



August 20, 2020

Raccoon Holdings, Inc.
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**Notice Concerning Changes to Shareholder Return Policy and
Dividend Policy (Payment of Interim Dividends)**

Raccoon Holdings, Inc. ("Raccoon") announced it resolved at its board of directors' meeting held on August 20, 2020, to change its shareholder return policy and dividend policy (payment of interim dividends) as follows.

1. Changes to Shareholder Return Policy

(1) Reason for the Change

Raccoon recognizes that returning profits to shareholders is an important management issue, and has been paying dividends in accordance with its Basic Policy on Shareholder Returns. While clear quantitative targets had not been set for the dividend payout ratio, the consolidated dividend payout ratio has roughly been around 30% over the last few years. Having reviewed the shareholder return policy with the purpose of enhancing shareholder returns and improving capital efficiency, it has been determined that a quantitative target will be set, **aiming for a consolidated dividend payout ratio of 45% to 50%.**

Moreover, Raccoon makes it its policy to address the improvement of return on equity ("ROE"), and the aim is to achieve an **ROE of 20% or more in the medium to long term.**

(2) Details of the Changes

Before	After
Raccoon recognizes that returning profits to shareholders is an important management issue, and its basic policy is to return profits at a level that reflects its business performance, while also considering factors such as the enhancement of internal reserves for the purposes of preparing for future business development and strengthening the management structure.	Raccoon recognizes that returning profits to shareholders is an important management issue, and its basic policy is to aim for a consolidated dividend payout ratio of 45% to 50%, while also considering factors such as the need for funds to invest in business growth and the enhancement of internal reserves for the purposes of strengthening the management base.

2. Changes to Dividend Policy (Payment of Interim Dividends)

Raccoon has only paid a year-end dividend once a year until now, but it has been decided that it will pay an interim dividend starting with the fiscal year ending April 2021, in order to enhance opportunities to return profits to shareholders.

Raccoon's board of directors' resolution established in its Articles of Incorporation that it can pay an interim dividend, and the record date of the interim dividend shall be October 31st of each year.

3. Dividends for Fiscal Year Ending April 2021

The dividend for the fiscal year ending April 2021 is currently undecided. It will be announced as soon as it is determined.

(Reference)

a. Changes in Dividend Payments

	Interim Dividend (¥)	Year-End Dividend (¥)	Annual Dividend (¥)	Dividend Payout Ratio (%)
FY ended April 2020	—	6.50	6.50	27.4
FY ended April 2019	—	6.00	6.00	28.5
FY ended April 2018	—	5.20	5.20	32.4
FY ended April 2017	—	4.50	4.50	30.9
FY ended April 2016	—	4.50	4.50	32.5
FY ended April 2015	—	2.27	2.27	19.7
FY ended April 2014	—	1.42	1.42	19.5
FY ended April 2013	—	1.33	1.33	16.3
FY ended April 2012	—	1.11	1.11	16.5
FY ended April 2011	—	0.92	0.92	9.3
FY ended April 2010	—	0.89	0.89	13.4
FY ended April 2009	—	0.81	0.81	14.7

*As of May 1, 2011, stocks were split in two; as of May 1, 2013, stocks were split in 300; and as of August 1, 2015, stocks were split in three. The dividends in the table are calculated based on the assumption that these stock splits occurred.

b. Changes in ROE

FY ended April 2020	13.5%
FY ended April 2019	15.7%
FY ended April 2018	14.0%
FY ended April 2017	13.9%
FY ended April 2016	14.4%
FY ended April 2015	13.1%
FY ended April 2014	8.6%
FY ended April 2013	10.4%
FY ended April 2012	9.3%
FY ended April 2011	15.2%
FY ended April 2010	11.6%
FY ended April 2009	10.6%