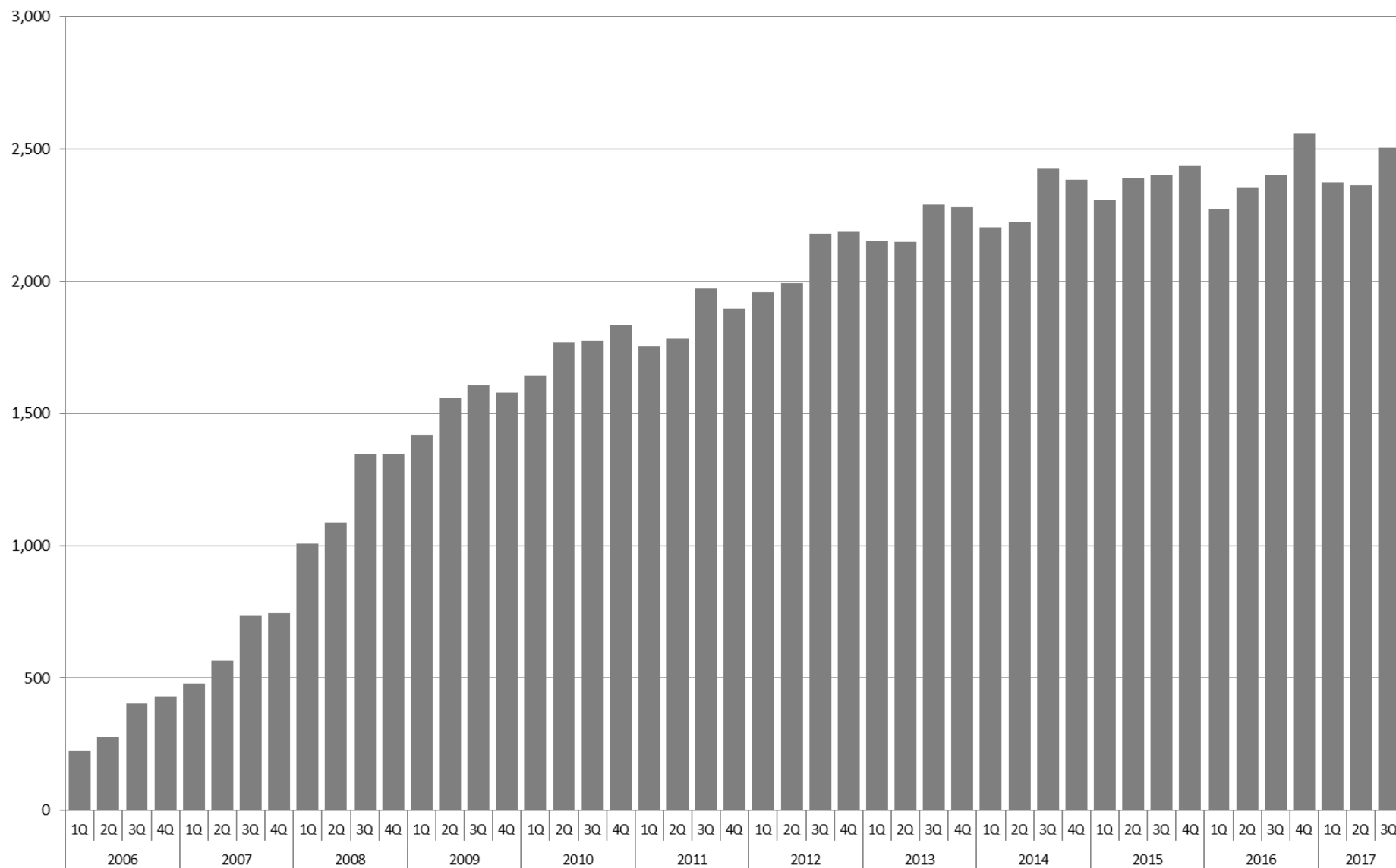
Overall transaction value: 7,242,431 thousand yen (3.1% YoY Increase)

● COREC

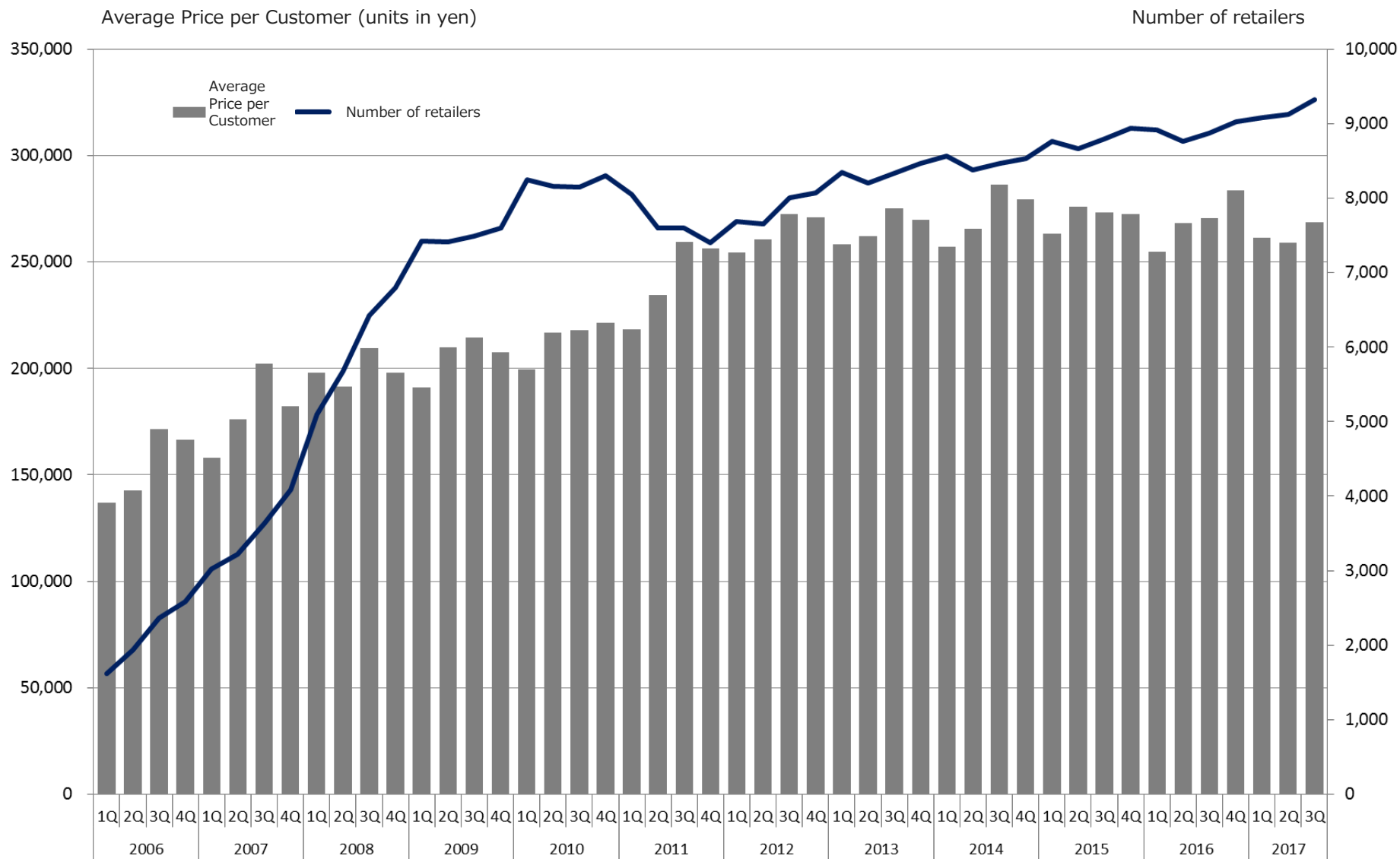
- Changed the monthly fee from 9800 yen to 1980 yen for payed plans for suppliers.
No. of users: 9719 companies

Trend in Super Delivery Transactions (In Quarters)

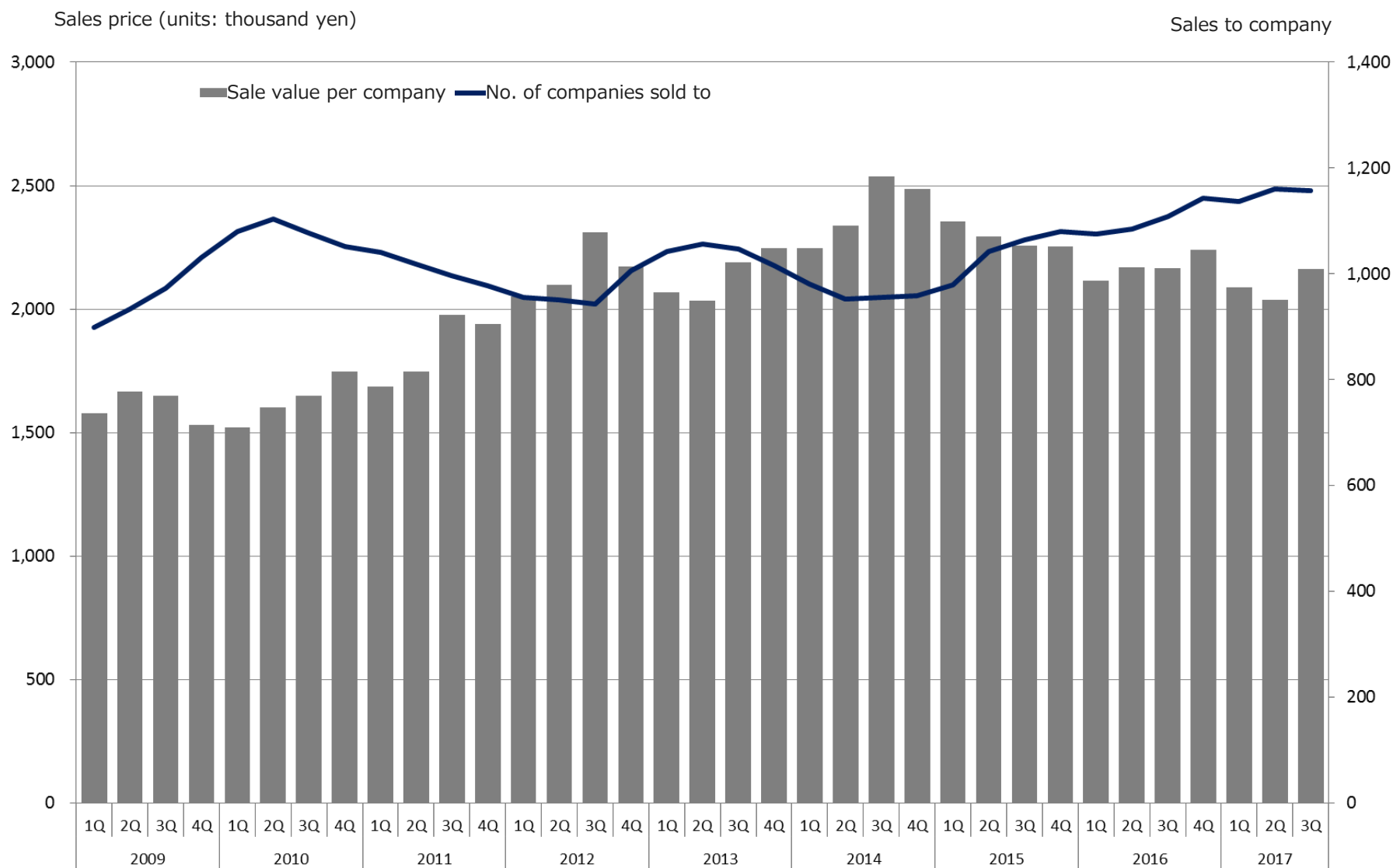
(Units: Million Yen)



Trend in number of retailers and average price per customer (In Quarters)

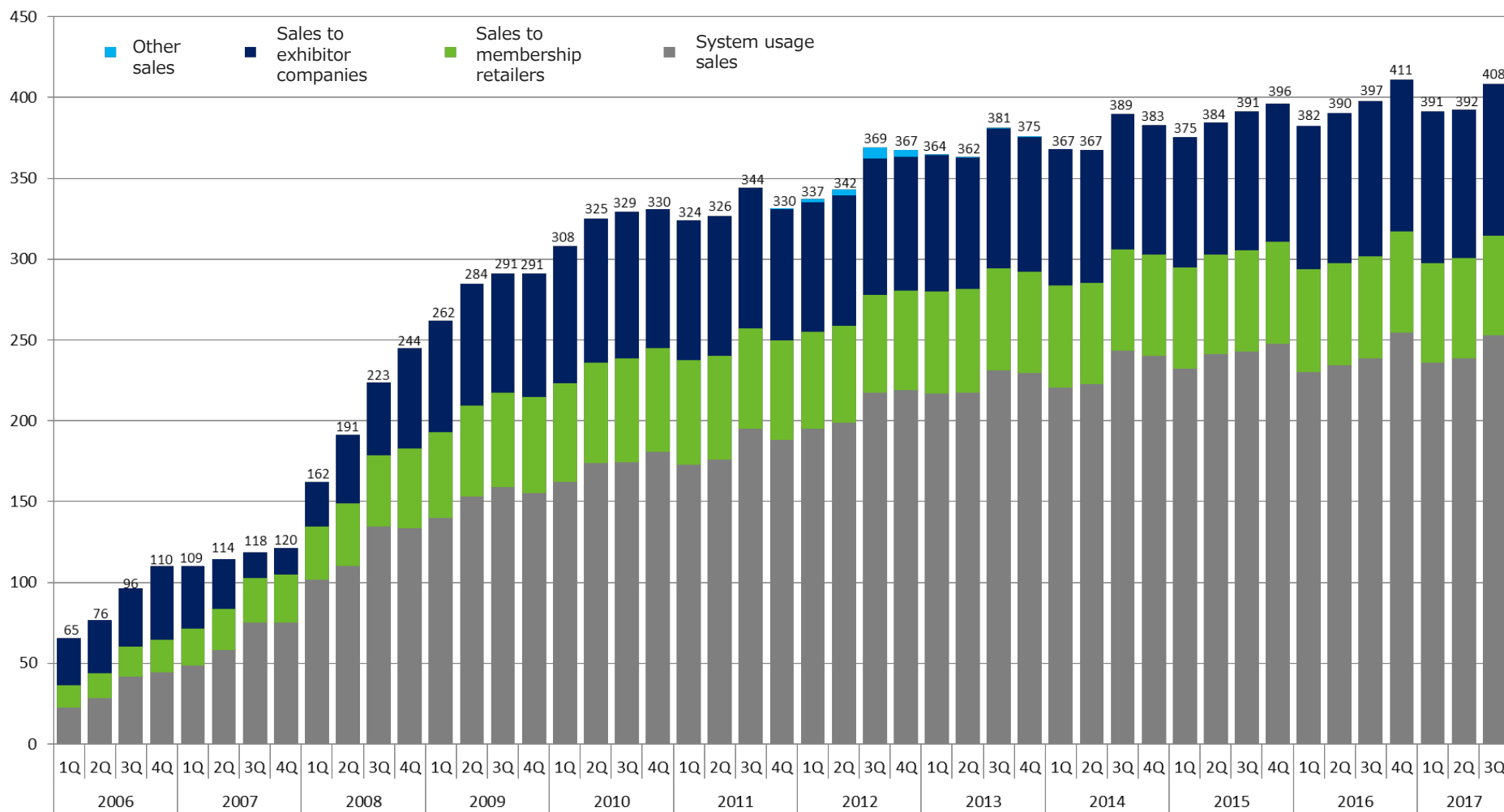


Trend in number of sales companies and sales value (In Quarters)



Trend in Total sales of Super Delivery (In Quarters)

Units: Million Yen



Paid Business

“ Paid ” Business 3Q Summary

Segment Sales 309,243 thousand yen (YoY 21.7% increase)

Segment Profit 16,940 thousand yen (YoY 87.3% increase)

- Number of member companies increased rapidly due to advertisement spending.
There are now more than 2100 member accounts, and active users are increasing also.
- Obtained “ISO27001 *” in aims of improving trust and reliability

* ISO27001: International Standard of Information Security Management System



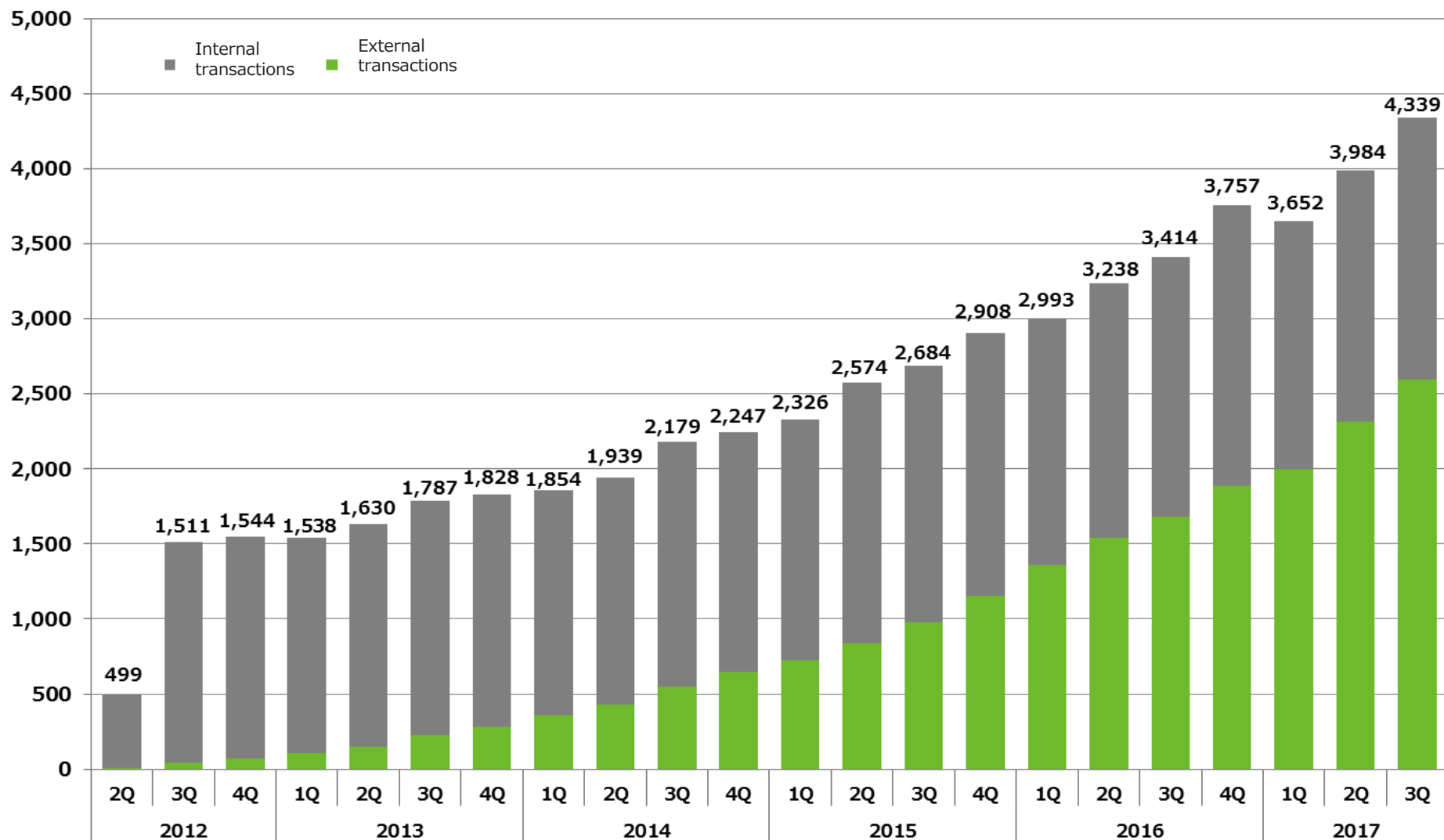
Transaction value: 11,976,480 thousand yen (24.2% YoY increase)

External Transaction Value: 6,909,504 thousand yen (51.0% YoY increase)

External Sales: 177,142 thousand yen (45.3% YoY increase)

Trend in transaction volume (In Quarters)

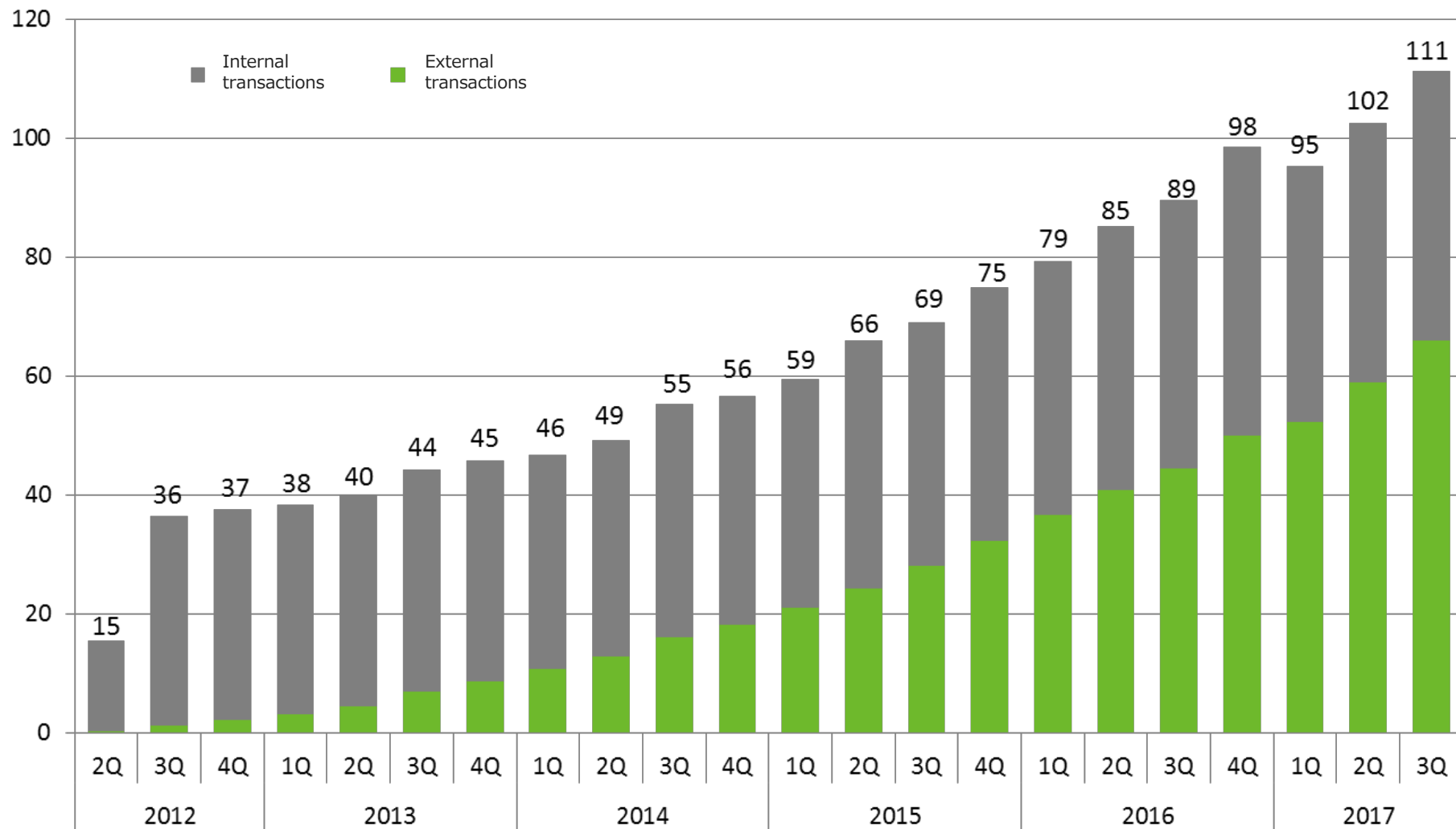
Units: Million yen



※Internal transactions refers to the transaction amount after providing services to “EC business”

Trend in Segment Sales (In Quarters)

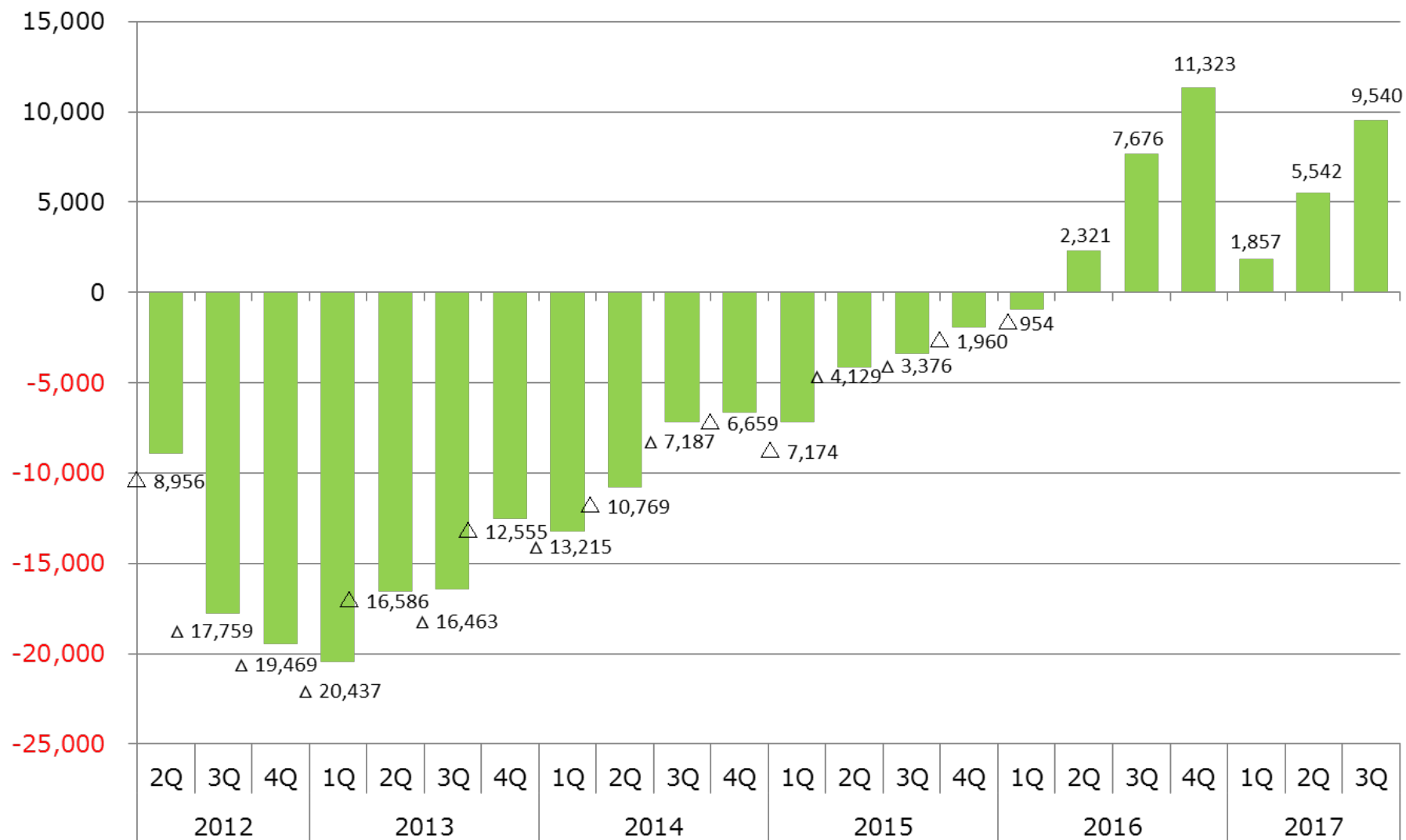
Units: Million yen



※Internal transactions refers to the sales amount after providing services to “EC business”

Trend in Segment Profit (In Quarters)

Units: 1000 yen



Guarantee Service

Guarantee Service 3Q Summary

Segment Sales	538,187 thousand yen (9.3% YoY increase)
Segment Profit	134,932 thousand yen (69.5% YoY increase)

- Although Receivable Guarantee Service Balance decreased, Business Rent Guarantee Service Balance increased to 2.8 Billion Yen.
- Guarantee Balance for “URIHO”, which started in August, also increased steadily

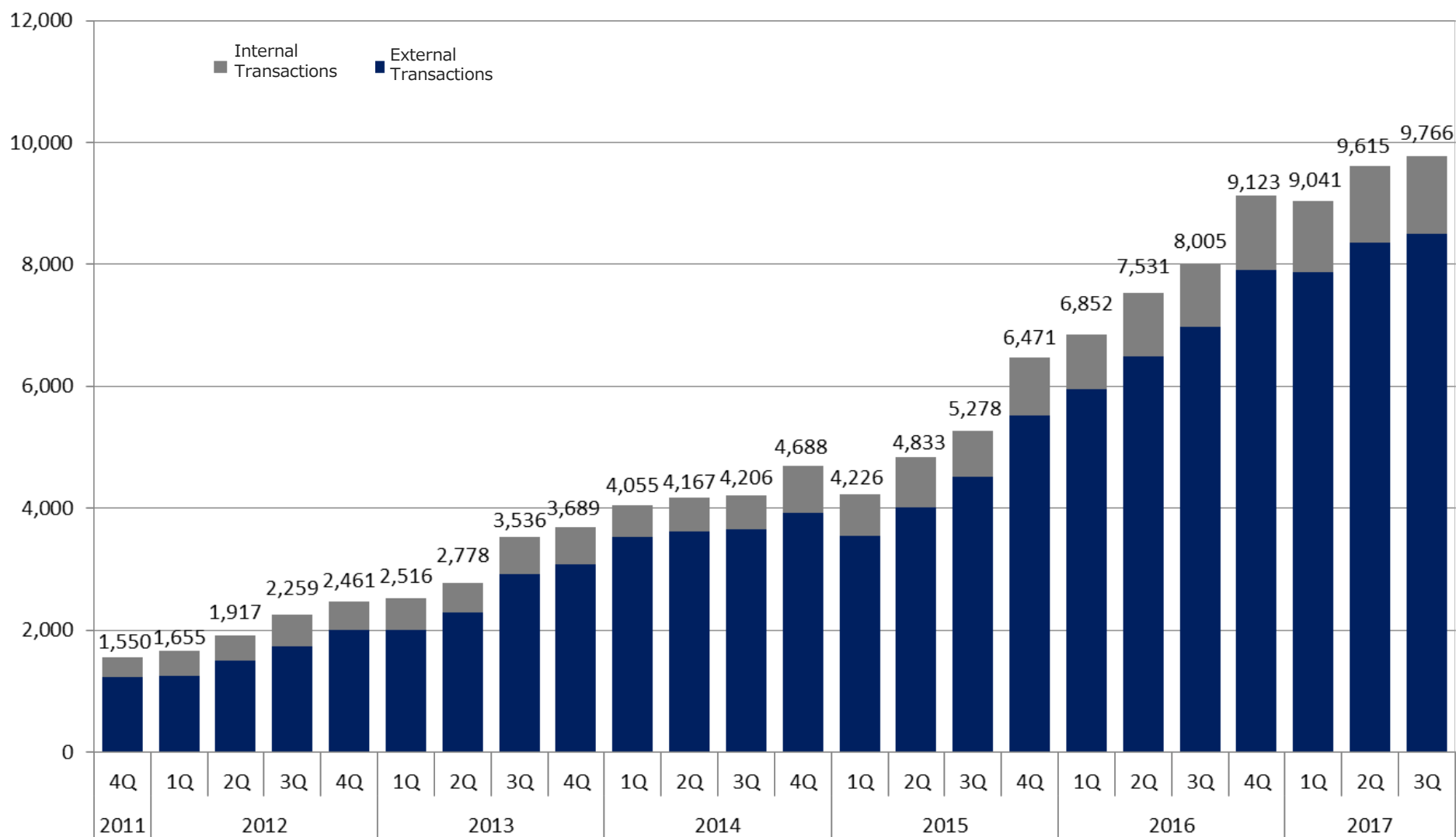


End of 3Q Guarantee Balance: 9,766,801 thousand yen (7.1% YoY increase)

- Decrease in default amount led to better cost rates.
Segment profits increased dramatically: 69.5% YoY increase

Trend in Guarantee balance (In Quarters)

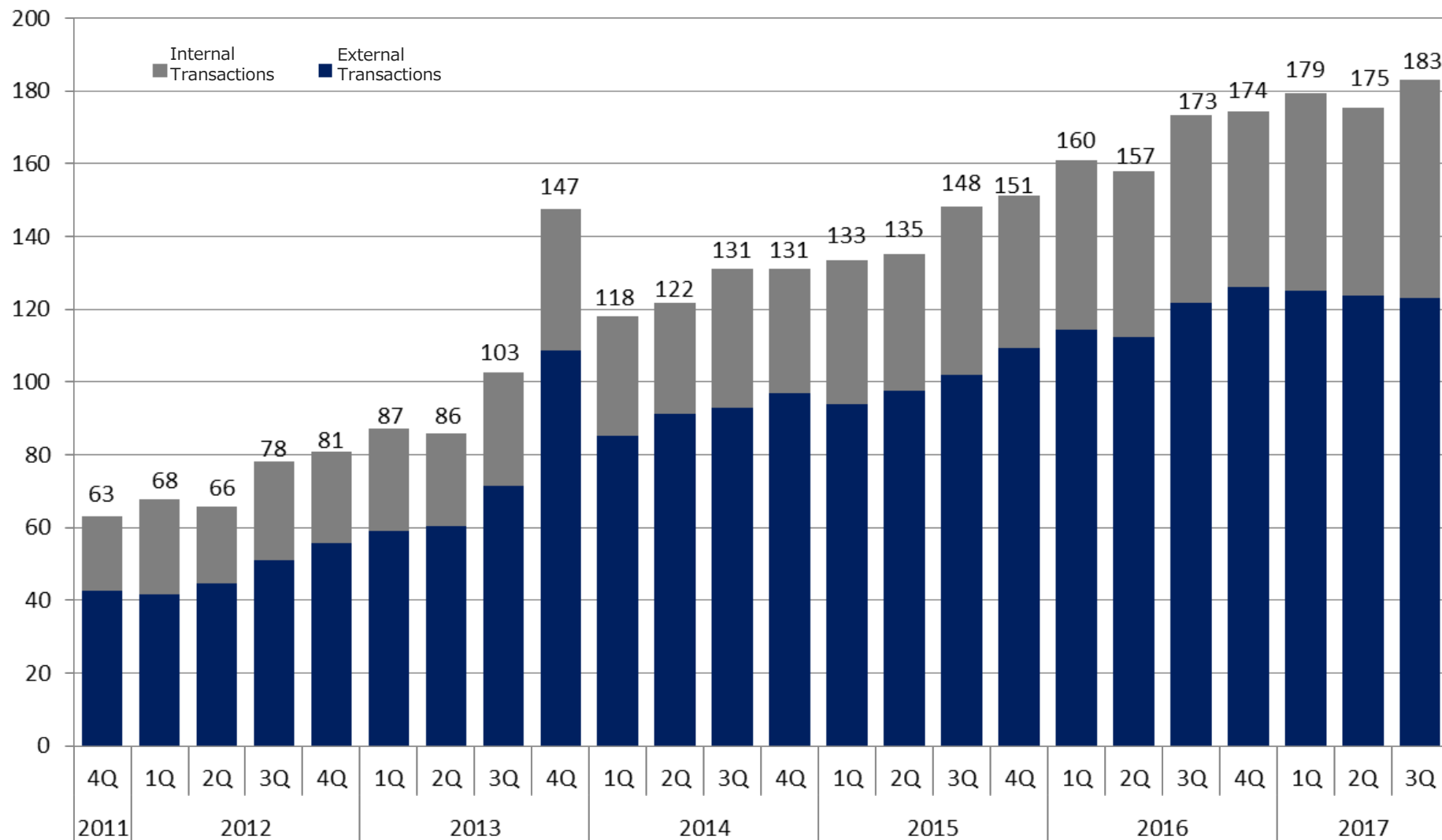
Units: Million Yen



※Internal transactions refers to the guarantee balance after services were provided to “Paid”

Trend in Segment Sales (In Quarters)

Units: Million Yen



※Internal transactions refers to the guarantee balance after services were provided to “Paid”

Appendix

Actual Results

Units: 1000 yen

	2010/4				2011/4				2012/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total Sales	321,624	325,129	329,132	330,918	324,107	326,682	356,591	373,700	378,760	387,888	421,538	425,452
Operating Profit	27,431	33,733	15,449	26,068	15,318	39,745	41,915	28,372	28,177	25,237	54,727	32,277
Operating Margin	8.5%	10.4%	4.7%	7.9%	4.7%	12.2%	11.8%	7.6%	7.4%	6.5%	13.0%	7.6%

	2013/4				2014/4				2015/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total Sales	426,998	427,581	459,296	492,992	463,817	471,490	498,681	498,189	490,448	506,287	521,753	537,778
Operating Profit	33,619	39,971	59,718	47,929	38,630	57,029	88,080	63,904	57,380	92,835	103,827	82,133
Operating Margin	7.9%	9.3%	13.0%	9.7%	8.3%	12.1%	17.7%	12.8%	11.7%	18.3%	19.9%	15.3%

	2016/4				2017/4		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total Sales	533,468	544,201	564,319	587,653	569,548	575,946	598,391
Operating Profit	87,318	96,253	96,905	113,239	94,448	105,504	117,662
Operating Margin	16.4%	17.7%	17.2%	19.3%	16.6%	18.3%	19.7%

Segment Sales

Unit: 1000 yen

	2010/4				2011/4				2012/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
E C	308,368	325,129	329,132	330,918	324,107	326,682	344,054	330,936	337,166	342,957	369,392	367,617
Paid	–	–	–	–	–	–	–	–	–	227	1,162	2,165
RGS	–	–	–	–	–	–	12,536	42,764	41,594	44,703	50,982	55,668
Other	13,256	–	–	–	–	–	–	–	–	–	–	–
Total	321,624	325,129	329,132	330,918	324,107	326,682	356,591	373,700	378,760	387,888	421,538	425,452

	2013/4				2014/4				2015/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
E C	364,756	362,810	381,012	375,833	367,884	367,411	389,742	383,074	375,447	384,577	391,616	396,253
Paid	3,157	4,440	6,881	8,528	10,688	12,804	15,972	18,125	20,998	24,230	28,009	32,298
RGS	59,084	60,331	71,403	108,630	85,243	91,273	92,965	96,989	94,003	97,479	102,127	109,225
Other	–	–	–	–	–	–	–	–	–	–	–	–
Total	426,998	427,581	459,296	492,992	463,817	471,490	498,681	498,189	490,448	506,287	521,753	537,778

	2016/4				2017/4		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
E C	382,543	390,892	398,157	411,525	392,285	393,391	409,310
Paid	36,593	40,883	44,460	49,862	52,197	58,926	66,018
RGS	114,331	112,425	121,701	126,265	125,066	123,628	123,062
Other	–	–	–	–	–	–	–
Total	533,468	544,201	564,319	587,653	569,548	575,946	598,391

*RGS= Receivable Guarantee Service

Segment Profits

Units: 1000 yen

	2010/4				2011/4				2012/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
E C	27,431	33,733	15,449	26,068	15,318	39,745	23,894	1,182	19,957	24,563	50,966	37,595
Paid	–	–	–	–	–	–	–	–	–	-8,956	-17,759	-19,469
RGS	–	–	–	–	–	–	7,199	16,301	8,051	1,950	14,995	5,489
Total	27,431	33,733	15,449	26,068	15,318	39,745	41,915	28,372	28,177	25,237	54,727	32,277

	2013/4				2014/4				2015/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
E C	40,147	45,164	61,782	32,612	30,220	36,680	59,647	41,086	34,437	54,138	72,955	72,140
Paid	-20,437	-16,586	-16,463	-12,555	-13,215	-10,769	-7,187	-6,659	-7,174	-4,129	-3,376	-1,960
RGS	8,257	463	5,053	21,974	12,014	17,798	26,469	15,443	19,493	29,049	28,540	-3,241
Total	33,619	39,971	59,718	47,929	38,630	57,029	88,080	63,904	57,380	92,835	103,827	82,133

	2016/4				2017/4		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
E C	57,037	56,004	53,926	56,162	44,941	56,199	67,058
Paid	-954	2,321	7,676	11,323	1,857	5,542	9,540
RGS	23,441	26,908	29,252	31,645	50,662	40,892	43,378
Total	87,318	96,253	96,905	113,239	94,448	105,504	117,662

*RGS= Receivable Guarantee Service

※Total values include consolidated adjustments

No. of retailers that purchased “Super Delivery” and average price per customer

	2006/4				2007/4				2008/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Retailers	1,618	1,938	2,362	2,585	3,021	3,220	3,639	4,087	5,094	5,674	6,427	6,803
PPC	137,067	142,547	171,360	166,600	158,043	176,152	202,099	182,311	197,891	191,412	209,603	197,846

	2009/4				2010/4				2011/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Retailers	7,427	7,408	7,489	7,603	8,242	8,165	8,149	8,297	8,046	7,604	7,604	7,403
PPC	190,936	210,079	214,454	207,625	199,483	216,736	218,097	221,289	218,186	234,351	259,391	256,421

	2012/4				2013/4				2014/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Retailers	7,693	7,651	8,003	8,071	8,344	8,199	8,335	8,463	8,569	8,379	8,471	8,538
PPC	254,512	260,754	272,337	270,786	258,102	262,252	275,011	269,653	257,106	265,529	286,429	279,414

	2015/4				2016/4				2017/4		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Retailers	8,759	8,662	8,796	8,937	8,919	8,763	8,875	9,027	9,077	9,129	9,318
PPC	263,338	275,998	273,161	272,449	254,966	268,478	270,505	283,623	261,496	258,955	268,815

No. of companies that purchased “Super Delivery” and purchasing value

	2009/4				2010/4				2011/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Companies	899	934	973	1,032	1,080	1,104	1,077	1,051	1,042	1,020	998	979
Purchasing value (units: 1000yen)	1,577	1,666	1,650	1,529	1,522	1,602	1,650	1,746	1,684	1,747	1,976	1,939

	2012/4				2013/4				2014/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Companies	956	952	944	1,007	1,043	1,058	1,048	1,015	981	952	956	959
Purchasing value (units: 1000yen)	2,048	2,095	2,308	2,170	2,064	2,032	2,187	2,248	2,245	2,337	2,538	2,487

	2015/4				2016/4				2017/4		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Companies	980	1,042	1,065	1,080	1,075	1,085	1,108	1,143	1,137	1,161	1,158
Purchasing value (units: 1000yen)	2,353	2,294	2,256	2,254	2,115	2,168	2,166	2,239	2,087	2,036	2,163

“Super Delivery” Sales

Unit: Million yen

	2006/4				2007/4				2008/4				2009/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Transaction Value	221	276	404	430	477	567	735	745	1,008	1,086	1,347	1,345	1,418	1,556	1,606	1,578
System Usage Sales	22	28	41	44	48	57	75	75	101	110	134	133	139	152	158	155
Membership retailer sales	13	15	18	20	22	25	27	29	33	38	44	49	53	56	58	59
Exhibitor Company Sales	29	32	36	45	38	31	16	16	27	42	45	62	69	75	74	76
Other Sales																
T O T A L	65	76	96	110	109	114	118	120	162	191	223	244	262	284	291	291

	2010/4				2011/4				2012/4				2013/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Transaction Value	1,644	1,769	1,777	1,836	1,755	1,782	1,972	1,898	1,957	1,995	2,179	2,185	2,153	2,150	2,292	2,282
System Usage Sales	162	174	174	180	172	175	195	188	195	198	217	218	216	217	231	229
Membership retailer sales	60	62	63	64	64	64	62	61	59	60	60	61	63	63	63	62
Exhibitor Company Sales	85	89	90	86	86	86	86	81	80	80	84	82	84	81	86	83
Other Sales								0	1	3	7	4	0	0	0	0
T O T A L	308	325	329	330	324	326	344	330	337	342	369	367	364	362	381	375

	2014/4				2015/4				2016/4				2017/4		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Transaction Value	2,203	2,224	2,426	2,385	2,306	2,390	2,402	2,434	2,274	2,352	2,400	2,560	2,373	2,364	2,504
System Usage Sales	220	222	243	240	232	241	242	247	230	234	238	254	236	238	252
Membership retailer sales	63	62	62	62	62	61	62	63	63	63	63	62	61	62	61
Exhibitor Company Sales	84	81	83	80	80	81	86	85	88	92	95	94	94	91	93
Other Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
T O T A L	367	367	389	383	375	384	391	396	382	390	397	411	391	392	408

“Paid” transaction value

Units: 1000 yen

	2012/4			2013/4			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Transactions	491,299	1,470,016	1,476,282	1,433,023	1,482,862	1,558,129	1,544,549
External Transactions	8,584	41,359	68,641	105,250	148,026	229,388	284,280
Total	499,884	1,511,375	1,544,923	1,538,273	1,630,889	1,787,517	1,828,829

	2014/4				2015/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Transactions	1,497,167	1,507,402	1,630,085	1,598,024	1,598,398	1,735,527	1,703,691	1,750,567
External Transactions	357,494	432,289	549,099	649,045	728,416	839,188	980,724	1,157,949
Total	1,854,661	1,939,691	2,179,184	2,247,069	2,326,815	2,574,716	2,684,416	2,908,517

	2016/4				2017/4		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Internal Transactions	1,637,816	1,699,168	1,733,022	1,869,146	1,652,225	1,672,828	1,741,922
External Transactions	1,355,837	1,539,287	1,681,144	1,888,849	2,000,291	2,311,575	2,597,637
Total	2,993,654	3,238,455	3,414,167	3,757,996	3,652,516	3,984,403	4,339,560

Paid sales & Segment profit

Units: 1000 yen

	2012/4			2013/4				2014/4			
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Transactions	15,233	35,280	35,430	35,185	35,588	37,430	37,183	36,052	36,335	39,270	38,483
External Transactions	227	1,162	2,165	3,157	4,440	6,881	8,528	10,688	12,804	15,972	18,125
Sales Total	15,460	36,443	37,596	38,343	40,029	44,311	45,711	46,741	49,140	55,243	56,608
Segment Profit	-8,956	-17,759	-19,469	-20,437	-16,586	-16,463	-12,555	-13,215	-10,769	-7,187	-6,659

	2015/4				2016/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Transactions	38,481	41,803	41,051	42,704	42,696	44,306	45,209	48,759
External Transactions	20,998	24,230	28,009	32,298	36,593	40,883	44,460	49,862
Sales Total	59,480	66,033	69,061	75,003	79,289	85,190	89,669	98,621
Segment Profit	-7,174	-4,129	-3,376	-1,960	-954	2,321	7,676	11,323

	2016/4				2017/4		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Internal Transactions	42,696	44,306	45,209	48,759	43,104	43,657	45,339
External Transactions	36,593	40,883	44,460	49,862	52,197	58,926	66,018
Sales Total	79,289	85,190	89,669	98,621	95,301	102,583	111,358
Segment Profit	-955	2,321	7,676	11,323	1,857	5,542	9,540

Receivable Guarantee Service : Guarantee Outstanding

Units: Million yen

	2011/4	2012/4				2013/4			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Transactions	326	397	418	528	459	505	484	625	602
External Transactions	1,223	1,258	1,499	1,730	2,001	2,011	2,293	2,911	3,087
Total	1,550	1,655	1,917	2,259	2,461	2,516	2,778	3,536	3,689

	2014/4				2015/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Transactions	525	545	555	761	677	819	760	955
External Transactions	3,529	3,622	3,650	3,927	3,549	4,014	4,518	5,516
Total	4,055	4,167	4,206	4,688	4,226	4,833	5,278	6,471

	2016/4				2017/4		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Internal Transactions	894	1,044	1,021	1,224	1,161	1,262	1,275
External Transactions	5,958	6,486	6,983	7,899	7,880	8,353	8,491
Total	6,852	7,531	8,005	9,123	9,041	9,615	9,766

Receivable Guarantee Service: Sales

Units: 1000 yen

	2011/4	2012/4				2013/4			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Transactions	20,449	26,304	21,129	27,071	25,310	28,019	25,509	31,136	38,826
External Transactions	42,764	41,594	44,703	50,982	55,668	59,084	60,331	71,403	108,630
Total	63,214	67,898	65,832	78,053	80,979	87,103	85,841	102,540	147,456

	2014/4				2015/4			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Transactions	32,665	30,503	38,028	34,265	39,415	37,732	46,273	42,197
External Transactions	85,243	91,273	92,965	96,989	94,003	97,479	102,127	109,225
Total	117,908	121,777	130,994	131,254	133,418	135,212	148,401	151,423

	2016/4				2017/4		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Internal Transactions	46,533	45,516	51,777	48,093	54,511	51,799	60,118
External Transactions	114,331	112,425	121,701	126,265	125,066	123,628	123,062
Total	160,864	157,941	173,479	174,358	179,577	175,428	183,181