

December 6, 2018

Raccoon Holdings, Inc.
 1-14-14 Nihonbashi-Kakigaracho, Chuo-ku
 Tokyo
 President: Isao Ogata, Representative Director
 (Code: 3031, Tokyo Stock Exchange, 1st
 Section)
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Notice Concerning Acquisition of Shares of ALEMO, Inc. (Subsidiary Acquisition)

Raccoon Holdings, Inc. (“Raccoon”) announced that it resolved at its board of directors meeting held on December 6, 2018 to acquire the shares of ALEMO, Inc. and thereby make it a subsidiary as described below.

1. Reason for the Acquisition of Shares

With its business principle of “making corporate activities more efficient and convenient,” Raccoon conducts EC business and financial business for business operators. The financial business is undertaken by Raccoon Financial, Inc. (HQ: Chuo Ward, Tokyo; President & CEO: Yuji Akiyama), a fully-owned subsidiary, and it provides settlement and guarantee services with its know-how regarding corporate credit. The rent guarantee service for businesses it provides is a substitute payment service for commercial properties such as offices and shops when arrears of rent arise. This rent guarantee service for businesses has continued to grow as a new guarantee service, replacing joint guarantors. Further market expansion is expected going forward given the revision of the Civil Code in 2020 which will make it more difficult for individual joint guarantors to be set up. Furthermore, since rent guarantee services for businesses are not yet widespread compared to services of residential rent guarantees, and as there is currently little competition, Raccoon aims to expand its share at an early stage and become a major player.

Meanwhile, since its founding in 2009, ALEMO, Inc. has been conducting rent guarantee services mainly for residential properties in the Kanto region, targeting individuals. It is undertaking rent guarantees from a wide scope, including commercial properties, through its own multifaceted credit-rating decisions, and it has a track record of transactions with many real estate companies as well as an ongoing increase of steady sales as a result. As for the current environment surrounding rent guarantee services, there has been an increase in elderly and single households as well as an increase in foreign residents. Therefore, there are of growing needs for residential rent guarantees from guarantee companies in place of the system for individual joint guarantors. These needs are expected to increase further with the revision of the Civil Code in 2020.

Going forward, with the welcoming of ALEMO, Inc. into the Raccoon Group, the combination of ALEMO, Inc.’s guarantee know-how as well as its track record for a wide range of targets and the Raccoon Group’s corporate credit know-how for commercial properties as well as IT technology will enable rent guarantee services for both residential and commercial properties. This is thought to be a highly convenient service for real estate companies which manage a variety of properties as it will be a one-stop service for different types of rent guarantees. Through this, Raccoon plans to increase its share in the rent guarantee market.

2. Overview of Transferring Subsidiary (ALEMO, Inc.)

(1)	Name	ALEMO, Inc.		
(2)	Location	Tokumasu Bldg. 1F, 5-5-5 Higashi-Nakano, Nakano-ku, Tokyo		
(3)	Name and position of representative	Shigemitsu Takayama, Representative Director		
(4)	Line of business	Rent obligation guarantee business		
(5)	Capital	23,500 thousand yen		
(6)	Established	December 2009		
(7)	Major shareholders and shareholding ratio	Shigemitsu Takayama: 100%		
(8)	Relationship between the listed company and Raccoon	Capital relations	Not applicable.	
		Personnel relations	Not applicable.	
		Business relations	Not applicable.	
(9)	Consolidated operating results and consolidated financial status in the past three years			
	Settlement period	Period ended Sep. 2016	Period ended Sep. 2017	Period ended Sep. 2018
	Net assets	61,318 thousand yen	76,457 thousand yen	101,726 thousand yen
	Total assets	81,584 thousand yen	107,110 thousand yen	139,885 thousand yen
	Net assets per share	26,092.98 yen	32,535.22 yen	43,287.95 yen
	Sales	212,026 thousand yen	224,624 thousand yen	267,459 thousand yen
	Operating income	26,095 thousand yen	25,062 thousand yen	21,150 thousand yen
	Ordinary income	27,476 thousand yen	20,595 thousand yen	33,071 thousand yen
	Net income attributable to owners of parent	21,073 thousand yen	15,139 thousand yen	25,268 thousand yen
	Consolidated net income per share	8,967.48 yen	6,442.24 yen	10,752.74 yen
	Dividend per share	— yen	— yen	— yen

3. Overview of Seller of Shares to be Acquired

(1)	Name	Shigemitsu Takayama
(2)	Location	Ome-shi, Tokyo
(3)	Relationship between the listed company and the seller	There are no capital relationships, personnel relationships or business relationships to be noted between Raccoon and the individual (including near relatives as well as companies, etc., and their subsidiaries in which the individual or near relatives own a majority of shares). Moreover, there are no capital relationships, personnel relationships or business relationships to be noted between Raccoon's related parties or related companies and the individual's related parties or related companies.

4. Number of Shares to be Acquired, Acquisition Price and Status of Owned Shares Before and After Acquisition

(1)	Number of shares owned before transfer	0 shares (Voting rights: 0 votes) (Ownership ratio of voting rights: 0%)	
(2)	Number of shares to be acquired	2,350 shares (Voting rights: 2,350 votes)	
(3)	Acquisition price	Common shares	270 million yen
		Brokerage fees	26 million yen
		Total	296 million yen
(4)	Number of shares owned after transfer	2,350 shares (Voting rights: 2,350 votes) (Ownership ratio of voting rights: 100.0%)	

5. Dates

(1)	Date of resolution by board of directors	December 6, 2018
(2)	Contract date	December 6, 2018
(3)	Date of execution of transfer of shares	December 7, 2018 (scheduled)

6. Future Outlook

ALEMO, Inc. shall become a consolidated subsidiary of Raccoon through the acquisition of shares. Note that September 30, 2018 shall be the deemed acquisition date as per the consolidated statement. The impact on the Raccoon Group's consolidated results is currently being inspected. If matters that ought to be disclosed come to light, such will be announced promptly.