

FY 4/2019 (ending April 2019)

3Q Financial Results



March 6, 2019
RACCOON HOLDINGS, Inc.
Code: 3031 TSE1

Disclaimer

All estimates and opinions in this document were based on information available to us at the time, and may include inaccuracies.

Actual decisions and financial results in the future may differ.

Summary of Financial Results for the Third Quarter of the Fiscal Year Ending April 2019

Net Sales: **2,162** million yen YoY: **14.6%** increase

EBITDA: **465** million yen YoY: **17.7%** increase

-
- Made a transition to a holding company structure in 3Q
→ Recorded 18,648 thousand yen of expenses for reorganization as extraordinary losses
 - Acquired the entire share of ALEMO, Inc. and made it a subsidiary
→ Launched residential rent guarantee service
→ Recorded brokerage fee* of 26,407 thousand yen and amortization of goodwill of 10,927 thousand yen

*Incurred only during the current period as temporary expenses

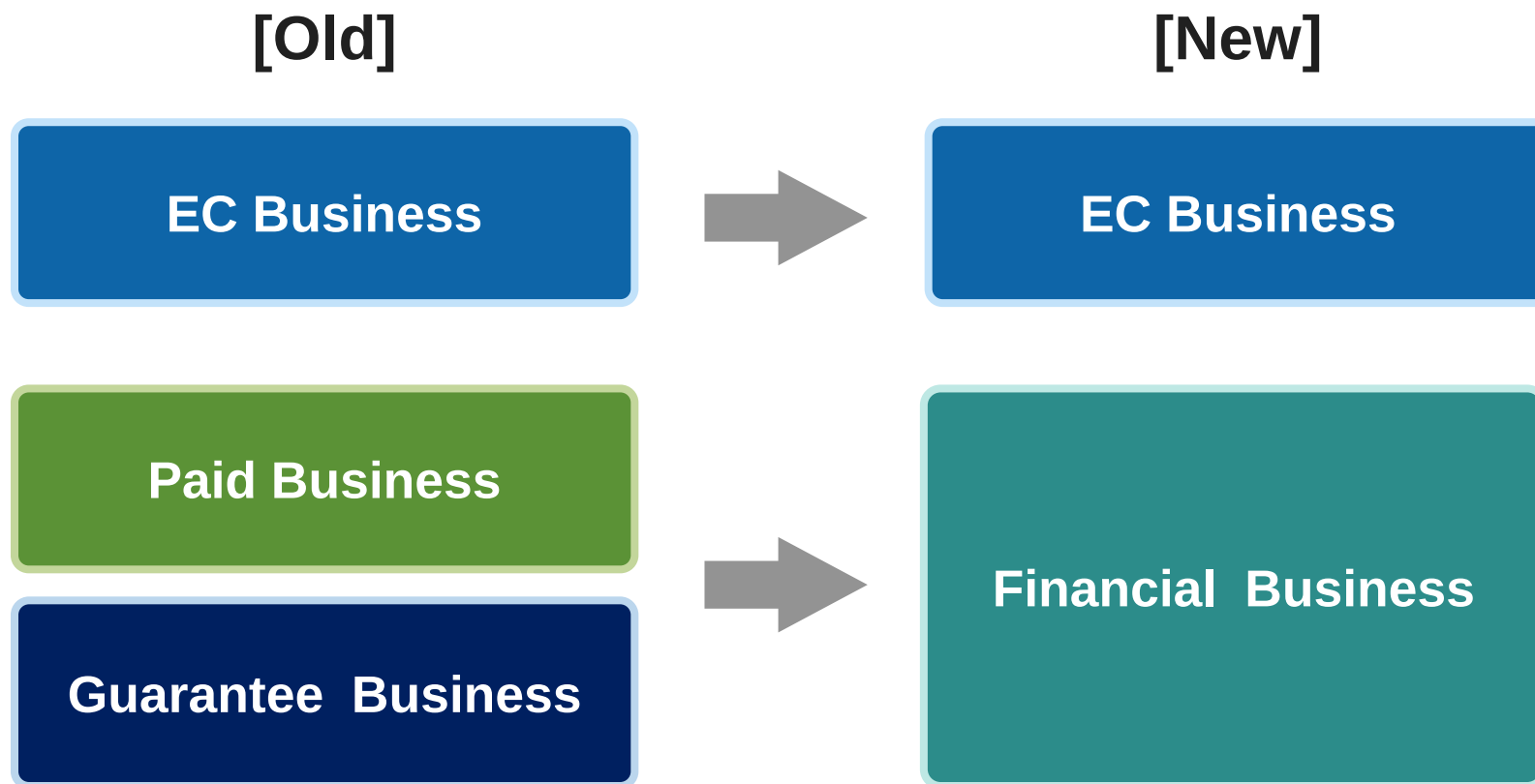


Operating income: 393,894 thousand yen (420,301 thousand yen excluding brokerage fees)

Ordinary income: 389,002 thousand yen (415,409 thousand yen excluding brokerage fees)

Net income: 237,559 thousand yen

Ahead of our transition to a holding company structure, we will make the following changes from FY 4/2019.



Revised financial results forecast upward

(Unit: Million Yen)

	FY 4/2019 Forecast after revision	FY 4/2019 Forecast before revision	Change	FY 4/2018 (Actual)	YoY
Sales	2,980	2,709	+ 10.0%	2,546	+ 17.0%
Operating Income	545	513	+ 6.2%	437	+ 24.5%
Ordinary Income	540	508	+ 6.3%	431	+ 25.1%
Net Income	333	330	+ 0.9%	282	+ 17.7%
EPS	18.58yen	18.53yen	—	16.05yen	—

(Unit: Million Yen)

	FY 4/2019 3Q Results	FY 4/2018 2Q Results	YoY	Estimation	Progress Rate
Net sales	2,162	1,887	+14.6%	2,980	72.6%
Gross profit	1,744	1,583	+10.2%	—	—
Selling, general and administrative expenses	1,350	1,248	+8.1%	—	—
— Advertising and sales promotion expenses	148	147	+1.1%	—	—
Operating income	393	334	+17.8%	545	72.3%
Operating margin	18.2%	17.7%	+0.5pt	18.3%	—
Ordinary income	389	329	+17.9%	540	72.0%
Net income attributable to owners of parent	237	221	+7.5%	333	71.3%

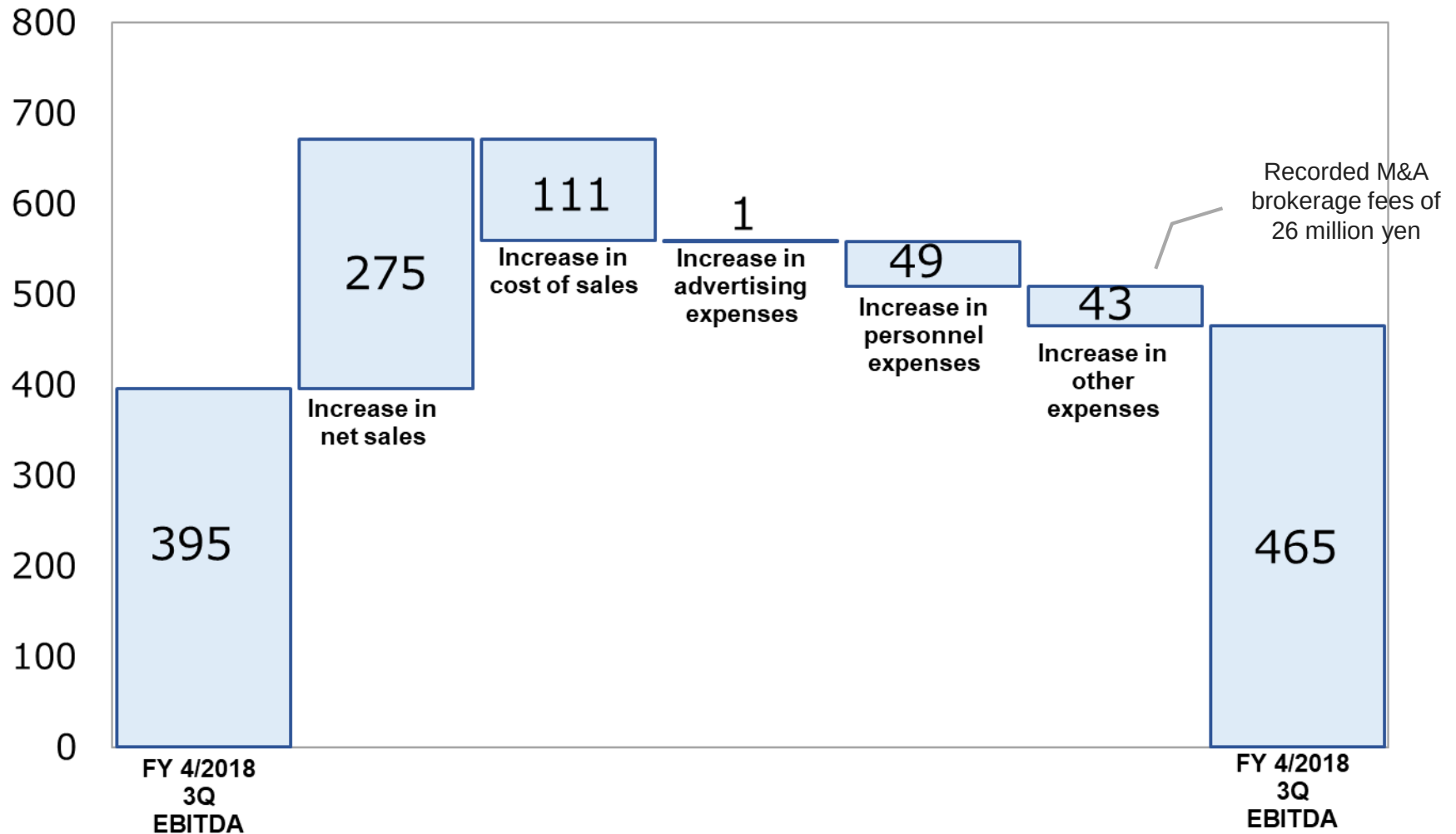
Trends in Business Performance (quarterly basis)

(Unit: Million Yen)

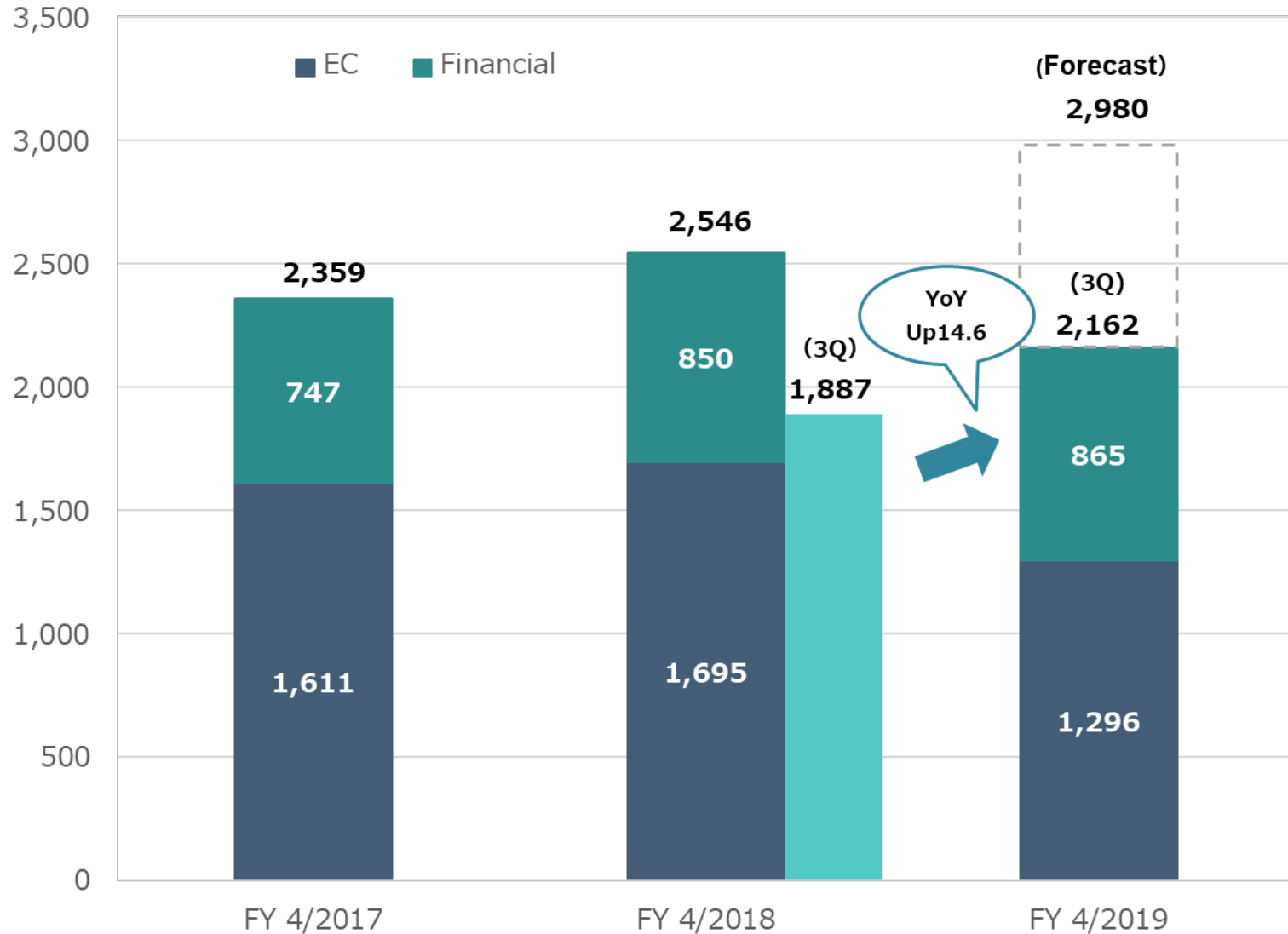
	FY 4/2018		FY 4/2019		
	3Q	4 Q	1 Q	2Q	3Q
Net sales	647	659	669	682	810
Gross profit	540	522	548	553	642
Selling, general and administrative expenses	418	418	414	415	519
— Advertising and sales promotion expenses	50	51	44	46	57
Operating income	122	103	133	137	123
Operating margin	18.9%	15.7%	19.9%	20.2%	15.2%
Ordinary income	121	101	133	133	121
Net income attributable to owners of parent	81	61	90	92	55

Factors behind Change in EBITDA (year-on-year comparison)

(Unit: Million Yen)



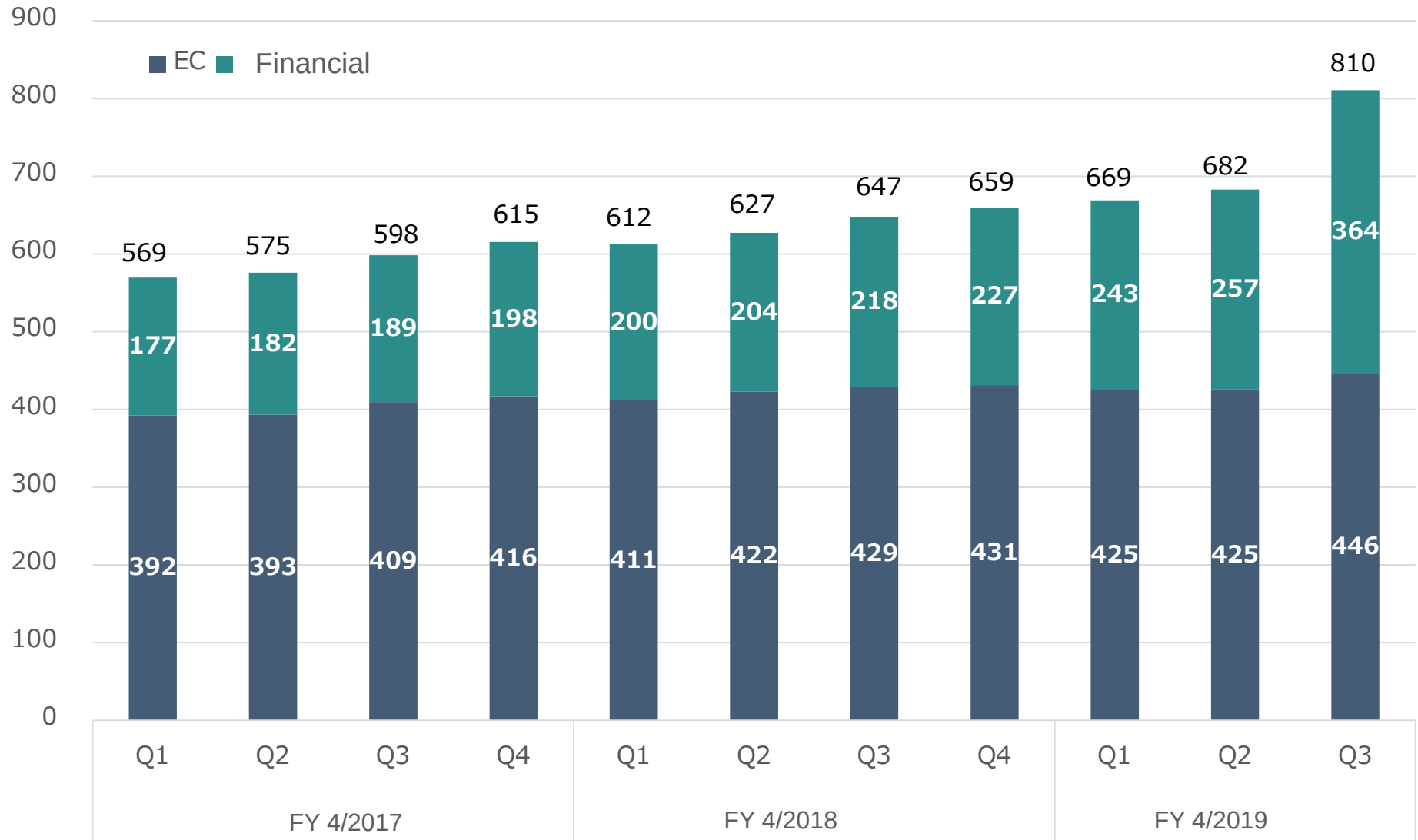
(Unit: Million Yen)



Trends in Consolidated Net Sales by Quarter

(Unit: Million Yen)

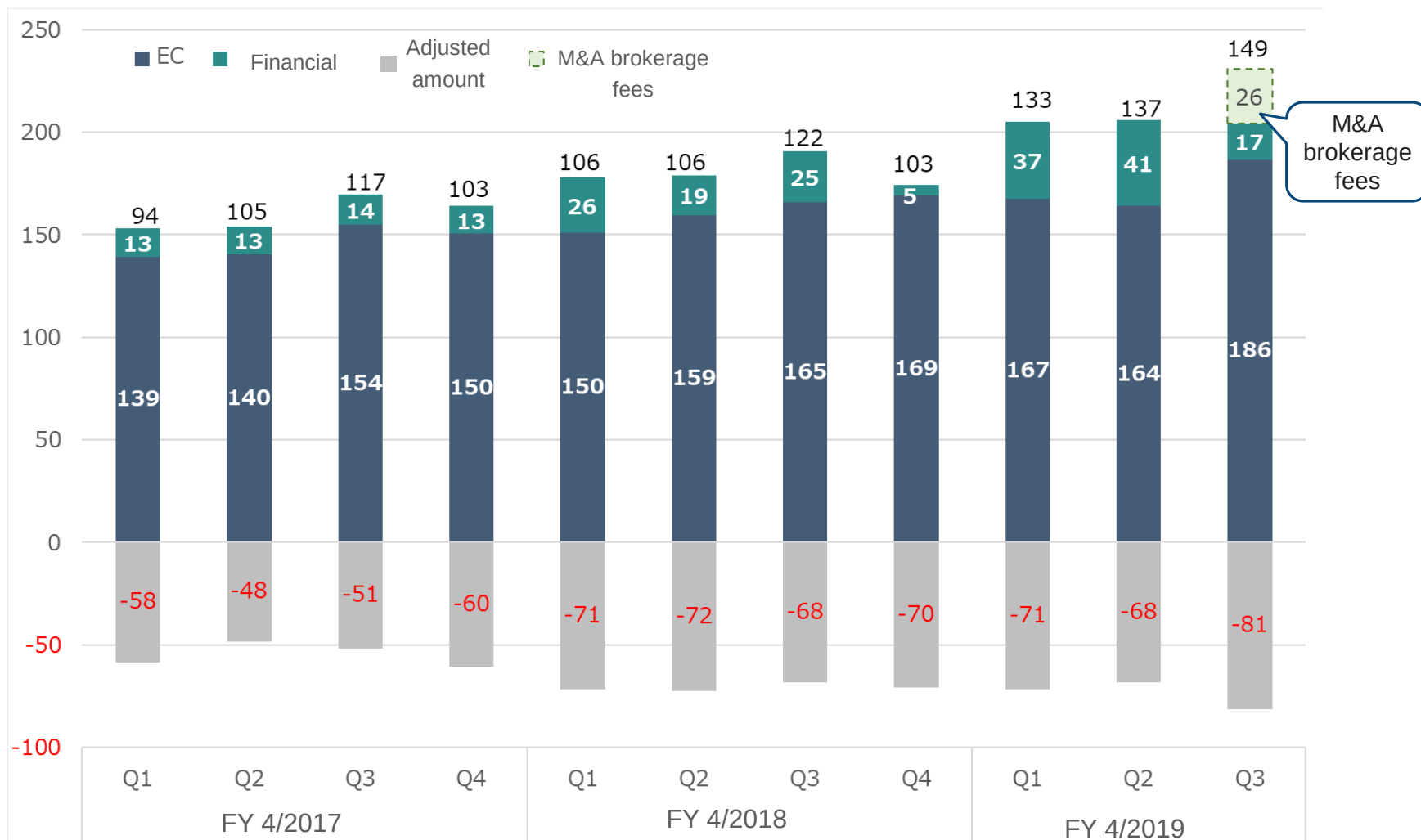
■ EC ■ Financial



Trends in Consolidated Operating Income by Quarter

Profit excluding M&A brokerage fees grew steadily to 149 million yen

(Unit: Million Yen)



(Unit: Million Yen)

	FY 4/2019 3Q	FY 4/2018	Difference	Compared with the end of the previous quarter
Current Assets	6,132	5,580	551	109.9%
Non-current assets	949	475	473	199.6%
— Property, plant and equipment	168	20	147	813.7%
— Intangible assets	526	210	316	250.1%
— Investments and other assets	254	244	10	104.2%
Current liabilities	4,332	3,885	447	111.5%
Non-current liabilities	306	37	268	806.8%
Net assets	2,444	2,133	310	114.6%
Total assets	7,082	6,056	1,025	116.9%

Summary by Segment

EC Business

Segment Sales: **1,296** million yen YoY: **2.6%** increase

Segment Profit: **517** million yen YoY: **8.8%** increase

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- Number of members in businesses other than retailers and overseas business operators increased steadily

Distributed coupons, etc. to increase the number of new purchasers



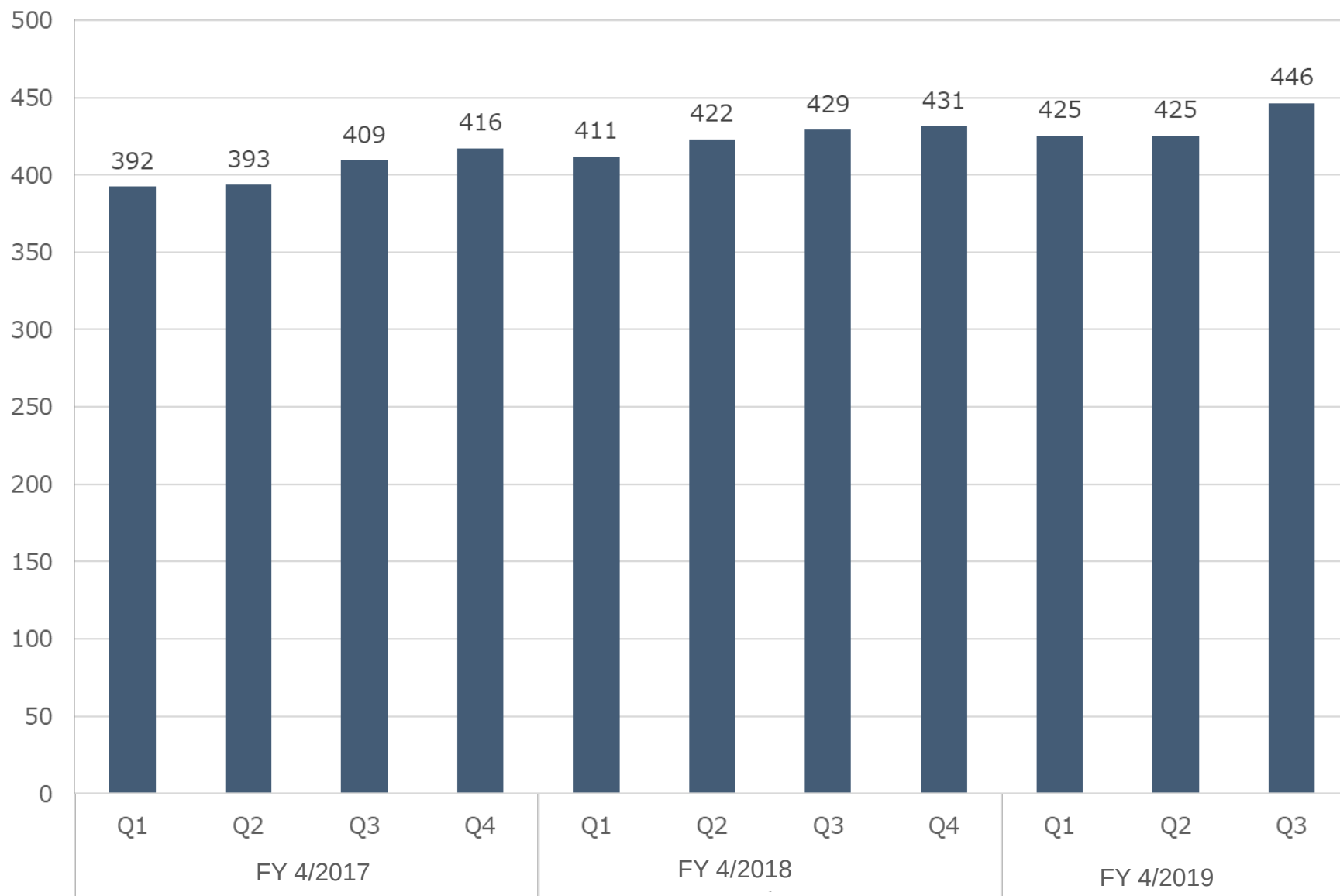
Number of purchasers increased steadily

- Domestic transaction value of SUPER DELIVERY → YOY 0.6% decrease
 - Transaction value for businesses other than retailers remained strong.
Posted year-on-year positive growth in the third quarter of the fiscal year under review but decreased year-on-year in the first three quarters
- Overseas transaction value of SUPER DELIVERY → YOY 43.6% increase

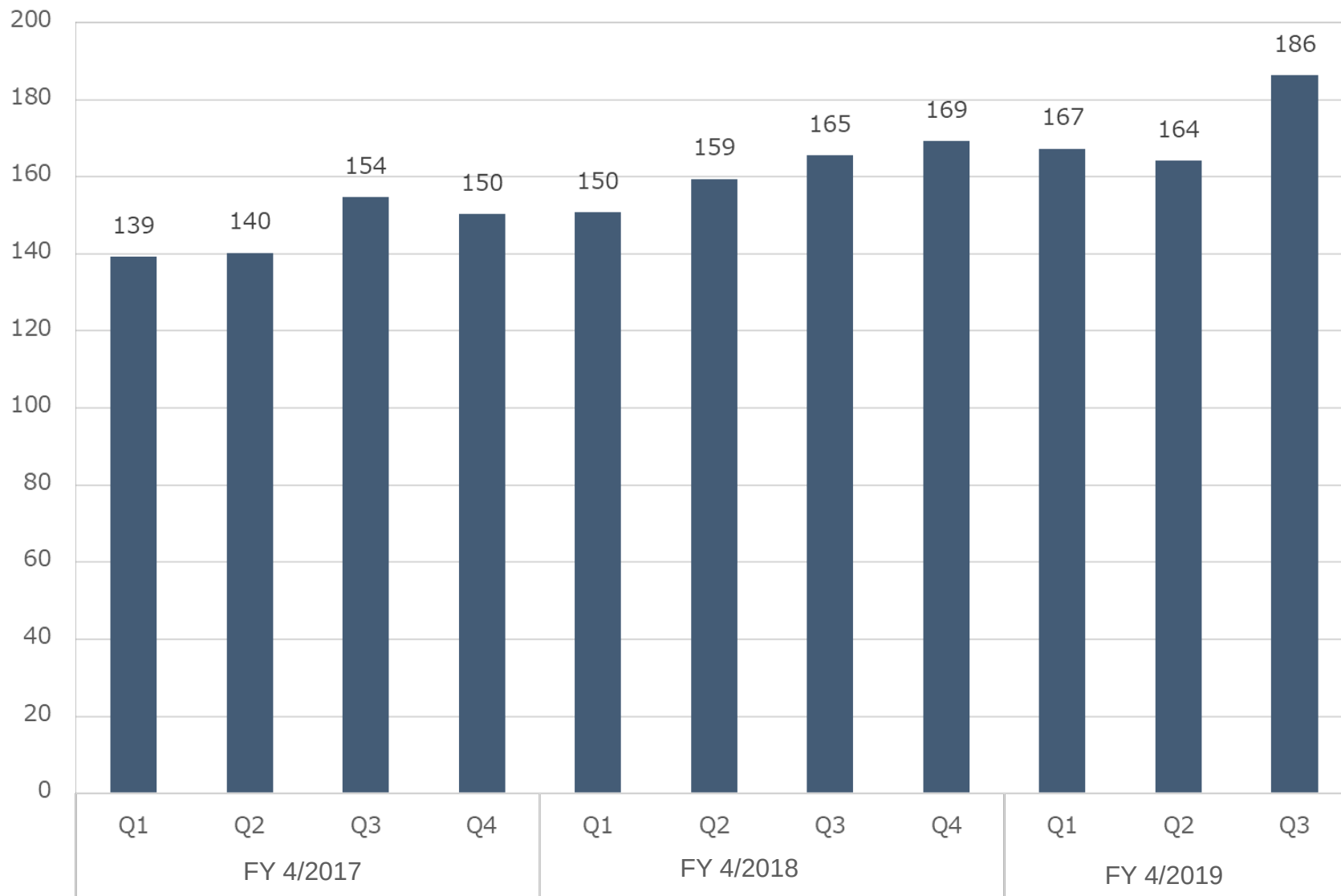


Total transaction value: 8,200,036 thousand yen (YoY 4.4% increase)

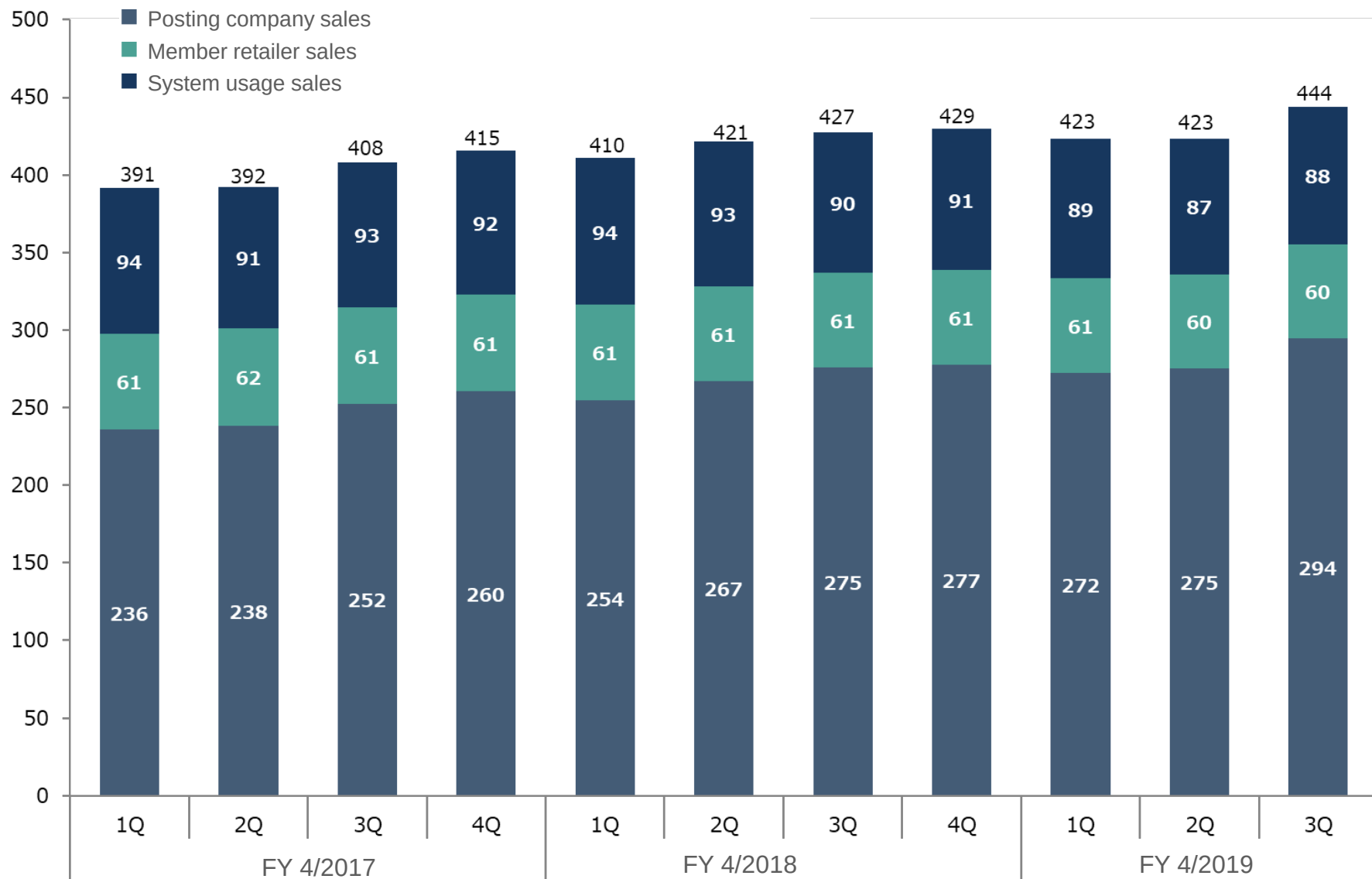
(Unit: Million Yen)



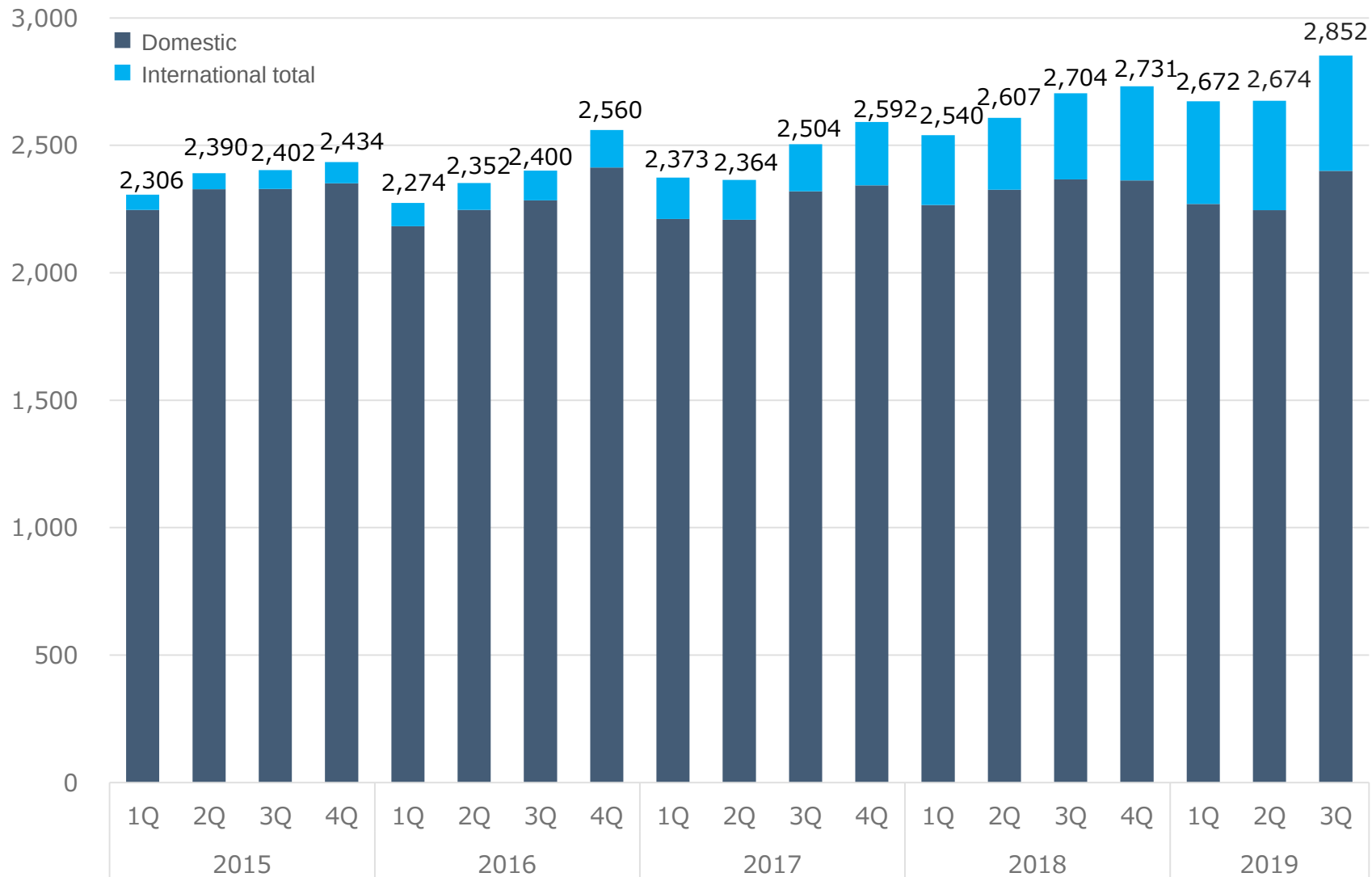
(Unit: Million Yen)

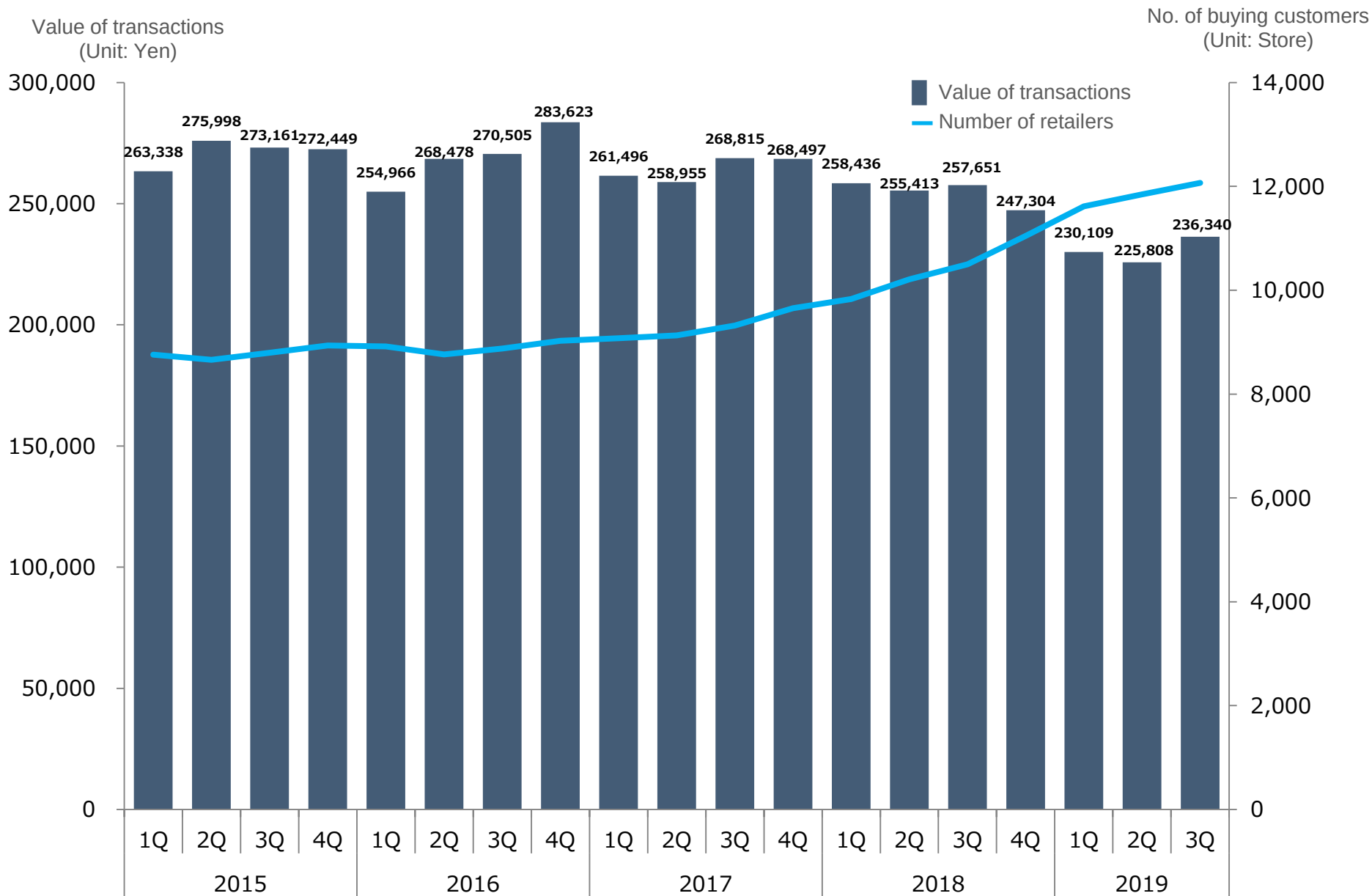


(Unit: Million Yen)



(Unit: Million Yen)





Financial Business

Segment Sales: **994** million yen YoY: **31.3%** increase

Segment Profit: **97** million yen YoY: **36.2%** increase

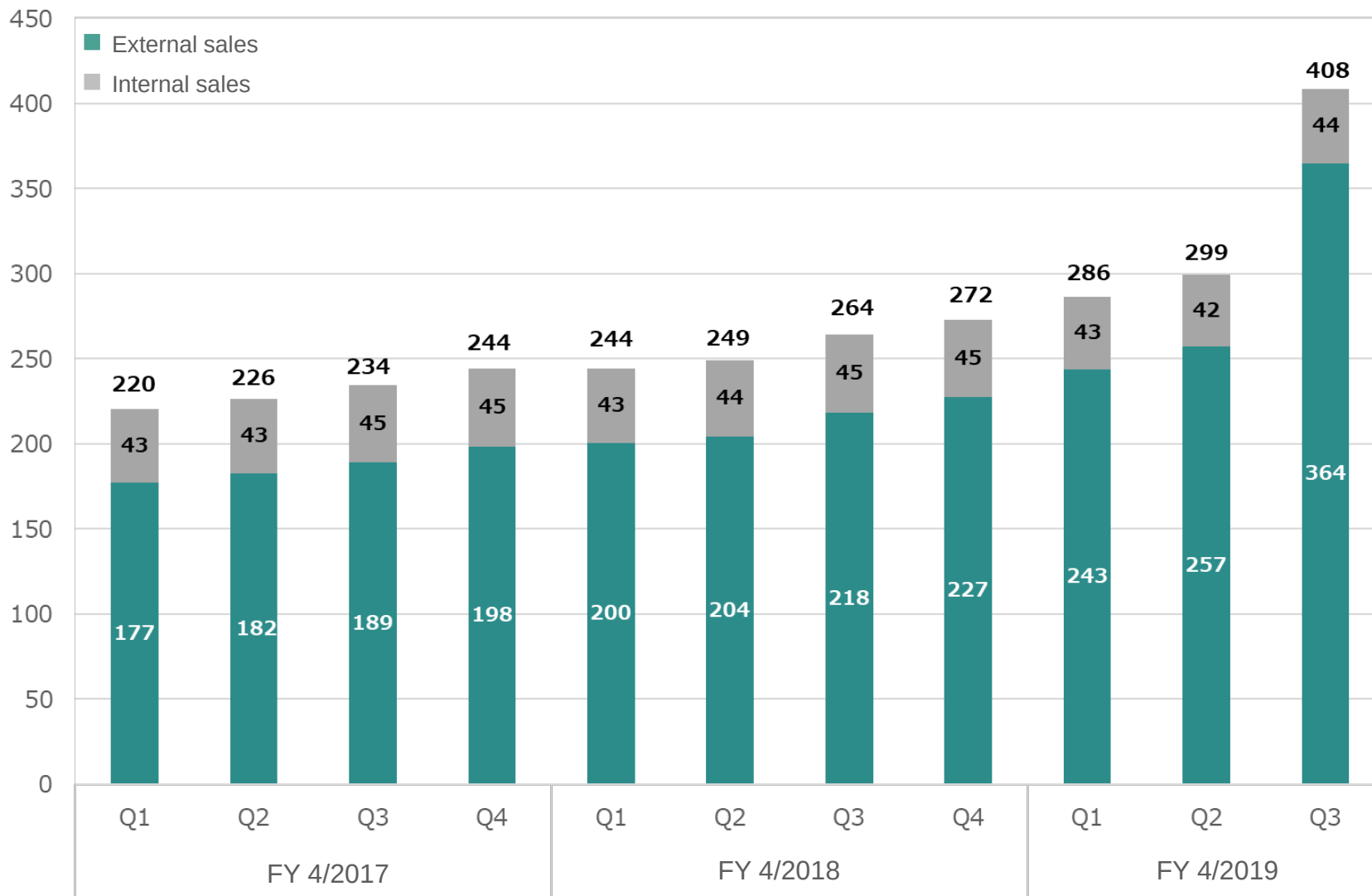
-
- Acquired the entire share of ALEMO, Inc. and made it a subsidiary
 - Launched residential rent guarantee service
 - Recorded brokerage fee of 26,407 thousand yen and amortization of goodwill of 10,927 thousand
- 
- Segment profit excluding brokerage fees: 123,418 thousand yen (YoY 73.3% increase)

- Transaction value increased steadily through improving the convenience of Paid External transactions: 11,835,586 thousand yen (YoY 26.9% increase)
 - Guarantee balance also increased steadily for rent guarantee service for businesses under own brand
- Guarantee balance: 19,874,875 thousand yen (excluding the amount for ALEMO)



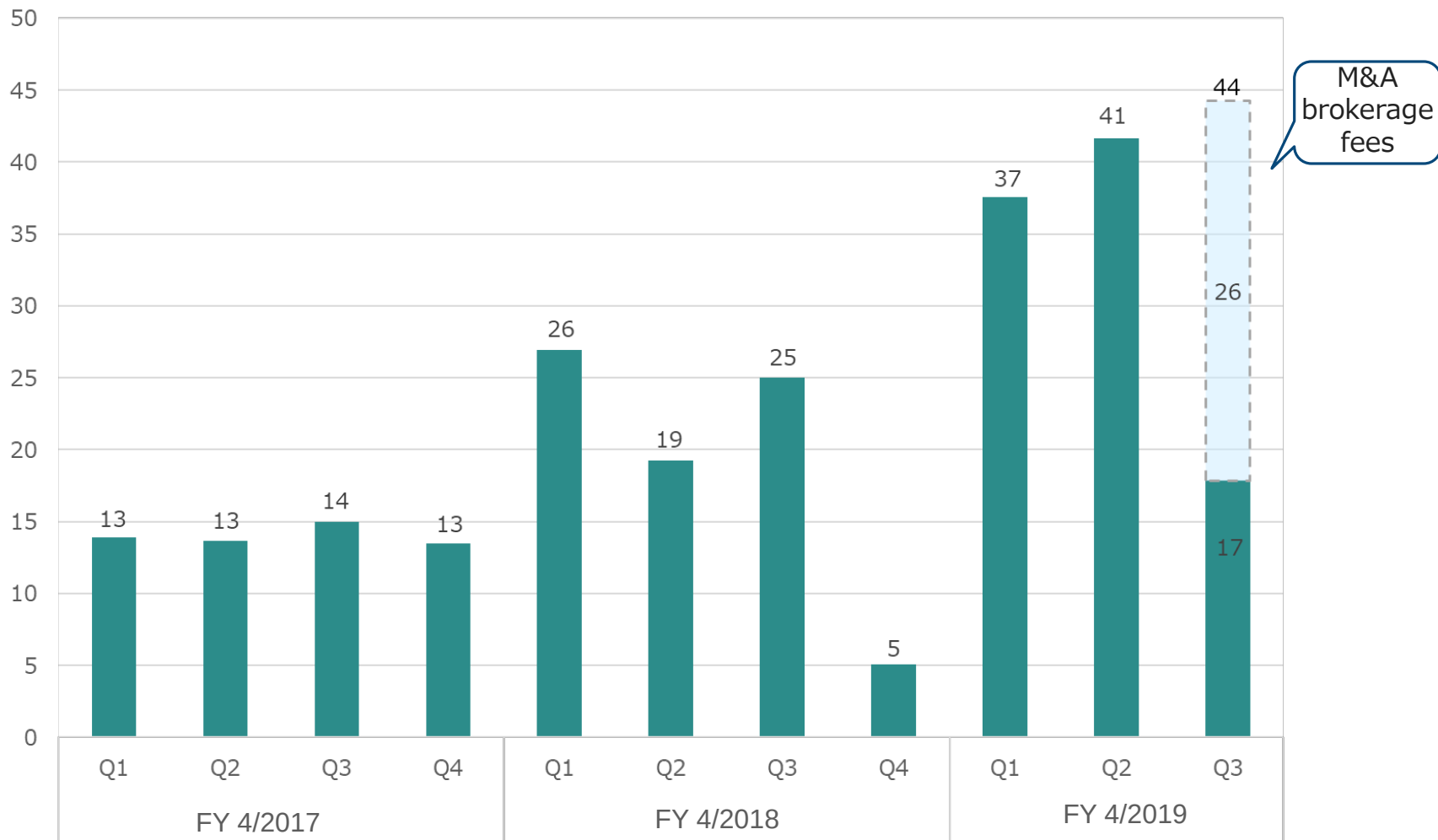
External sales: 865,629 thousand yen (YoY 38.9% increase)

(Unit: Million Yen)

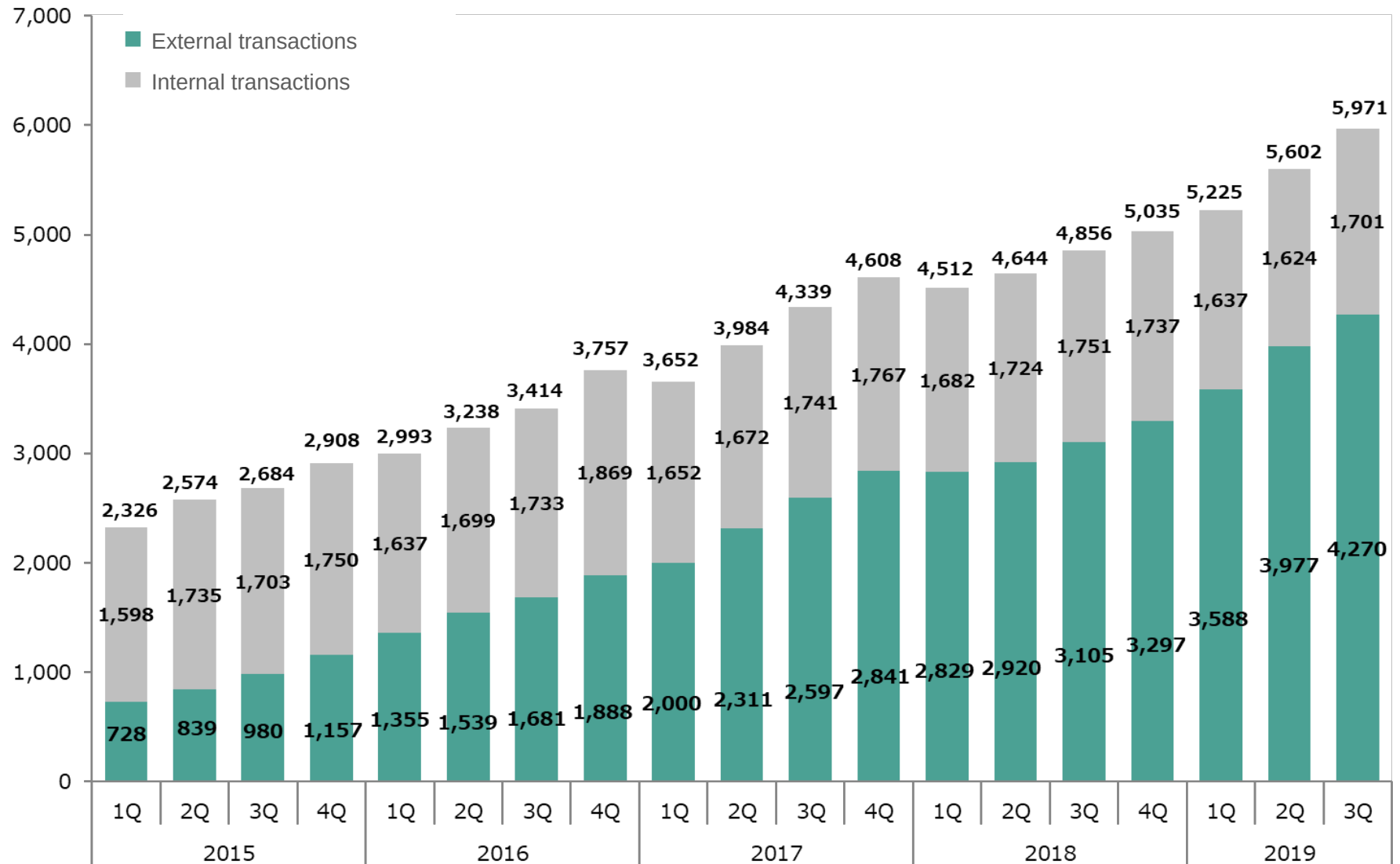


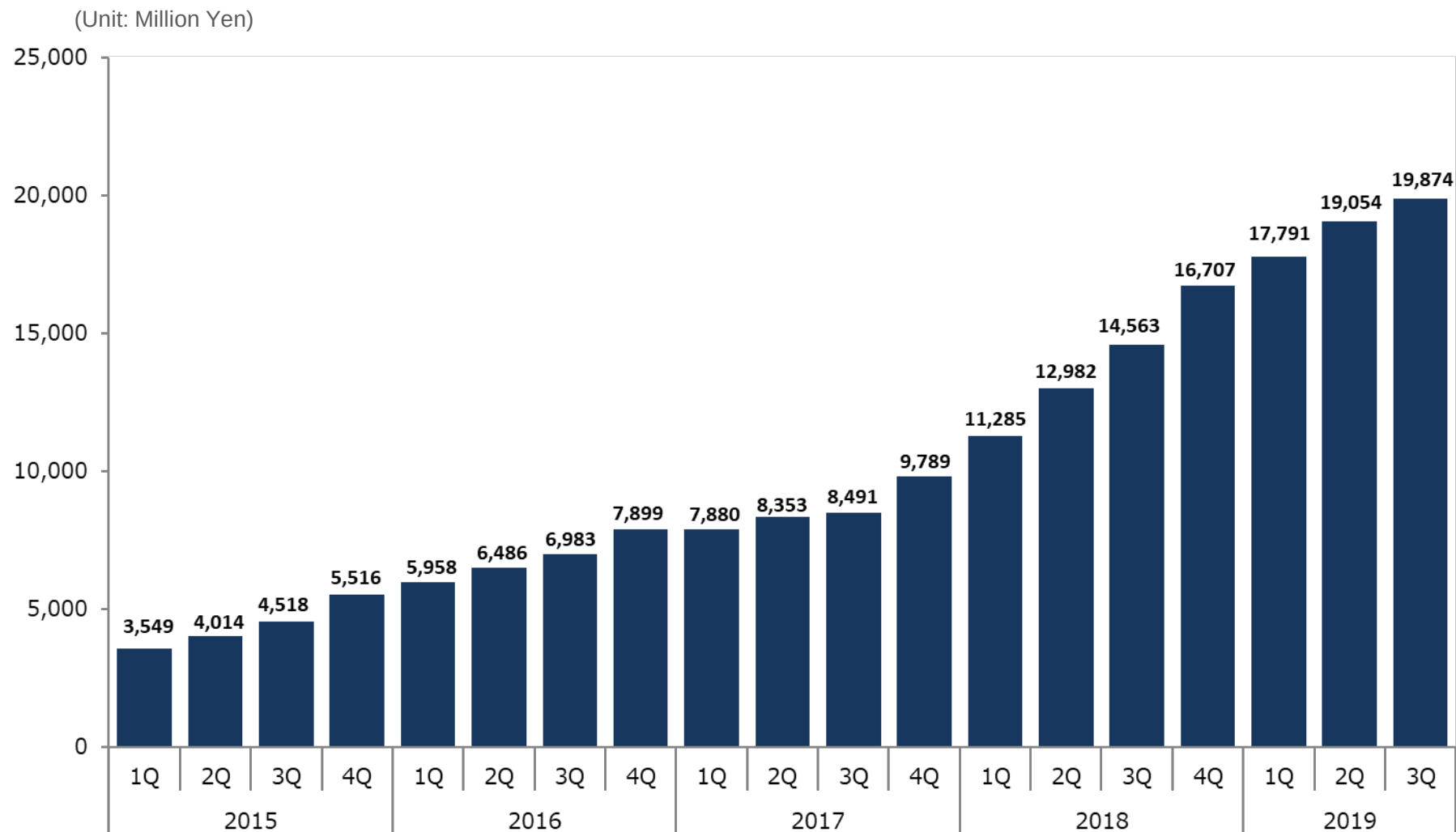
Segment profit excluding M&A brokerage fees increased to 44 million yen

(Unit: Million Yen)



(Unit: Million Yen)





※As for 3Q 2019, also posted guarantee balance of 39,977 million yen for ALEMO, Inc.

Reference: Appendix

Trends in Consolidated Net Sales by Quarter

(Unit: Thousand Yen)

	2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
EC	392,285	393,391	409,310	416,992	411,858	422,816	429,159	431,392
Financial	177,263	182,555	189,081	198,432	200,454	204,346	218,443	227,608
Total	569,548	575,946	598,391	615,424	612,313	627,162	647,603	659,000

	2019		
	1Q	2Q	3Q
EC	425,150	425,472	446,243
Financial	243,873	257,229	364,526
Total	669,023	682,702	810,769

Trends in Consolidated Operating Income by Quarter

(Unit: Thousand Yen)

	2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
EC	139,203	140,305	154,643	150,387	150,866	159,467	165,583	169,227
Financial	13,878	13,679	14,979	13,470	26,952	19,235	25,016	5,055
Adjustment	-58,634	-48,480	-51,960	-60,661	-71,758	-72,556	-68,443	-70,957
Total	94,448	105,504	117,662	103,197	106,060	106,146	122,156	103,325

	2019		
	1Q	2Q	3Q
EC	167,308	164,168	186,450
Financial	37,533	41,638	17,839
Adjustment	-71,567	-68,219	-81,257
Total	133,274	137,587	123,032

(Unit: Thousand Yen)

	2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
System usage sales	236,045	238,416	252,671	260,824	254,911	267,006	275,823	277,465
Member retailer sales	61,362	62,442	61,854	61,986	61,538	61,342	61,050	61,002
Posting company sales	94,181	91,496	93,793	92,986	94,273	93,141	90,785	91,183
Total	391,589	392,354	408,319	415,797	410,722	421,490	427,659	429,651
Transaction value	2,373,604	2,364,000	2,504,825	2,592,073	2,540,172	2,607,775	2,704,572	2,731,729

	2019		
	1Q	2Q	3Q
System usage sales	272,082	275,301	294,524
Member retailer sales	61,170	60,712	60,888
Posting company sales	89,903	87,312	88,610
Total	423,155	423,326	444,023
Transaction value	2,672,949	2,674,929	2,852,157

EC: No. of Buying Customers That Purchased “SUPER DELIVERY” and Value of Transactions

Value of Transactions (Units: Yen)

	2015				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
No. of buying customers	8,759	8,662	8,796	8,937	8,919	8,763	8,875	9,027
Value of transactions	263,338	275,998	273,161	272,449	254,966	268,478	270,505	283,623

	2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
No. of buying customers	9,077	9,129	9,318	9,654	9,829	10,210	10,497	11,046
Value of transactions	261,496	258,955	268,815	268,497	258,436	255,413	257,651	247,304

	2019		
	1Q	2Q	3Q
No. of buying customers	11,616	11,846	12,068
Value of transactions	230,109	225,808	236,340

(Unit: Thousand Yen)

	2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Sales	43,104	43,644	45,291	45,921	43,767	44,865	45,561	45,215
External Sales	177,263	182,555	189,081	198,432	200,454	204,346	218,443	227,608
Total	220,367	226,199	234,372	244,353	244,222	249,212	264,005	272,824

	2019		
	1Q	2Q	3Q
Internal Sales	42,624	42,288	44,290
External Sales	243,873	257,229	364,526
Total	286,497	299,518	408,817

Trends in “Paid” Transaction Value

(Unit: Thousand Yen)

	2015				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Transactions	1,598,398	1,735,527	1,703,691	1,750,567	1,637,797	1,699,168	1,733,022	1,869,146
External Transactions	728,416	839,188	980,724	1,157,949	1,355,857	1,539,287	1,681,144	1,888,849
Total	2,326,815	2,574,716	2,684,416	2,908,517	2,993,654	3,238,455	3,414,167	3,757,996

	2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Internal Transactions	1,652,225	1,672,828	1,741,922	1,767,514	1,682,372	1,724,556	1,751,225	1,737,694
External Transactions	2,000,291	2,311,575	2,597,637	2,841,259	2,829,913	2,920,373	3,105,237	3,297,511
Total	3,652,516	3,984,403	4,339,560	4,608,774	4,512,285	4,644,930	4,856,462	5,035,205

	2019		
	1Q	2Q	3Q
Internal Transactions	1,637,880	1,624,883	1,701,840
External Transactions	3,588,014	3,977,456	4,270,115
Total	5,225,894	5,602,340	5,971,955

(Unit: Thousand Yen)

2015				2016			
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
3,549,223	4,014,613	4,518,229	5,516,003	5,958,346	6,486,483	6,983,264	7,899,365

2017				2018			
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
7,880,656	8,353,182	8,491,518	9,789,473	11,285,989	12,982,090	14,563,828	16,707,717

2019		
1Q	2Q	3Q
17,791,515	19,054,837	19,874,875

※As for 3Q 2019, also posted guarantee balance of 39,977 million yen for ALEMO, Inc.