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On June 10, 2021, Raccoon Holdings, Inc. announced earnings results for full-year FY04/21.

Cumulative (JPYmn)	FY04/19				FY04/20				FY04/21				FY04/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of Est.	FY Est.
<b>Revenue</b>	<b>669</b>	<b>1,352</b>	<b>2,162</b>	<b>2,980</b>	<b>818</b>	<b>1,668</b>	<b>2,531</b>	<b>3,478</b>	<b>1,084</b>	<b>2,149</b>	<b>3,246</b>	<b>4,365</b>	98.1%~94.9%	<b>4,450~4,600</b>
YoY	9.3%	9.1%	14.6%	17.1%	22.3%	23.4%	17.0%	16.7%	32.5%	28.9%	28.2%	25.5%		28.0%~32.3%
Gross profit	548	1,102	1,744	2,370	672	1,364	2,045	2,744	908	1,834	2,769	3,715		
GPM	81.9%	81.5%	80.7%	79.5%	82.1%	81.8%	80.8%	78.9%	83.7%	85.3%	85.3%	85.1%		
SG&A expenses	415	831	1,350	1,821	496	999	1,518	2,038	563	1,171	1,809	2,518		
YoY	-0.6%	0.1%	8.1%	9.2%	19.5%	20.2%	12.4%	11.9%	13.5%	17.2%	19.1%	23.6%		
SG&A ratio	62.0%	61.5%	62.4%	61.1%	60.6%	59.9%	60.0%	58.6%	51.9%	54.5%	55.7%	57.7%		
<b>Operating profit</b>	<b>133</b>	<b>271</b>	<b>394</b>	<b>549</b>	<b>176</b>	<b>365</b>	<b>527</b>	<b>706</b>	<b>345</b>	<b>663</b>	<b>960</b>	<b>1,196</b>	101.4%~94.2%	<b>1,180-1,270</b>
YoY	25.7%	27.6%	17.8%	25.4%	31.9%	34.8%	33.8%	28.7%	96.1%	81.4%	82.0%	69.4%		67.1%~79.9%
OPM	19.9%	20.0%	18.2%	18.4%	21.5%	21.9%	20.8%	20.3%	31.8%	30.8%	29.6%	27.4%		25.7%~28.5%
<b>Recurring profit</b>	<b>133</b>	<b>267</b>	<b>389</b>	<b>546</b>	<b>175</b>	<b>370</b>	<b>530</b>	<b>708</b>	<b>335</b>	<b>663</b>	<b>957</b>	<b>1,217</b>	104.9%~97.4%	<b>1,160-1,250</b>
YoY	27.7%	28.2%	17.9%	26.5%	31.4%	38.4%	36.2%	29.8%	91.1%	79.2%	80.6%	71.8%		63.7%~76.4%
RPM	19.9%	19.8%	18.0%	18.3%	21.4%	22.2%	20.9%	20.4%	30.9%	30.8%	29.5%	27.9%		25.2%~28.1%
<b>Net income attributable to owners of the parent</b>	<b>90</b>	<b>182</b>	<b>238</b>	<b>380</b>	<b>112</b>	<b>237</b>	<b>338</b>	<b>451</b>	<b>220</b>	<b>428</b>	<b>630</b>	<b>801</b>	108.2%~100.1%	<b>740-800</b>
YoY	30.3%	30.2%	7.5%	34.2%	23.9%	30.1%	42.3%	18.9%	97.6%	80.7%	86.4%	77.6%		64.0%~77.3%
Net margin	13.5%	13.5%	11.0%	12.7%	13.6%	14.2%	13.4%	13.0%	20.3%	19.9%	19.4%	18.4%		16.1%~18.0%

  

Quarterly (JPYmn)	FY04/19				FY04/20				FY04/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Revenue</b>	<b>669</b>	<b>683</b>	<b>811</b>	<b>818</b>	<b>818</b>	<b>850</b>	<b>863</b>	<b>947</b>	<b>1,084</b>	<b>1,065</b>	<b>1,097</b>	<b>1,119</b>
YoY	9.3%	8.9%	25.2%	24.1%	22.3%	24.5%	6.5%	15.7%	32.5%	25.4%	27.0%	18.2%
Gross profit	548	554	642	626	672	692	681	698	908	926	935	946
GPM	81.9%	81.1%	79.2%	76.5%	82.1%	81.5%	78.9%	73.8%	83.7%	86.9%	85.2%	84.6%
SG&A expenses	415	416	519	471	496	503	519	520	563	608	638	710
YoY	-0.6%	0.8%	24.1%	12.4%	19.5%	20.9%	-0.0%	10.3%	13.5%	20.9%	22.8%	36.6%
SG&A ratio	62.0%	60.9%	64.1%	57.6%	60.6%	59.2%	60.2%	54.9%	51.9%	57.1%	58.2%	63.4%
<b>Operating profit</b>	<b>133</b>	<b>138</b>	<b>123</b>	<b>155</b>	<b>176</b>	<b>189</b>	<b>162</b>	<b>179</b>	<b>345</b>	<b>318</b>	<b>297</b>	<b>237</b>
YoY	25.7%	29.6%	0.7%	49.8%	31.9%	37.7%	31.6%	15.6%	96.1%	67.8%	83.4%	32.2%
OPM	19.9%	20.2%	15.2%	18.9%	21.5%	22.3%	18.8%	18.9%	31.8%	29.8%	27.1%	21.1%
<b>Recurring profit</b>	<b>133</b>	<b>134</b>	<b>122</b>	<b>157</b>	<b>175</b>	<b>194</b>	<b>160</b>	<b>179</b>	<b>335</b>	<b>328</b>	<b>294</b>	<b>260</b>
YoY	27.7%	28.7%	0.3%	54.1%	31.4%	45.4%	31.3%	14.0%	91.1%	68.5%	83.6%	45.7%
RPM	19.9%	19.6%	15.0%	19.2%	21.4%	22.9%	18.5%	18.9%	30.9%	30.8%	26.8%	23.3%
<b>Net income attributable to owners of the parent</b>	<b>90</b>	<b>92</b>	<b>55</b>	<b>142</b>	<b>112</b>	<b>125</b>	<b>101</b>	<b>113</b>	<b>220</b>	<b>208</b>	<b>202</b>	<b>171</b>
YoY	30.3%	30.1%	-31.7%	129.4%	23.9%	36.1%	82.5%	-20.4%	97.6%	65.7%	99.8%	51.1%
Net margin	13.5%	13.5%	6.8%	17.4%	13.6%	14.8%	11.7%	11.9%	20.3%	19.5%	18.4%	15.3%

Source: Shared Research, based on company data  
 Note: Figures may differ from company materials due to differences in rounding methods.

By segment	FY04/19				FY04/20				FY04/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Cumulative (JPYmn)</b>	<b>669</b>	<b>1,352</b>	<b>2,162</b>	<b>2,980</b>	<b>818</b>	<b>1,668</b>	<b>2,531</b>	<b>3,478</b>	<b>1,084</b>	<b>2,149</b>	<b>3,246</b>	<b>4,365</b>
Revenue	669	1,352	2,162	2,980	818	1,668	2,531	3,478	1,084	2,149	3,246	4,365
EC business	425	851	1,297	1,763	455	927	1,404	1,963	688	1,344	2,018	2,720
Financial business	244	501	866	1,217	363	740	1,127	1,515	396	805	1,228	1,644
YoY	9.3%	9.1%	14.6%	17.1%	22.3%	23.4%	17.0%	16.7%	32.5%	28.9%	28.2%	25.5%
EC business	3.2%	1.9%	2.6%	4.0%	7.1%	9.0%	8.3%	11.3%	51.2%	44.9%	43.7%	38.6%
Financial business	21.7%	23.8%	38.9%	43.1%	48.8%	47.7%	30.2%	24.4%	9.1%	8.8%	9.0%	8.6%
<b>Operating profit</b>	<b>133</b>	<b>271</b>	<b>394</b>	<b>549</b>	<b>176</b>	<b>365</b>	<b>527</b>	<b>706</b>	<b>345</b>	<b>663</b>	<b>960</b>	<b>1,196</b>
EC business	167	331	518	715	186	388	592	859	333	617	876	1,149
Financial business	38	79	97	143	74	150	196	188	120	269	425	523
Adjustments (eliminations)	-72	-140	-221	-309	-85	-172	-260	-341	-108	-223	-341	-476
OPM	19.9%	20.0%	18.2%	18.4%	21.5%	21.9%	20.8%	20.3%	31.8%	30.8%	29.6%	27.4%
EC business	39.4%	39.0%	39.9%	40.5%	41.0%	41.8%	42.1%	43.8%	48.4%	45.9%	43.4%	42.3%
Financial business	15.4%	15.8%	11.2%	11.7%	20.4%	20.2%	17.4%	12.4%	30.3%	33.4%	34.6%	31.8%

  

By segment	FY04/19				FY04/20				FY04/21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Quarterly (JPYmn)</b>	<b>669</b>	<b>683</b>	<b>811</b>	<b>818</b>	<b>818</b>	<b>850</b>	<b>863</b>	<b>947</b>	<b>1,084</b>	<b>1,065</b>	<b>1,097</b>	<b>1,119</b>
Revenue	669	683	811	818	818	850	863	947	1,084	1,065	1,097	1,119
EC business	425	425	446	466	455	472	477	559	688	656	674	703
Financial business	244	257	365	352	363	377	386	388	396	410	423	416
YoY	9.3%	8.9%	25.2%	24.1%	22.3%	24.5%	6.5%	15.7%	32.5%	25.4%	27.0%	18.2%
EC business	3.2%	0.6%	4.0%	8.1%	7.1%	11.0%	6.8%	19.8%	51.2%	38.8%	41.3%	25.8%
Financial business	21.7%	25.9%	66.9%	54.5%	48.8%	46.7%	6.0%	10.3%	9.1%	8.5%	9.5%	7.3%
<b>Operating profit</b>	<b>133</b>	<b>138</b>	<b>123</b>	<b>155</b>	<b>176</b>	<b>189</b>	<b>162</b>	<b>179</b>	<b>345</b>	<b>318</b>	<b>297</b>	<b>237</b>
EC business	167	164	186	197	186	201	204	268	333	284	259	274
Financial business	38	42	18	46	74	76	46	-8	120	149	157	97
Adjustments (eliminations)	-72	-68	-81	-88	-85	-87	-88	-80	-108	-115	-118	-134
OPM	19.9%	20.2%	15.2%	18.9%	21.5%	22.3%	18.8%	18.9%	31.8%	29.8%	27.1%	21.1%
EC business	39.4%	38.6%	41.8%	42.2%	41.0%	42.6%	42.8%	47.9%	48.4%	43.3%	38.4%	39.0%
Financial business	15.4%	16.2%	4.9%	13.0%	20.4%	20.0%	11.9%	-2.1%	30.3%	36.4%	37.0%	23.3%

Source: Shared Research based on company data  
 Note: Figures may differ from company materials due to differences in rounding methods.  
 Note: Starting in FY04/15, revenue refers to net revenue rather than gross revenue. Figures prior to this have been retroactively revised for comparison purposes.  
 Note: In Q2 FY04/17, the company changed the name of the Accounts Receivable Guarantee business to the Guarantor business. Starting in FY04/19, the Paid business and the Guarantor business have been combined to form the Financial business segment and segment reporting has been changed accordingly. Along with this, the company has also changed its accounting for expenditures related to the operation of the company as a whole; instead of putting all these expenses under the EC segment (as it did in the past), the company will make adjustment charges to each segment earnings so as to properly apportion these expenses. Along with its shift to a holding company structure, the company will also assess each reporting segment a "business guidance fee" and other charges. These charges will be booked as expenses by each reporting segment, while the company as a whole, reports them as revenue. As a result of these changes in accounting methodology, segment earnings at the EC business will increase, segment earnings at the Financial business will decrease, and the adjustment charges subtracted from the combined earnings of all reporting segments will increase.

## Full-year FY04/21 results (out June 10, 2021)

- ▷ Revenue: JPY4.4bn (+25.5% YoY)
- ▷ EBITDA: JPY1.3bn (+57.8% YoY)
- ▷ Operating profit: JPY1.2bn (+69.4% YoY)
- ▷ Recurring profit: JPY1.2mn (+71.8% YoY)
- ▷ Net income\*: JPY801mn (+77.6% YoY)

\*Net income is net income attributable to owners of the parent.

- ▷ Progress versus plan: Versus the revised full-year FY04/21 forecast, the company achieved 94.9–98.1% for revenue, 94.2–101.4% for operating profit, 97.4–104.9% for recurring profit, and 100.1–108.2% for net income.
- ▷ Revenue up 25.5% YoY: This reflected a 38.6% YoY increase in the EC segment revenue as transaction values for the Super Delivery service grew 55.0% YoY on increased transaction value of its standard apparel and household goods as demand for masks and sanitizers slowed, and an 8.6% YoY increase in the Financial segment revenue due to higher payments handled and guarantees outstanding.
- ▷ Operating profit up 69.4% YoY: Transaction values continued to increase in the EC business, while cost of revenue fell in the Financial business due to lower losses on claims. As a result, GPM improved 6.2pp YoY to 85.1%. In terms of SG&A expenses, advertising expenses were up 84.6% YoY because of a gradual increase in promotional expenses, but other SG&A expenses were curtailed, resulting in an 0.9pp YoY improvement in SG&A-to-revenue ratio to 57.7% and a 7.1pp YoY increase in OPM to 27.4%.
- ▷ Annual dividend: For FY04/21, the company increased its year-end dividend forecast by JPY1.0 to JPY9.0 per share compared with its previous forecast of JPY8.0 per share. Together with the interim dividend of JPY8.0, the annual dividend will be JPY17.0 per share, with a payout ratio of 46.2% (JPY6.5 per share in the previous fiscal year, 27.4%).

## Results by segment

### EC segment

The EC segment reported a 38.6% YoY rise in revenue to JPY2.7bn and a 33.8% YoY increase in operating profit to JPY1.1bn.

- ▷ Raccoon has taken measures to increase the transaction value for its Super Delivery service (the mainstay of the EC segment), by increasing both new membership numbers and average customer spend. Membership is available to a wide range of businesses, including domestic retail and non-retail businesses as well as overseas businesses.
- ▷ In November 2020, Raccoon revised its pricing structure for participating suppliers, eliminating basic fees and beginning to provide a system usage fee-only pricing plan. Charging no basic fee for participating suppliers provides an easier environment for companies to participate in Super Delivery. The distribution of web commercials from December 2020 created a synergistic effect, and the number of participating companies grew substantially until the commercials ended in February 2021. Although the number of companies subsided somewhat after the commercials ended, the number of new suppliers remained at a level higher than that before the distribution of commercials.
- ▷ As of end-April 2021, Super Delivery had a total of 220,111 member retailers (+53,044 versus end-FY04/20), 2,633 participating suppliers (+780), and 1,457,909 listed items (+310,618).
- ▷ In Q4 FY04/21 (three months), the overall transaction value for Super Delivery was up 4.6% versus Q3 (+33.4% YoY), as the transaction value of its regular apparel and household goods steadily increased, offsetting the slowdown in demand for masks and sanitizers. The transaction value in Q4 exceeded the levels of Q1, which had benefited from the spike in demand related to

the pandemic. For the full year, the overall transaction value of Super Delivery was JPY19.9bn (+55.0% YoY), and domestic transaction value grew 51.9% YoY and overseas transaction value grew 68.2% YoY.

### Financial segment

The Financial segment reported an 8.6% YoY rise in revenue (external revenue) to JPY1.6bn and a 178.6% YoY increase in operating profit to JPY523mn.

- ▷ At the Paid business, Raccoon continued working to increase usage by member companies (merchants) and sales per active supplier. The Paid business continued to grow steadily, with over 4,100 member companies as of end-FY04/21 (4,000 at end-January 2021).
- ▷ Raccoon continued working to increase usage by member companies (merchants) and sales per active supplier. In Q4 FY04/21, a state of emergency was declared for the second and third time, causing a decline in payments handled for some companies in the affected industries. However overall payments handled increased as the result of an increase in transactions and sales per active supplier.
- ▷ The value of external payments handled rose to JPY21.4bn (+12.3% YoY) and total payments handled to JPY30.6bn (+17.8% YoY; including JPY9.2bn in payments between group companies).
- ▷ In the Guarantor business (T&G Accounts Receivables Guarantee service and URIHO guarantor service), the company continued to actively collaborate with regional financial institutions, and there was a steady increase in the number of business alliances. Inquiries from target SMEs continued to increase, and demand for the **accounts receivables guarantee service** remained strong against the backdrop of the pandemic. In March 2021, URIHO began a TV commercial campaign in some regions to raise awareness of the company's services among SMEs.
- ▷ In the rent guarantee business, the company continued working to raise its profile with real estate companies for both business and residential rent guarantees. It also formed partnerships to enable customers to easily sign up for its rent guarantee service using the tenant application service.
- ▷ The guarantees outstanding at end-FY04/21 came to JPY84.3bn (JPY23.1bn of which was originated by Raccoon Financial and JPY61.3bn by Raccoon Rent), an 11.5% increase over end-FY04/20.
- ▷ On the cost front, the cost-of-revenue ratio declined significantly due to the continued decline in losses on claims. In the Financial business, the company has been aggressively promoting its products and services, and has gradually increased its advertising spend (+43.9% YoY for the year).

## Full-year company forecast

Earnings (JPYmn)	FY04/19	FY04/20	FY04/21			FY04/22
	FY Act.	FY Act.	1H Act.	2H Act.	FY Act.	FY Est.
<b>Revenue</b>	<b>2,980</b>	<b>3,478</b>	<b>2,149</b>	<b>2,215</b>	<b>4,365</b>	<b>5,300</b>
YoY	17.1%	16.7%	28.9%	22.4%	25.5%	21.4%
<b>Operating profit</b>	<b>549</b>	<b>706</b>	<b>663</b>	<b>533</b>	<b>1,196</b>	<b>1,430~1,530</b>
YoY	25.4%	28.7%	81.4%	56.5%	69.4%	19.5%~27.9%
OPM	18.4%	20.3%	30.8%	24.1%	27.4%	27.0%~28.9%
<b>Recurring profit</b>	<b>546</b>	<b>708</b>	<b>663</b>	<b>554</b>	<b>1,217</b>	<b>1,430~1,530</b>
YoY	26.5%	29.8%	79.6%	63.3%	71.8%	17.5%~25.7%
RPM	18.3%	20.4%	30.8%	25.0%	27.9%	27.0%~28.9%
<b>Net income attributable to owners of the parent</b>	<b>380</b>	<b>451</b>	<b>428</b>	<b>373</b>	<b>801</b>	<b>940~1,000</b>
YoY	34.2%	18.9%	80.7%	74.1%	77.6%	17.4%~24.8%
Net margin	12.7%	13.0%	19.9%	16.8%	18.4%	17.7%~18.9%

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Note: Starting in FY04/15, revenue refers to net revenue rather than gross revenue. Figures prior to this have been retroactively revised for comparison purposes.

Note: In Q2 FY04/17, the company changed the Accounts Receivable Guarantee business to the Guarantor business.

## Summary

The forecast for FY04/22 is revenue JPY5.3bn (+21.4% YoY), EBITDA JPY1.6–1.7bn (+18.0–25.4%), operating profit JPY1.4–1.5bn (+19.5–27.9%), recurring profit JPY1.4–1.5bn (+17.5–25.7% YoY), net income attributable to owners of the parent JPY940–1.0bn (+17.4–24.8% YoY), and dividend per share JPY20.0 (JPY17.0 in FY04/21).

The business environment for the company's services continues to improve due to the shift of B2B services to digital as a result of the COVID-19 pandemic. The company expects the EC business to continue to grow rapidly in this favorable environment, although the growth rate will be lower against the strong comparative of FY04/21. In the Financial Business, the company believes the outlook remains uncertain, with an increase in the number of bankruptcies remaining a possibility. The company will continue its policy of careful screening of guarantee applications as it continues to grow sales. The company expects the number of defaults to be either “around the same as the previous year” or “higher than the previous year” and has set a range for its profit forecasts on this basis.

The company assumes that the digital shift in B2B services will continue post-pandemic, with the business environment set to remain favorable over the medium to long term. In FY04/22, the company plans a strategic increase in costs from a medium- to long-term perspective in order to capitalize on this opportunity and expand its business. It will continue to strengthen promotional activities in both the EC and the Financial businesses, and approach potential and existing customers using various tactics to increase recognition and capture new customers. In addition, the company plans to increase headcount in both segments to further enhance its services in anticipation of future business growth. It will also increase the number of engineers and web designers to improve the convenience and efficiency of its systems.

This note is the most recent addition to the [full report](#).

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