

## Summary of Financial Results (Consolidated) for the Fiscal Year Ended April 30, 2018 (Japanese Accounting Standards)

June 8, 2018

Listed company: Raccoon Co., Ltd.

Stock Exchange: Tokyo Stock Exchange

Code: 3031

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Scheduled date of ordinary general meeting of shareholders: July 28, 2018

Scheduled date of commencement of dividend payment: July 30, 2018

Scheduled date of submission of annual securities report: July 30, 2018

Supplementary documents for financial results: Yes

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

(Rounded down to the nearest million yen)

### 1. Consolidated results (May 1, 2017 through April 30, 2018)

#### (1) Consolidated operating results

(The percentages are year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended April 30, 2018	2,546	7.9	437	4.0	431	4.1	282	10.6
Year ended April 30, 2017	2,359	5.8	420	6.9	414	12.7	255	6.9

(Note) Comprehensive income: Year ended April 30, 2018 ¥282 million (10.6%)  
Year ended April 30, 2017 ¥255 million (6.9%)

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
Year ended April 30, 2018	16.05	15.61	14.0	7.4	17.2
Year ended April 30, 2017	14.58	14.08	13.9	7.9	17.8

(Reference) Equity in earnings of affiliates Year ended April 30, 2018 ¥– million  
Year ended April 30, 2017 ¥– million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of April 30, 2018	6,056	2,133	35.2	119.67
As of April 30, 2017	5,566	1,907	34.2	108.89

(Reference) Shareholders' equity As of April 30, 2018 ¥2,131 million  
As of April 30, 2017 ¥1,905 million

#### (3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
Year ended April 30, 2018	374	-97	-113	2,155
Year ended April 30, 2017	469	-153	-180	1,992

### 2. Dividends

	Dividend per share					Total amount of dividends	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	End of Q1	End of Q2	End of Q3	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended April 30, 2017	–	0.00	–	4.50	4.50	78	30.9	4.1
Year ended April 30, 2018	–	0.00	–	5.20	5.20	92	32.4	4.6
Year ending April 30, 2019 (forecast)	–	–	–	–	–		–	

(Note 1) The dividend forecast for the end of the fiscal year ending April 30, 2019 is yet to be determined.

### 3. Forecast of consolidated results for the fiscal year ending April 30, 2019 (May 1, 2018 through April 30, 2019)

(The percentages are year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	–	–	–	–	–	–	–	–	–
Full year	2,709	6.4	513	17.2	508	17.7	330	16.6	18.53

\* Notes

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

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

(i) Changes in accounting policies associated with revisions to accounting standards, etc.: Yes

(ii) Changes in accounting policies other than those specified in (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Number of issued shares (including treasury stock) at the end of the fiscal year

April 30, 2018 18,680,400 April 30, 2017 18,369,900

(ii) Number of treasury stock shares at the end of the fiscal year

April 30, 2018 870,656 April 30, 2017 870,538

(iii) Average number of issued shares during the fiscal year

Year ended April 30, 2018 17,625,370 Year ended April 30, 2017 17,540,865

(For reference) Outline of non-consolidated results

Non-consolidated results (May 1, 2017 through April 30, 2018)

(1) Non-consolidated operating results

(The percentages are year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended April 30, 2018	1,999	7.4	234	7.6	265	9.0	172	19.0
Year ended April 30, 2017	1,861	6.1	217	-16.4	243	-3.8	144	-14.3

	Net income per share	Net income per share (diluted)
	Yen	Yen
Year ended April 30, 2018	9.76	9.50
Year ended April 30, 2017	8.25	7.96

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of April 30, 2018	5,310	1,630	30.7	91.42
As of April 30, 2017	4,974	1,515	30.4	86.47

(Reference) Shareholders' equity

As of April 30, 2018 ¥1,628 million

As of April 30, 2017 ¥1,513 million

\* This Summary of Financial Results is not required to be audited 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, included in this document are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company does not guarantee its achievement of the forward-looking statements. Actual results may differ significantly from them depending on a variety of factors. For the assumptions underlying the results forecasts and notes on their use, please refer to 1. Overview of Operating results, etc., (4) Future prospects on page 6 of the accompanying materials.

(How to obtain supplementary documents for financial results and information on results briefings)

The Company will hold a results briefing session for institutional investors and securities analysts on Monday, June 11, 2018. The Company will post a video of the briefing session and materials to be used in the session on its website as soon as the session ends.

(Change in presentation of dates)

The dates presented have been changed from the Japanese calendar to the Western calendar from the Summary of Financial Results (Consolidated) for the Fiscal Year Ended April 30, 2018.

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## 1. Overview of operating results, etc.

### (1) Overview of operating results for the fiscal year ended April 30, 2018

During the consolidated fiscal year under review (May 1, 2017, through April 30, 2018), corporate earnings continued to recover modestly and consumer spending remained steady thanks to stable employment and income conditions in the Japanese economy. While a moderate recovery was witnessed in overseas economies, uncertainties such as concerns over trade friction between the U.S. and China and geopolitical risks around the world still remain.

In this environment, 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. During the fiscal year ended April 30, 2018, the Raccoon Group continued its investment in advertising that had started the previous fiscal year to increase the visibility, name recognition, and number of customers of the SD export service in the Super Delivery segment of the e-commerce (EC) business, the Paid service in the Paid business, and URIHO in the Guarantee business. The Group also added personnel to improve its marketing capacity, develop systems, etc. in an effort to increase the convenience of the services it provides. Consequently, net sales increased in all the Group's businesses. Sales growth in the Paid business was weak, which was, however, covered by that in the Guarantee business, and consolidated operating income rose to 2,546,080,000 yen (up 7.9% year on year) in the fiscal year under review. In terms of expenditure, selling, general, and administrative expenses grew due to the aforementioned investment in advertising and additional personnel, and the cost rate in the Guarantee business increased; as a result, profit growth was lower than sales growth.

As a result, consolidated operating income amounted to 437,689,000 yen (up 4.0% year on year), consolidated ordinary income reached 431,501,000 yen (up 4.1% year on year), and consolidated net income attributable to owners of parent came to 282,920,000 yen (up 10.6% year on year).

Results by segment are as follows:

#### (i) EC business

Super Delivery, the mainstay business in the EC business, expanded its target from conventional domestic retailers to include domestic businesses other than retailers and overseas businesses in response to an increase in demand from these sectors for purchases based on the growth of the business and the expansion of the EC market in the B-to-B businesses. Currently, therefore, the Company is working to increase the value of transactions by executing a strategy for growing purchase demand in each customer segment, along with a strategy for facilitating transaction growth in an expanding market.

The transaction value grew 2.6% year on year during the fiscal year under review as a result of a continued rise in transactions in industries other than retail, despite the transaction value in the retail industry in the domestic market remaining unchanged. The value of overseas transactions (the sum of SD export and overseas transactions via the Japanese-language website) increased steadily by 67.8% year on year. As a result, the total value of transactions in the Super Delivery service exceeded 10 billion yen, reaching 10,584,249,000 yen (up 7.6% year on year).

The main management indices of the Super Delivery service at the end of the fiscal year under review were as follows: the number of member retailers was 97,200 (up 26,680 from the end of the previous fiscal year), the number of companies posting information on their products was 1,272 (up 83 from the end of the previous fiscal year), and the number of items displayed was 711,633 (up 78,981 from the end of the previous fiscal year).

The Company continued to focus on increasing the name recognition of COREC and gaining users (suppliers and buyers). As a result, the number of user companies came to 16,701 at the end of the fiscal year under review.

Sales in the EC business stood at 1,695,226,000 yen (up 5.2% year on year), and segment profit was 225,539,000 yen (up 1.5% year on year).

(ii) Paid business

In the Paid business, the Company maintained its efforts to gain more member companies and increase the operating rate of the acquired member companies. The Company made further investments in growth during the fiscal year ended April 30, 2018 while getting the business on track for growth based on the investment made in the previous fiscal year. In the fourth quarter of the fiscal year under review, the availability of the Paid service through the issuance of Urikake Card from Lixil Viva Corporation, which had been limited to some stores, was expanded to all Viva Home stores in April 2018. Thanks to this and various other efforts, the number of member companies rose to over 2,800. Meanwhile, the operating rate and unit price of transactions of member companies remained unchanged, and the value of transactions (including transactions within the Group of 6,910,599,000 yen) came to 19,063,635,000 yen (up 14.9% year on year).

As a result, sales in the Paid business came to 483,234,000 yen (up 13.0% year on year) and segment profit stood at 44,828,000 yen (up 60.8% year on year).

(iii) Guarantee business

In the Guarantee business, the Group continued to strive to expand guaranteed receivables by strengthening its sales force. In addition, during the fiscal year ended April 30, 2018, the Company implemented effective marketing activities for small- and medium-sized businesses as the targets of URIHO, which commenced in August 2016, to increase the number of clients. Advertising expenses have increased as a result of these activities. Meanwhile, in the T&G Credit Guarantee service, the cost-to-sales ratio rose 2.1% year on year due to the growth of service plans with low guarantee fee rates and a steady increase in net sales of URIHO, a business rent guarantee service that differs from the conventional revenue model.

Guarantees outstanding of all services increased at the end of the fiscal year under review, and as a result, guarantees outstanding (including guarantees outstanding within the Group of 1,712,787,000 yen) amounted to 18,420,504,000 yen (up 62.3% from the end of the previous fiscal year). Sales in the Guarantee business stood at 792,316,000 yen (up 9.9% year on year) and segment profit was 166,441,000 yen (down 1.0% year on year).

(2) Future prospects

The Company forecasts that net sales will be 2,709 million yen, operating income will be 513 million yen, ordinary income will be 508 million yen, and net income attributable to owners of parent will be 330 million yen in the fiscal year ending April 30, 2019.

In the fiscal year ending April 30, 2019, the Company plans to continue the strategy it applied in the previous fiscal year by actively using funds to advertise the services with high growth potential. It will carry out promotions aggressively, not only to attract customers, but also to guide them to purchase the Company's services. In addition, the Company will work to increase the convenience and reliability of its services through system investment that has been underway, and in the fiscal year ending April 30, 2019, it will also actively improve the mechanism of its services themselves to increase the operating rate of service users, the percentage of repeat uses, and service unit prices in an effort to expand the foundations of the existing businesses.

The Company plans to shift to a holding company structure around November 2018 (for details, see the announcements "Notice of Start of Consideration to Shift to Holding Company Structure" dated March 27, 2018, and "Notice of Shift to Holding Company Structure through Company Split and Partial Revision of Articles of Incorporation (Trade Name and Purpose of Business)" released today). While the Company has indicated that it plans to create new businesses and conduct M&A as measures to implement growth strategies for the entire Group after the shift to a holding company structure, these activities involve a great deal of uncertainty and are therefore not included in the financial forecasts for the fiscal year ending April 30, 2019.

The forward-looking statements above are based on information available to the Company at the time of the announcement and certain assumptions that the Company considers reasonable. Actual results may differ significantly due to a variety of uncertain factors.

## 2. Consolidated Financial Statements and Significant Notes

### (1) Consolidated balance sheets

(Thousand yen)

	Previous consolidated fiscal year (As of April 30, 2017)	Consolidated fiscal year under review (As of April 30, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	1,994,430	2,158,811
Accounts receivable - trade	*1 2,831,610	*1 3,122,333
Rights to claim compensation	66,050	72,394
Supplies	144	123
Merchandise	3,639	13,380
Prepaid expenses	197,847	158,102
Deferred tax assets	59,917	76,396
Other	28,672	62,719
Allowance for doubtful accounts	(5,813)	(6,942)
Total current assets	5,176,499	5,657,319
Non-current assets		
Property, plant and equipment		
Buildings	21,802	22,122
Accumulated depreciation	(13,545)	(14,904)
Buildings, net	8,256	7,218
Vehicles	1,119	–
Accumulated depreciation	(1,119)	–
Vehicles, net	0	–
Tools, furniture and fixtures	45,663	44,695
Accumulated depreciation	(27,691)	(31,229)
Tools, furniture and fixtures, net	17,972	13,466
Total property, plant and equipment	26,229	20,685
Intangible assets		
Software	161,847	162,393
Software in progress	13,645	20,333
Goodwill	34,830	25,110
Other	2,124	2,857
Total intangible assets	212,447	210,693
Investments and other assets		
Investment securities	97,664	120,051
Lease and guarantee deposits	42,281	43,304
Deferred tax assets	10,891	4,668
Other	62	50
Total investments and other assets	150,900	168,074
Total non-current assets	389,577	399,453
Total assets	5,566,077	6,056,772

(Thousand yen)

	Previous consolidated fiscal year (As of April 30, 2017)	Consolidated fiscal year under review (As of April 30, 2018)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,599,281	2,863,899
Current portion of long-term loans payable	50,000	25,000
Payables associated with liquidation of receivables	141,000	141,000
Accounts payable - other	59,857	47,743
Income taxes payable	94,114	95,197
Allowance for guarantees	33,153	45,299
Provision for bonuses	40,016	43,371
Provision for sales promotion expenses	8,740	9,950
Deposits received	402,281	408,970
Other	179,840	204,894
<b>Total current liabilities</b>	<b>3,608,286</b>	<b>3,885,326</b>
Non-current liabilities		
Long-term loans payable	25,000	–
Asset retirement obligations	2,805	2,838
Other	22,000	35,102
<b>Total non-current liabilities</b>	<b>49,806</b>	<b>37,941</b>
<b>Total liabilities</b>	<b>3,658,093</b>	<b>3,923,267</b>
Net assets		
Shareholders' equity		
Capital stock	823,392	834,227
Capital surplus	210,864	221,699
Retained earnings	1,121,316	1,325,490
Treasury shares	(250,065)	(250,143)
<b>Total shareholders' equity</b>	<b>1,905,507</b>	<b>2,131,273</b>
Subscription rights to shares	2,476	2,231
<b>Total net assets</b>	<b>1,907,984</b>	<b>2,133,504</b>
<b>Total liabilities and net assets</b>	<b>5,566,077</b>	<b>6,056,772</b>

(2) Consolidated statements of income and consolidated statements of comprehensive income  
(Consolidated statements of income)

(Thousand yen)

	Previous consolidated fiscal year (From May 1, 2016 to April 30, 2017)	Consolidated fiscal year under review (From May 1, 2017 to April 30, 2018)
Net sales	2,359,311	2,546,080
Cost of sales	*1 374,591	*1 440,475
Gross profit	1,984,719	2,105,604
Selling, general and administrative expenses	*2 1,563,906	*2 1,667,915
Operating income	420,812	437,689
Non-operating income		
Commission fee	3,932	3,351
Miscellaneous income	1,363	1,179
Total non-operating income	5,296	4,531
Non-operating expenses		
Interest expenses	1,423	837
Expenses for liquidation of receivables	6,592	5,512
Loss on investments in partnership	3,036	2,411
Taxes and dues	–	1,330
Miscellaneous loss	742	627
Total non-operating expenses	11,795	10,719
Ordinary income	414,313	431,501
Extraordinary losses		
Office transfer expenses	5,625	–
Impairment loss	*3 32,777	–
Loss on cancellation of contracts	–	8,808
Total extraordinary losses	38,402	8,808
Income before income taxes	375,911	422,693
Income taxes - current	138,824	150,027
Income taxes - deferred	(18,705)	(10,255)
Total income taxes	120,119	139,772
Net income	255,791	282,920
Net income attributable to owners of parent	255,791	282,920



(Consolidated statements of comprehensive income)

(Thousand yen)

	Previous consolidated fiscal year (From May 1, 2016 to April 30, 2017)	Consolidated fiscal year under review (From May 1, 2017 to April 30, 2018)
Net income	255,791	282,920
Comprehensive income	255,791	282,920
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	255,791	282,920

## (3) Consolidated statements of changes in net assets

Previous consolidated fiscal year (from May 1, 2016 to April 30, 2017)

(Thousand yen)

	Shareholders' equity					Subscription rights to shares	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Amount at beginning of period	821,382	208,854	944,462	(200,026)	1,774,672	2,522	1,777,194
Changes of items during period							
Issuance of new shares	2,009	2,009			4,019		4,019
Dividends of surplus			(78,937)		(78,937)		(78,937)
Net income attributable to owners of parent			255,791		255,791		255,791
Purchase of treasury shares				(50,039)	(50,039)		(50,039)
Net changes of items other than shareholders' equity						(45)	(45)
Total changes of items during period	2,009	2,009	176,854	(50,039)	130,834	(45)	130,789
Amount at end of period	823,392	210,864	1,121,316	(250,065)	1,905,507	2,476	1,907,984

Fiscal year under review (from May 1, 2017 to April 30, 2018)

(Thousand yen)

	Shareholders' equity					Subscription rights to shares	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Amount at beginning of period	823,392	210,864	1,121,316	(250,065)	1,905,507	2,476	1,907,984
Changes of items during period							
Issuance of new shares	10,835	10,835			21,670		21,670
Dividends of surplus			(78,747)		(78,747)		(78,747)
Net income attributable to owners of parent			282,920		282,920		282,920
Purchase of treasury shares				(77)	(77)		(77)
Net changes of items other than shareholders' equity						(245)	(245)
Total changes of items during period	10,835	10,835	204,173	(77)	225,766	(245)	225,520
Amount at end of period	834,227	221,699	1,325,490	(250,143)	2,131,273	2,231	2,133,504

## (4) Consolidated statements of cash flows

(Thousand yen)

	Previous consolidated fiscal year (From May 1, 2016 to April 30, 2017)	Consolidated fiscal year under review (From May 1, 2017 to April 30, 2018)
<b>Cash flows from operating activities</b>		
Income before income taxes	375,911	422,693
Depreciation	89,837	82,969
Increase (decrease) in allowance for doubtful accounts	(229)	1,129
Increase (decrease) in allowance for guarantees	5,877	12,146
Interest and dividend income	(29)	(24)
Interest expenses paid on loans and bonds	1,423	837
Impairment loss	32,777	–
Relocation expenses	5,625	–
Loss (gain) on investments in partnership	3,036	2,411
Decrease (increase) in notes and accounts receivable - trade	(384,798)	(290,722)
Decrease (increase) in rights to claim compensation	(8,267)	(6,343)
Decrease (increase) in inventories	(3,600)	(9,720)
Increase (decrease) in notes and accounts payable - trade	552,242	264,618
Increase (decrease) in deposits received	(65,308)	6,688
Increase (decrease) in advances received	32,762	33,765
Decrease (increase) in prepaid expenses	2,086	39,745
Increase (decrease) in accrued consumption taxes	(8,359)	(6,889)
Other	(18,261)	(31,721)
Subtotal	612,726	521,585
Interest and dividend income received	29	24
Interest expenses paid	(1,387)	(801)
Payments for removal expenses	(4,974)	–
Income taxes paid	(137,336)	(146,531)
Cash flows provided by (used in) operating activities	469,058	374,275
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,444)	(320)
Purchase of intangible assets	(74,307)	(71,459)
Purchase of investment securities	(76,000)	(25,000)
Payments for lease and guarantee deposits	(2,973)	(1,112)
Other	818	(35)
Cash flows provided by (used in) investing activities	(153,907)	(97,927)
<b>Cash flows from financing activities</b>		
Repayments of long-term loans payable	(50,000)	(50,000)
Cash dividends paid	(78,937)	(78,747)
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	3,974	21,424
Purchase of treasury shares	(50,039)	(77)
Other	(5,751)	(6,252)
Cash flows provided by (used in) financing activities	(180,754)	(113,652)
Net increase (decrease) in cash and cash equivalents	134,396	162,696
Cash and cash equivalents at beginning of period	1,858,349	1,992,746
Cash and cash equivalents at end of period	* 1,992,746	* 2,155,442

(Segment information)

a. Segment information

1. Overview of reporting segments

The reporting segments of the Company are units of the Company for which separate financial statements are available and whose situation the Board of Directors regularly reviews to determine the allocation of management resources and evaluate performance.

The Company provides convenient services to facilitate transactions among small and medium-sized enterprises and has business divisions and subsidiaries in accordance with the classifications of services. Each business division and subsidiary works to improve services and increase sales and profits.

The Company consists of segments by service based on its business divisions and subsidiaries. It has three reporting segments: the EC business, the Paid business, and the Guarantee business.

The EC business mainly operates Super Delivery, a website for business-to-business (B-to-B) transactions. The Paid business operates Paid, a deferred payment service for B-to-B transactions. The Guarantee business provides a service that guarantees that accounts receivable for business transactions will be paid.

2. Methods used to calculate the amounts of sales, profits or losses, assets, liabilities and other items in each reporting segment

The accounting methods for the reporting segments are almost the same as those stated in the Significant Matters That Serve as the Basis for the Preparation of Consolidated Financial Statements.

Segment profits are based on operating income.

Inter-segment internal revenues and transfers are based on prevailing market prices.

3. Sales, profits or losses, assets, liabilities and other items in each reporting segment

Previous consolidated fiscal year (from May 1, 2016 to April 30, 2017)

(Thousand yen)

	Reporting segment				Adjustment (Note 1)	Consolidated financial statement amount (Notes 2, 3, and 4)
	EC	Paid	Guarantee	Total		
Sales						
Sales to external customers	1,611,979	249,562	497,769	2,359,311	–	2,359,311
Inter-segment sales and transfers	–	178,084	222,846	400,930	(400,930)	–
Total	1,611,979	427,646	720,616	2,760,242	(400,930)	2,359,311
Segment profit	222,299	27,883	168,161	418,344	2,468	420,812
Segment assets	3,448,565	2,641,640	900,629	6,990,835	(1,424,758)	5,566,077
Segment liabilities	1,811,887	2,612,619	245,541	4,670,048	(1,011,955)	3,658,093
Other items						
Depreciation	56,724	9,499	13,893	80,117	–	80,117
Amortization of goodwill	–	–	9,720	9,720	–	9,720
Extraordinary losses	33,082	–	5,319	38,402	–	38,402
(Impairment loss)	32,777	–	–	32,777	–	32,777
Increase in property, plant and equipment and intangible assets	23,024	14,411	37,955	75,392	–	75,392

(Notes) 1. An adjustment of 2,468,000 yen in segment profit is the elimination of inter-segment transactions.

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

3. Segment assets are adjusted to total assets in the consolidated balance sheets.

4. Segment liabilities are adjusted to total liabilities in the consolidated balance sheets.

Consolidated fiscal year under review (from May 1, 2017 to April 30, 2018)

(Thousand yen)

	Reporting segment				Adjustment (Note 1)	Consolidated financial statement amount (Notes 2, 3, and 4)
	EC	Paid	Guarantee	Total		
<b>Sales</b>						
Sales to external customers	1,695,226	303,381	547,472	2,546,080	–	2,546,080
Inter-segment sales and transfers	–	179,852	244,844	424,696	(424,696)	–
<b>Total</b>	<b>1,695,226</b>	<b>483,234</b>	<b>792,316</b>	<b>2,970,776</b>	<b>(424,696)</b>	<b>2,546,080</b>
Segment profit	225,539	44,828	166,441	436,809	879	437,689
Segment assets	3,504,595	2,861,950	1,058,776	7,425,322	(1,368,549)	6,056,772
Segment liabilities	1,795,810	2,790,336	284,026	4,870,173	(946,905)	3,923,267
<b>Other items</b>						
Depreciation	46,789	9,021	17,438	73,249	–	73,249
Amortization of goodwill	–	–	9,720	9,720	–	9,720
Extraordinary losses	8,808	–	–	8,808	–	8,808
Increase in property, plant and equipment and intangible assets	55,580	10,152	9,939	75,671	–	75,671

(Notes) 1. An adjustment of 879,000 yen in segment profit is the elimination of inter-segment transactions.

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

3. Segment assets are adjusted to total assets in the consolidated balance sheets.

4. Segment liabilities are adjusted to total liabilities in the consolidated balance sheets.

b. Related information

Previous consolidated fiscal year (from May 1, 2016 to April 30, 2017)

1. Information by product and service

The classifications of products and services are identical to the reporting segments, and the information is omitted.

2. Information by region

(1) Sales

Sales to external customers in Japan account for more than 90% of sales in the consolidated statements of income, and the information is omitted.

(2) Property, plant and equipment

The Company does not have any property, plant and equipment outside Japan, and the information is omitted.

3. Information by major customer

No external customer accounts for 10% or more of sales in the consolidated statements of income, and the information is omitted.

Consolidated fiscal year under review (from May 1, 2017 to April 30, 2018)

1. Information by product and service

The classifications of products and services are identical to the reporting segments, and the information is omitted.

2. Information by region

(1) Sales

Sales to external customers in Japan account for more than 90% of sales in the consolidated statements of income, and the information is omitted.

(2) Property, plant and equipment

The Company does not have any property, plant and equipment outside Japan, and the information is omitted.

3. Information by major customer

No external customer accounts for 10% or more of sales in the consolidated statements of income, and the information is omitted.

c. Information on impairment loss on non-current assets by reporting segment

Previous consolidated fiscal year (from May 1, 2016 to April 30, 2017)

The information is omitted, as the same information is disclosed in the segment information section.

Fiscal year under review (from May 1, 2017 to April 30, 2018)

Not applicable.

d. Information on the amortization and unamortized balance of goodwill by reporting segment

Previous consolidated fiscal year (from May 1, 2016 to April 30, 2017)

(Thousand yen)

	EC	Paid	Guarantee	Total
Amortization	–	–	9,720	9,720
Unamortized balance	–	–	34,830	34,830

Fiscal year under review (from May 1, 2017 to April 30, 2018)

(Thousand yen)

	EC	Paid	Guarantee	Total
Amortization	–	–	9,720	9,720
Unamortized balance	–	–	25,110	25,110

e. Information on gain on bargain purchase by reporting segment

Not applicable

(Significant subsequent events)

(Shift to holding company structure through company split and partial revision of articles of incorporation (trade name and purpose of business))

At the meeting of the Board of Directors held on June 8, 2018, the Company passed a resolution to shift to a holding company structure through an incorporation-type company split and an absorption-type company split with the effective date of November 1, 2018 (plan), to change the trade name of the Company to Raccoon Holdings on the effective date of November 1, 2018 (plan), and to modify the purpose of its business to one that is appropriate for a holding company.

These changes will be proposed at the Ordinary General Meeting of Shareholders that is scheduled to be held on July 28, 2018, and will be conducted on the condition that they are approved at the said meeting of shareholders.

For the details of this matter, please see “Notice of Shift to Holding Company Structure through Company Split and Partial Revision of Articles of Incorporation (Trade Name and Purpose of Business)” released today.