

**Summary of Financial Results (Consolidated)**  
**For the First Three Quarters of the Fiscal Year Ending April 30, 2021**  
**(Japanese GAAP)**

March 4, 2021

Listed company: Raccoon Holdings, Inc.

Stock Exchange: Tokyo Stock Exchange

Code: 3031

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Scheduled date of submission of quarterly report: March 11, 2021

Scheduled date of commencement of dividend payment: –

Supplementary documents for quarterly financial results: Yes

Quarterly financial results briefing: Yes (for institutional investors and securities analysts)

(Rounded down to the nearest million yen)

1. Consolidated results for the first nine months ended January 31, 2021 (May 1, 2020, through January 31, 2021)

(1) Consolidated operating results

(The percentages are year-on-year changes)

|                             | Net sales   |      | EBITDA      |      | Operating income |      | Ordinary income |      | Net income attributable to owners of parent |      |
|-----------------------------|-------------|------|-------------|------|------------------|------|-----------------|------|---------------------------------------------|------|
|                             | Million yen | %    | Million yen | %    | Million yen      | %    | Million yen     | %    | Million yen                                 | %    |
| Term ended January 31, 2021 | 3,246       | 28.2 | 1,068       | 68.6 | 959              | 82.0 | 956             | 80.6 | 630                                         | 86.4 |
| Term ended January 31, 2020 | 2,531       | 17.0 | 633         | 36.3 | 527              | 33.8 | 529             | 36.2 | 338                                         | 42.3 |

(Note) Comprehensive income Term ended January 31, 2021 ¥630 million (86.4%)

Term ended January 31, 2020 ¥338 million (42.3%)

(Note) EBITDA = Operating income + depreciation + amortization of goodwill (+ equity in earnings of affiliates)

|                             | Net income per share | Net income per share (diluted) |
|-----------------------------|----------------------|--------------------------------|
|                             | Yen                  | Yen                            |
| Term ended January 31, 2021 | 29.18                | 28.60                          |
| Term ended January 31, 2020 | 18.10                | 17.86                          |

(2) Consolidated financial position

|                        | Total assets | Net assets  | Equity ratio | Net assets per share |
|------------------------|--------------|-------------|--------------|----------------------|
|                        | Million yen  | Million yen | %            | Yen                  |
| As of January 31, 2021 | 12,640       | 5,662       | 44.6         | 252.16               |
| As of April 30, 2020   | 13,600       | 3,999       | 29.3         | 197.68               |

(Reference) Shareholders' equity As of January 31, 2021 ¥5,638 million

As of April 30, 2020 ¥3,988 million

2. Dividends

|                                              | Dividend per share |           |           |          |        |
|----------------------------------------------|--------------------|-----------|-----------|----------|--------|
|                                              | End of Q1          | End of Q2 | End of Q3 | Year end | Annual |
|                                              | Yen                | Yen       | Yen       | Yen      | Yen    |
| Fiscal year ended April 30, 2020             | –                  | 0.00      | –         | 6.50     | 6.50   |
| Fiscal year ending April 30, 2021            | –                  | 8.00      | –         |          |        |
| Fiscal year ending April 30, 2021 (forecast) |                    |           |           | 8.00     | 16.00  |

(Note) Revisions to dividend forecasts announced most recently: None

3. Forecast of consolidated results for the fiscal year ending April 30, 2021 (May 1, 2020, through April 30, 2021)

(The percentages are year-on-year changes)

|           | Net sales   |      | EBITDA      |      | Operating income |      | Ordinary income |      | Net income attributable to owners of parent |      | Net income per share |
|-----------|-------------|------|-------------|------|------------------|------|-----------------|------|---------------------------------------------|------|----------------------|
|           | Million yen | %    | Million yen | %    | Million yen      | %    | Million yen     | %    | Million yen                                 | %    | Yen                  |
| Full year | 4,450       | 28.0 | 1,330       | 56.7 | 1,180            | 67.1 | 1,160           | 63.7 | 740                                         | 64.0 | 34.61                |
|           | ~           | ~    | ~           | ~    | ~                | ~    | ~               | ~    | ~                                           | ~    | ~                    |
|           | 4,600       | 32.3 | 1,410       | 66.2 | 1,270            | 79.9 | 1,250           | 76.4 | 800                                         | 77.3 | 37.42                |

(Note) Revisions to financial forecasts announced most recently: None

\* Notes

(1) Important changes in subsidiaries during the term (changes in specified subsidiaries resulting in change in the scope of consolidation):  
None

(2) Application of accounting specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles and changes or restatements of accounting estimates

- (i) Changes in accounting policies associated with revisions to accounting standards, etc.: None
- (ii) Changes in accounting policies other than those specified in (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

|                                                                                  |            |                                    |            |
|----------------------------------------------------------------------------------|------------|------------------------------------|------------|
| (i) Number of issued shares (including treasury stock) at the end of the quarter |            |                                    |            |
| January 31, 2021                                                                 | 22,361,043 | April 30, 2020                     | 20,176,043 |
| (ii) Number of treasury stock shares at the end of the quarter                   |            |                                    |            |
| January 31, 2021                                                                 | 41         | April 30, 2020                     | —          |
| (iii) Average number of issued shares during the term                            |            |                                    |            |
| Nine months ended January 31, 2021                                               | 21,591,827 | Nine months ended January 31, 2020 | 18,676,077 |

\*This financial summary is not subject to the statutory quarterly review by a certified public accountant or audit corporation.

\* Explanation about the proper use of results forecasts, and other special notes

(Cautionary note on forward-looking statements)

The forward-looking statements, including results forecasts, contained in this document are based on information the Company has obtained as of today and certain assumptions the Company considers reasonable. The Company does not guarantee its achievement of the forward-looking statements. Actual results may differ significantly depending on a variety of factors. For the assumptions underlying the results forecasts and notes on their use, please refer to 1. Qualitative Information on Results for the First Three Quarters under Review, (3) Explanation of forecasts including consolidated results forecasts on page 5.

(How to obtain supplementary information for quarterly financial results)

Supplementary documents for the quarterly financial results will be disclosed on the TDnet (Timely Disclosure network operated by the Tokyo Stock Exchange) shortly.

○ Contents of Accompanying Materials

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## 1. Qualitative Information on Results for the First Three Quarters under Review

### (1) Explanation of operating results

During the first three quarters under review (May 1, 2020, through January 31, 2021), the Japanese economy experienced a deterioration in business confidence from the impact of stagnating economic activities with the second state of emergency declared by the government due to the spread of the novel coronavirus (COVID-19) and remained in a difficult situation. In terms of the world economy, restrictions on economic activities have been tightened with resurgence and lockdowns occurring in several other countries and the outlook remains uncertain.

Under such circumstances, the Raccoon Group worked to expand the infrastructure services it offers for business-to-business transactions based on the management philosophy of “making corporate activities more efficient and convenient.” As inquiries and applications from companies continued to increase in both the EC and Financial businesses under the prolonged COVID-19 pandemic, it would appear that demand for the Company’s services, which utilize IT and can prepare for non-face-to-face business activities and continuation of business activities, has increased even further. As a result, consolidated net sales amounted to 3,246,010,000 yen (up 28.2% year on year) in the first three quarters under review.

In terms of expenditures, the ratio of cost of sales for the Financial business was at a low level as a result of reviewing allowance for guarantees, allowance for claim compensation, and allowance for doubtful accounts in consideration of the current situation in which the amount of guarantees it provided is in a declining trend. Although advertising expenses increased by 63.2% year on year due to an increase in cost for promotion, other expenses were at a low level. Consequently, selling, general and administrative expenses increased by 19.1% year on year. As a result, EBITDA stood at 1,068,606,000 yen (up 68.6%), operating income at 959,625,000 yen (up 82.0%), ordinary income at 956,614,000 yen (up 80.6%), and net income attributable to owners of parent at 630,131,000 yen (up 86.4%), all on a year-on-year basis.

Results by segment are as follows:

#### (i) EC business

In Super Delivery, the mainstay service in the EC business, efforts have been made to increase both new membership and transaction value through improvement in average sale per customer. The Super Delivery service is available for a wide variety of businesses either in or outside Japan, including overseas businesses, on top of domestic retailers and non-retail businesses.

Under the prolonged COVID-19 pandemic, the digital shift of corporate activities is progressing further. In order to establish Super Delivery as a tool for corporate wholesale purchasing activities, the Company is currently strengthening promotions and exerting effort to actively acquire members and participating companies. As one part of this initiative, online advertisements were introduced in December 2020. Meanwhile, from November 2020, the Company changed the fee structure for participating companies and began offering a new fee plan which waives the basic fee for posting product information in favor of system usage fees. Through making it easier for companies to list products on Super Delivery by eliminating the basic fee for posting product information, the pace of increase in participating companies is expected to further improve in the future. Furthermore, the number of items displayed will increase as the number of participating companies increases, leading in turn to an increase in the number of member retailers and continuous expansion of transaction value over the medium- to long-term. Consequently, at the end of the third quarter under review, the number of Super Delivery member retailers stood at 204,907 (up 37,840), the number of participating companies counted 2,278 (up 425), and the number of items displayed was 1,494,243 (up 346,952), all compared with the end of the previous fiscal year.

The value of transactions for the third quarter under review decreased due to the sharp decrease in the ratio of masks and sterilization goods, which are considered to be products of special demand in relation to COVID-19, from the first quarter to the second quarter. However, from the second quarter to the third quarter, while demand for masks and sterilization goods settled down, the transaction value of ordinary products in apparel and miscellaneous goods steadily increased, and the overall transaction value of Super Delivery increased by 5.3% on a quarter-on-quarter basis, having changed directions to result in a positive increase. The transaction value of ordinary products in apparel and miscellaneous goods did not display any decrease, remaining on an increasing trend on a quarterly basis for the fiscal year under review. Consequently, the transaction value in the first three quarters under review totaled 14,713,267,000 yen (up 64.3%) with the value of transactions in Japan increasing by 59.8% and the value of transactions overseas increasing by 85.3%, both on a year-on-year basis.

Sales in the EC business stood at 2,017,578,000 yen (up 43.7%), and segment profit was 875,659,000 yen (up 48.0%), both on a year-on-year basis.

(ii) Financial business

In the Paid service, the number of member companies steadily increased to surpass 4,000. The Company has continued its endeavors to improve the operating rate of the acquired member companies and increase sales per company. During the third quarter under review, although the value of transactions decreased for member companies in some industries that were negatively affected by COVID-19, the overall value of transactions increased due to the increase in the number of operations. Accordingly, the value of transactions outside the Group totaled 15,582,383,000 yen (up 9.0%) and the overall value of transactions (including 6,922,408,000 yen of transactions within the Group) stood at 22,504,791,000 yen (up 15.9%), both on a year-on-year basis.

In Guarantee services, against the backdrop of the prolonged COVID-19 pandemic, inquiries from small- to medium-sized companies investigating countermeasures against the risk of bankruptcy and arrears of their business partners have continued to increase for the T&G Credit Guarantee service and the URIHO service. In addition, the pace of increase is accelerating for business collaborations with local financial institutions on which the Company has been working thus far, and there is a tangible sense of the heightened demand for credit guarantee services.

Regarding rent guarantee services, the Company continued its efforts to increase name recognition of its services for both business and residential properties among real estate companies. The Company has been working to reach real estate companies through tenant/residential rental application services and the number of collaborating companies has also steadily increased. Furthermore, the Company fully rolled out sales of the Simple Plan, in which the initial guarantee fee starts at 10% of the rent amount, and began expanding this series nationwide.

Guarantees outstanding at the end of the third quarter under review amounted to 81,973,123,000 yen (20,865,449,000 yen for RACCOON FINANCIAL, Inc. and 61,107,673,000 yen for RACCOON RENT, Inc.), up 8.4% from the end of the previous fiscal year (up 15.4% from the third quarter of the previous fiscal year). As a result, sales in the Financial business stood at 1,408,595,000 yen (up 11.8% year on year). In terms of expenditures, the ratio of cost of sales for the Financial business was at a low level as a result of reviewing allowance for guarantees, allowance for claim compensation, and allowance for doubtful accounts in consideration of the current situation in which the amount of guarantees it provided is in a declining trend. Consequently, segment profit totaled 425,447,000 yen (up 117.4% year on year).

(2) Explanation on the financial status

Total assets at the end of the third quarter under review amounted to 12,640,922,000 yen, down 959,154,000 yen from the end of the previous fiscal year. Current assets decreased 866,105,000 yen to 10,057,307,000 yen. The main factor for the decrease is the decrease of 990,445,000 yen in cash and deposits due to repayment of short-term borrowings despite the increase of 176,354,000 yen in accounts receivable - trade due to increased transactions. Non-current assets decreased 93,048,000 yen to 2,583,615,000 yen. The main factors for the decrease are the recording of 30,256,000 yen in amortization of goodwill, the decrease of 20,043,000 yen in buildings due to depreciation and the decrease of 29,981,000 yen in deferred tax assets.

Total liabilities at the end of the third quarter under review totaled 6,978,241,000 yen, down 2,622,124,000 yen from the end of the previous fiscal year. Current liabilities decreased 2,466,519,000 yen to 5,679,661,000 yen. The main factor for the decrease is the decrease of 2,640,000,000 yen in short-term borrowings due to repayment. Non-current liabilities decreased 155,604,000 yen to 1,298,580,000 yen. The main factor for the decrease is the decrease of 175,423,000 yen in long-term borrowings due to repayment.

Total net assets at the end of the third quarter under review totaled 5,662,681,000 yen, up 1,662,969,000 yen from the end of the previous fiscal year. The main factors for the increase are the increase of a total of 1,330,082,000 yen in capital stock and capital surplus due to the exercising of subscription rights to shares and the increase in retained earnings due to the recording of 630,131,000 yen as net income attributable to owners of parent, while retained earnings decreased 310,032,000 yen due to cash dividends paid.

(3) Explanation of forecasts including consolidated results forecasts

Consolidated results for the Company generally progressed according to the forecasts. For this reason, the Company made no changes to the results forecasts announced in the previous Summary.

The forward-looking statements presented above are based on information available to the Company at the time this Summary was prepared and certain assumptions that the Company considers rational. Actual results and the like may differ significantly from these figures due to various uncertain factors.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly consolidated balance sheets

(Thousand yen)

|                                     | End of previous<br>consolidated fiscal year<br>(As of April 30, 2020) | End of third quarter of the<br>consolidated fiscal year<br>under review<br>(As of January 31, 2021) |
|-------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| <b>Assets</b>                       |                                                                       |                                                                                                     |
| Current assets                      |                                                                       |                                                                                                     |
| Cash and deposits                   | 6,641,033                                                             | 5,650,588                                                                                           |
| Accounts receivable - trade         | 4,208,093                                                             | 4,384,448                                                                                           |
| Rights to claim compensation        | 43,761                                                                | 53,141                                                                                              |
| Supplies                            | 105                                                                   | 258                                                                                                 |
| Prepaid expenses                    | 187,585                                                               | 147,514                                                                                             |
| Other                               | 70,770                                                                | 56,886                                                                                              |
| Allowance for doubtful accounts     | (227,937)                                                             | (235,530)                                                                                           |
| Total current assets                | 10,923,413                                                            | 10,057,307                                                                                          |
| Non-current assets                  |                                                                       |                                                                                                     |
| Property, plant and equipment       |                                                                       |                                                                                                     |
| Buildings                           | 627,207                                                               | 622,859                                                                                             |
| Accumulated depreciation            | (41,729)                                                              | (57,424)                                                                                            |
| Buildings, net                      | 585,478                                                               | 565,434                                                                                             |
| Vehicles                            | 3,537                                                                 | —                                                                                                   |
| Accumulated depreciation            | (3,537)                                                               | —                                                                                                   |
| Vehicles, net                       | 0                                                                     | —                                                                                                   |
| Tools, furniture and fixtures       | 48,347                                                                | 55,164                                                                                              |
| Accumulated depreciation            | (42,015)                                                              | (34,821)                                                                                            |
| Tools, furniture and fixtures, net  | 6,331                                                                 | 20,342                                                                                              |
| Land                                | 882,140                                                               | 882,140                                                                                             |
| Total property, plant and equipment | 1,473,950                                                             | 1,467,917                                                                                           |
| Intangible assets                   |                                                                       |                                                                                                     |
| Software                            | 191,723                                                               | 194,108                                                                                             |
| Software in progress                | 30,113                                                                | 23,661                                                                                              |
| Goodwill                            | 281,579                                                               | 251,323                                                                                             |
| Other                               | 2,118                                                                 | 1,862                                                                                               |
| Total intangible assets             | 505,534                                                               | 470,956                                                                                             |
| Investments and other assets        |                                                                       |                                                                                                     |
| Investment securities               | 427,740                                                               | 408,555                                                                                             |
| Lease and guarantee deposits        | 15,463                                                                | 11,263                                                                                              |
| Deferred tax assets                 | 241,725                                                               | 211,744                                                                                             |
| Other                               | 12,249                                                                | 13,177                                                                                              |
| Total investments and other assets  | 697,178                                                               | 644,741                                                                                             |
| Total non-current assets            | 2,676,664                                                             | 2,583,615                                                                                           |
| <b>Total assets</b>                 | <b>13,600,077</b>                                                     | <b>12,640,922</b>                                                                                   |

(Thousand yen)

|                                         | End of previous<br>consolidated fiscal year<br>(As of April 30, 2020) | End of third quarter of the<br>consolidated fiscal year<br>under review<br>(As of January 31, 2021) |
|-----------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| <b>Liabilities</b>                      |                                                                       |                                                                                                     |
| Current liabilities                     |                                                                       |                                                                                                     |
| Accounts payable - trade                | 4,365,434                                                             | 4,568,560                                                                                           |
| Short-term borrowings                   | 2,640,000                                                             | —                                                                                                   |
| Current portion of long-term borrowings | 344,996                                                               | 261,672                                                                                             |
| Accounts payable - other                | 77,515                                                                | 127,177                                                                                             |
| Income taxes payable                    | 78,073                                                                | 92,321                                                                                              |
| Allowance for guarantees                | 125,073                                                               | 86,092                                                                                              |
| Provision for bonuses                   | 74,457                                                                | 69,459                                                                                              |
| Provision for sales promotion expenses  | 13,280                                                                | 18,470                                                                                              |
| Deposits received                       | 8,612                                                                 | 42,420                                                                                              |
| Other                                   | 418,737                                                               | 413,488                                                                                             |
| Total current liabilities               | 8,146,180                                                             | 5,679,661                                                                                           |
| Non-current liabilities                 |                                                                       |                                                                                                     |
| Long-term borrowings                    | 1,418,342                                                             | 1,242,919                                                                                           |
| Asset retirement obligations            | 3,682                                                                 | 1,032                                                                                               |
| Other                                   | 32,160                                                                | 54,628                                                                                              |
| Total non-current liabilities           | 1,454,184                                                             | 1,298,580                                                                                           |
| <b>Total liabilities</b>                | <b>9,600,365</b>                                                      | <b>6,978,241</b>                                                                                    |
| <b>Net assets</b>                       |                                                                       |                                                                                                     |
| Shareholders' equity                    |                                                                       |                                                                                                     |
| Capital stock                           | 1,187,195                                                             | 1,852,237                                                                                           |
| Capital surplus                         | 849,051                                                               | 1,514,092                                                                                           |
| Retained earnings                       | 1,952,147                                                             | 2,272,246                                                                                           |
| Treasury shares                         | —                                                                     | (42)                                                                                                |
| Total shareholders' equity              | 3,988,394                                                             | 5,638,533                                                                                           |
| Share acquisition rights                | 11,317                                                                | 24,147                                                                                              |
| Total net assets                        | 3,999,711                                                             | 5,662,681                                                                                           |
| <b>Total liabilities and net assets</b> | <b>13,600,077</b>                                                     | <b>12,640,922</b>                                                                                   |

(2) Quarterly consolidated statements of income and comprehensive income  
(Quarterly consolidated statements of income)  
(First three quarters under review)

(Thousand yen)

|                                                | First three quarters of the previous<br>consolidated fiscal year<br>(From May 1, 2019,<br>to January 31, 2020) | First three quarters of the<br>consolidated fiscal year under<br>review<br>(From May 1, 2020,<br>to January 31, 2021) |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Net sales                                      | 2,531,098                                                                                                      | 3,246,010                                                                                                             |
| Cost of sales                                  | 485,692                                                                                                        | 477,418                                                                                                               |
| Gross profit                                   | 2,045,405                                                                                                      | 2,768,592                                                                                                             |
| Selling, general and administrative expenses   | 1,518,282                                                                                                      | 1,808,967                                                                                                             |
| Operating income                               | 527,123                                                                                                        | 959,625                                                                                                               |
| Non-operating income                           |                                                                                                                |                                                                                                                       |
| Commission income                              | 1,906                                                                                                          | 3,556                                                                                                                 |
| Gain on investments in investment partnerships | 4,392                                                                                                          | 14,319                                                                                                                |
| Other                                          | 2,976                                                                                                          | 3,254                                                                                                                 |
| Total non-operating income                     | 9,275                                                                                                          | 21,130                                                                                                                |
| Non-operating expenses                         |                                                                                                                |                                                                                                                       |
| Interest expenses                              | 3,229                                                                                                          | 8,931                                                                                                                 |
| Commission expenses                            | 1,569                                                                                                          | 9,572                                                                                                                 |
| Taxes and dues                                 | 1,509                                                                                                          | 4,892                                                                                                                 |
| Other                                          | 298                                                                                                            | 743                                                                                                                   |
| Total non-operating expenses                   | 6,607                                                                                                          | 24,140                                                                                                                |
| Ordinary income                                | 529,792                                                                                                        | 956,614                                                                                                               |
| Extraordinary losses                           |                                                                                                                |                                                                                                                       |
| Office relocation expenses                     | —                                                                                                              | 10,856                                                                                                                |
| Total extraordinary losses                     | —                                                                                                              | 10,856                                                                                                                |
| Income before income taxes                     | 529,792                                                                                                        | 945,758                                                                                                               |
| Income taxes                                   | 191,751                                                                                                        | 315,626                                                                                                               |
| Net income                                     | 338,040                                                                                                        | 630,131                                                                                                               |
| Net income attributable to owners of parent    | 338,040                                                                                                        | 630,131                                                                                                               |

(Quarterly consolidated statements of comprehensive income)  
(First three quarters under review)

(Thousand yen)

|                                                          | First three quarters of the previous<br>consolidated fiscal year<br>(From May 1, 2019,<br>to January 31, 2020) | First three quarters of the<br>consolidated fiscal year under<br>review<br>(From May 1, 2020,<br>to January 31, 2021) |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Net income                                               | 338,040                                                                                                        | 630,131                                                                                                               |
| Comprehensive income                                     | 338,040                                                                                                        | 630,131                                                                                                               |
| (Comprehensive income attributable to)                   |                                                                                                                |                                                                                                                       |
| Comprehensive income attributable to owners of<br>parent | 338,040                                                                                                        | 630,131                                                                                                               |

(3) Notes on quarterly consolidated financial statements

(Notes regarding going concern assumptions)

Not applicable

(Notes in the case of significant changes in amount of shareholders' equity)

Capital stock and legal capital surplus increased by 665,041,000 yen respectively, due to the issuance of new shares by exercising of subscription rights to shares and stock options. Consequently, capital stock amounted to 1,852,237,000 yen and legal capital surplus amounted to 1,208,653,000 yen at the end of the third quarter under review.

(Additional information)

(Application of the Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System)

For items for which transition to the group tax sharing system created in the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 8 of 2020) was made and for which the non-consolidated taxation system was reviewed in step with transition to the group tax sharing system, the Company and its consolidated subsidiaries do not apply the provisions in Paragraph 44 of the Implementation Guidance on Tax Effect Accounting (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) based on the treatment in Paragraph 3 of the Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (ASBJ Practical Issues Task Force (PITF) No. 39, March 31, 2020), and the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the Income Tax Act before amendment.

(Segment information)

Segment information

I. First three quarters of the previous consolidated fiscal year (from May 1, 2019, to January 31, 2020)

1. Sales and profits or losses in each reporting segment

(Thousand yen)

|                                   | Reporting segment |           |           | Adjustment<br>(Note 1) | Quarterly<br>consolidated<br>financial<br>statement<br>amount<br>(Note 2) |
|-----------------------------------|-------------------|-----------|-----------|------------------------|---------------------------------------------------------------------------|
|                                   | EC                | Financial | Total     |                        |                                                                           |
| Sales                             |                   |           |           |                        |                                                                           |
| Sales to external customers       | 1,404,270         | 1,126,827 | 2,531,098 | —                      | 2,531,098                                                                 |
| Inter-segment sales and transfers | —                 | 133,325   | 133,325   | (133,325)              | —                                                                         |
| Total                             | 1,404,270         | 1,260,153 | 2,664,424 | (133,325)              | 2,531,098                                                                 |
| Segment profit                    | 591,520           | 195,723   | 787,243   | (260,120)              | 527,123                                                                   |

(Notes) 1. The segment profit adjustment of minus 260,120,000 yen includes company-wide revenues and expenses not distributed to the reporting segments. The company-wide revenues are mostly comprised of management consulting fees and such from each segment and the company-wide expenses are general and administrative expenses and such which are not attributable to reporting segments.

2. Segment profits are adjusted to operating income in the quarterly consolidated statements of income.

2. Items related to impairment loss on non-current assets, goodwill, etc. by reporting segment

Not applicable

II. First three quarters of the consolidated fiscal year under review (from May 1, 2020, to January 31, 2021)

1. Sales and profits or losses in each reporting segment

(Thousand yen)

|                                   | Reporting segment |           |           | Adjustment<br>(Note 1) | Quarterly<br>consolidated<br>financial<br>statement<br>amount<br>(Note 2) |
|-----------------------------------|-------------------|-----------|-----------|------------------------|---------------------------------------------------------------------------|
|                                   | EC                | Financial | Total     |                        |                                                                           |
| Sales                             |                   |           |           |                        |                                                                           |
| Sales to external customers       | 2,017,578         | 1,228,432 | 3,246,010 | —                      | 3,246,010                                                                 |
| Inter-segment sales and transfers | —                 | 180,163   | 180,163   | (180,163)              | —                                                                         |
| Total                             | 2,017,578         | 1,408,595 | 3,426,173 | (180,163)              | 3,246,010                                                                 |
| Segment profit                    | 875,659           | 425,447   | 1,301,107 | (341,482)              | 959,625                                                                   |

(Notes) 1. The segment profit adjustment of minus 341,482,000 yen includes company-wide revenues and expenses not distributed to the reporting segments. The company-wide revenues are mostly comprised of management consulting fees and such from each segment and the company-wide expenses are general and administrative expenses and such which are not attributable to reporting segments.

2. Segment profits are adjusted to operating income in the quarterly consolidated statements of income.

2. Items related to impairment loss on non-current assets, goodwill, etc. by reporting segment

Not applicable

(Significant subsequent events)

Not applicable