



FY 4/2021 (ending April 2021)

Q1 Financial Results

September 3, 2020

Disclaimer

Opinions and estimates contained in this document are based on the judgement of the Company at the time of preparation and may include inaccuracies.

Actual decisions and results may differ due to various changes in the business environment.

Key Points

Accelerated growth speed made the Company's characteristics visualized.

(Characteristics of the Company's business structure)

The structure allows operating margin to grow in stride with topline growth, as both businesses have a high gross margin while fixed costs tend not to increase.

Impact of Novel Coronavirus (COVID-19)

Demand increased as the Company's services became more essential due to major changes in the social environment.

FY 4/2020 Q1 Results

- The transaction value of SUPER DELIVERY in the EC business increased significantly by 75.2% year on year, driving the overall business results.
- The cost of sales for the Financial business decreased as the amount of guarantees provided decreased. In addition to this, the Company reviewed allowance for guarantees, allowance for claim compensation, and allowance for doubtful accounts, in consideration of the recent situation of guarantees provided. → The cost of sales for the Financial business decreased significantly.

FY 4/2021 Full-Year Results Forecasts Revised Upward

Dividend Forecasts Revised

The Company revised its "Basic Policy on Shareholder Return" and set the target consolidated payout ratio at 45% - 50%.

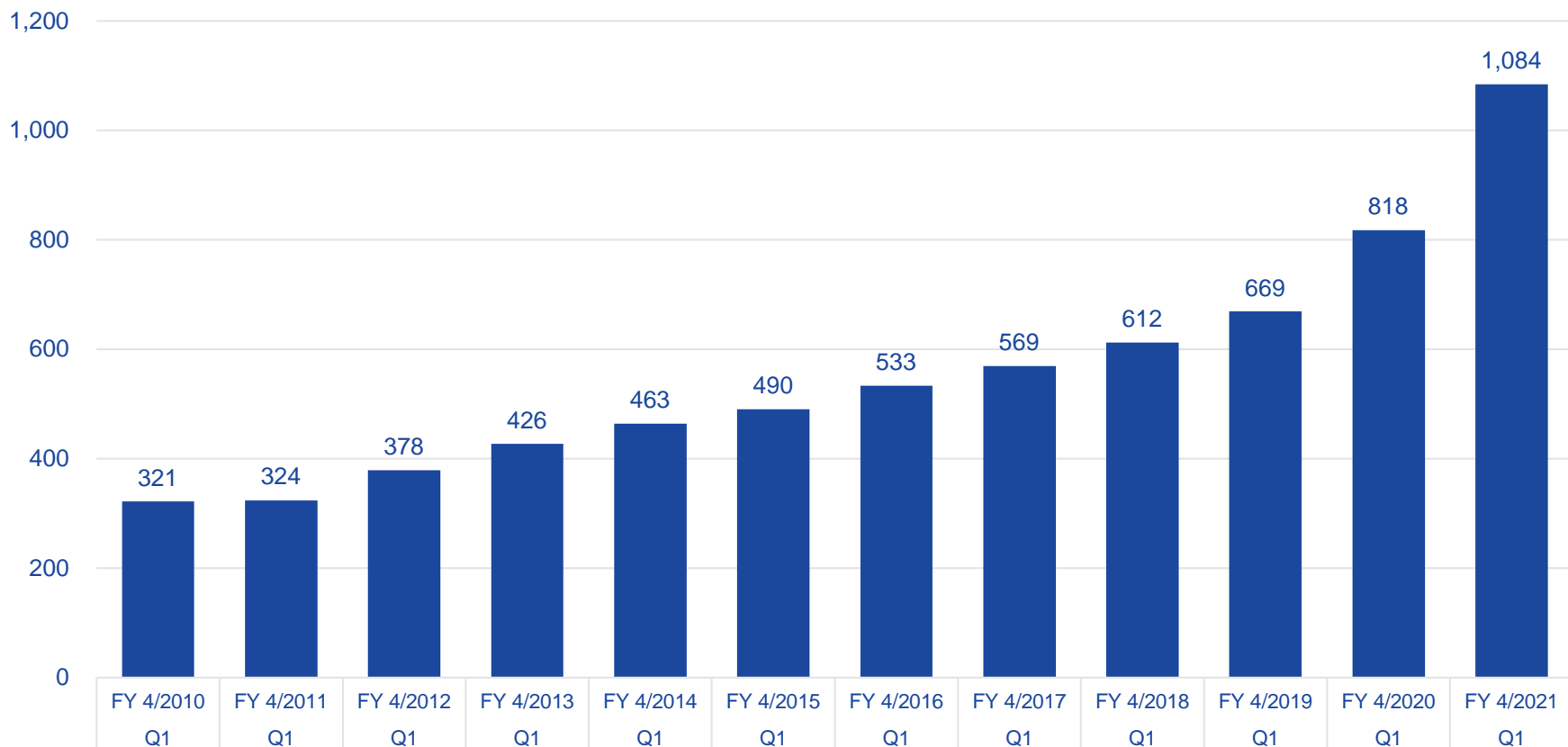
		YoY
Net sales	1,084 million yen	+32.5%
Operating income	344 million yen	+96.1%

- The transaction value of SUPER DELIVERY in the EC business increased significantly by 75.2% year on year.
An increase in system usage sales in proportion to the transaction value contributed to a significant increase in consolidated net sales.
- The amount of guarantees provided by the Financial business decreased, lowering the cost of sales.
Allowances additionally recorded in the preceding Q4 were partly reversed in consideration of the situation of guarantees provided (change from the preceding Q4 to Q1), causing the rate of cost of sales to drop significantly.
- Personnel cost and advertising expenses increased but other expenses remained at a low level.
The rate of selling, general and administrative expenses dropped by 9 percentage points year on year to 52%.
- The relocation expenses of RACCOON RENT's head office totaling 10,006,000 yen were recorded as extraordinary losses.
- As the number of customer defaults in the Financial business was smaller than expected, the Company repaid its borrowings one by one.

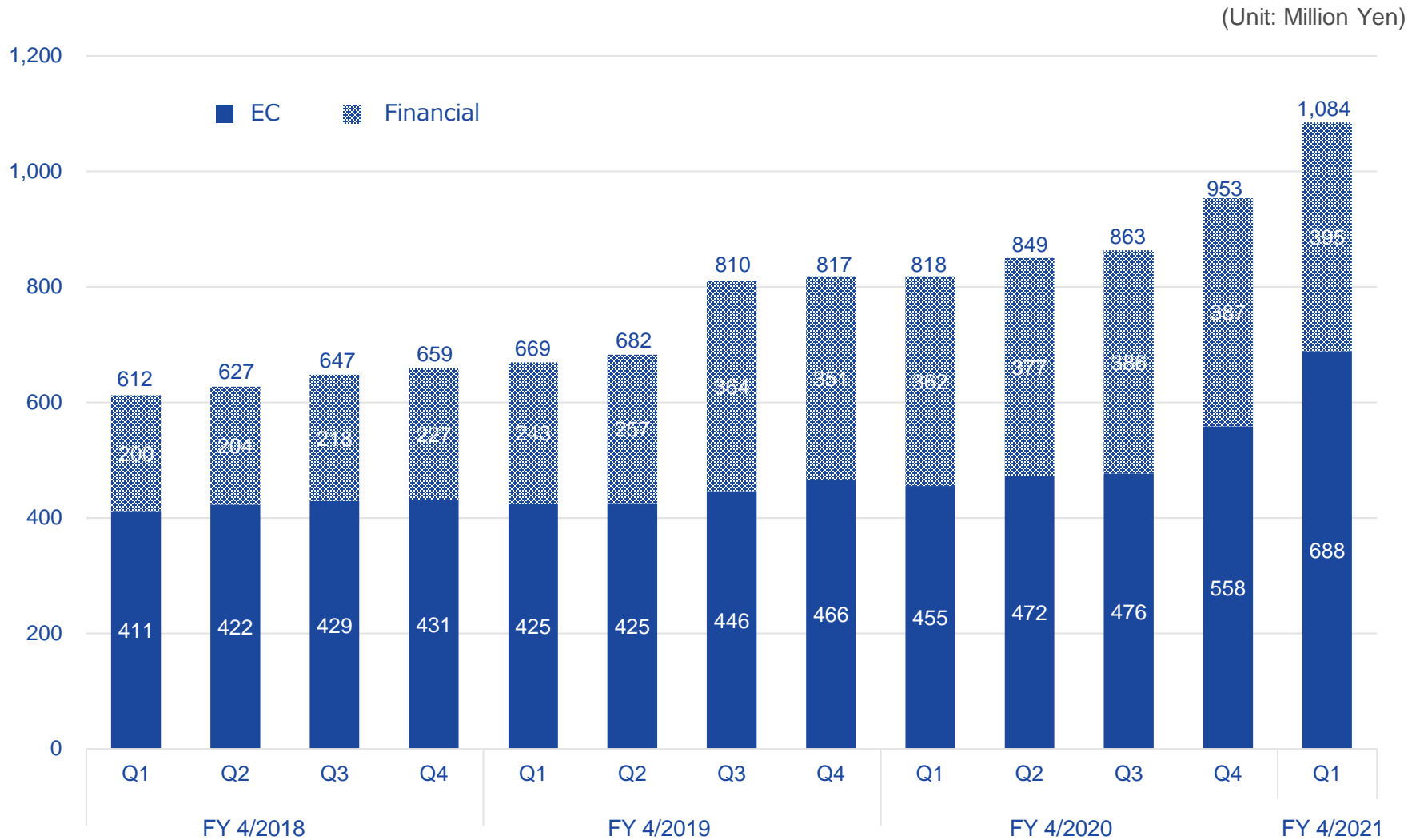
Net sales increased by 32.5% year on year

The growth rate rose 10.2 percentage points from 22.3% in the previous year

(Unit: Million Yen)



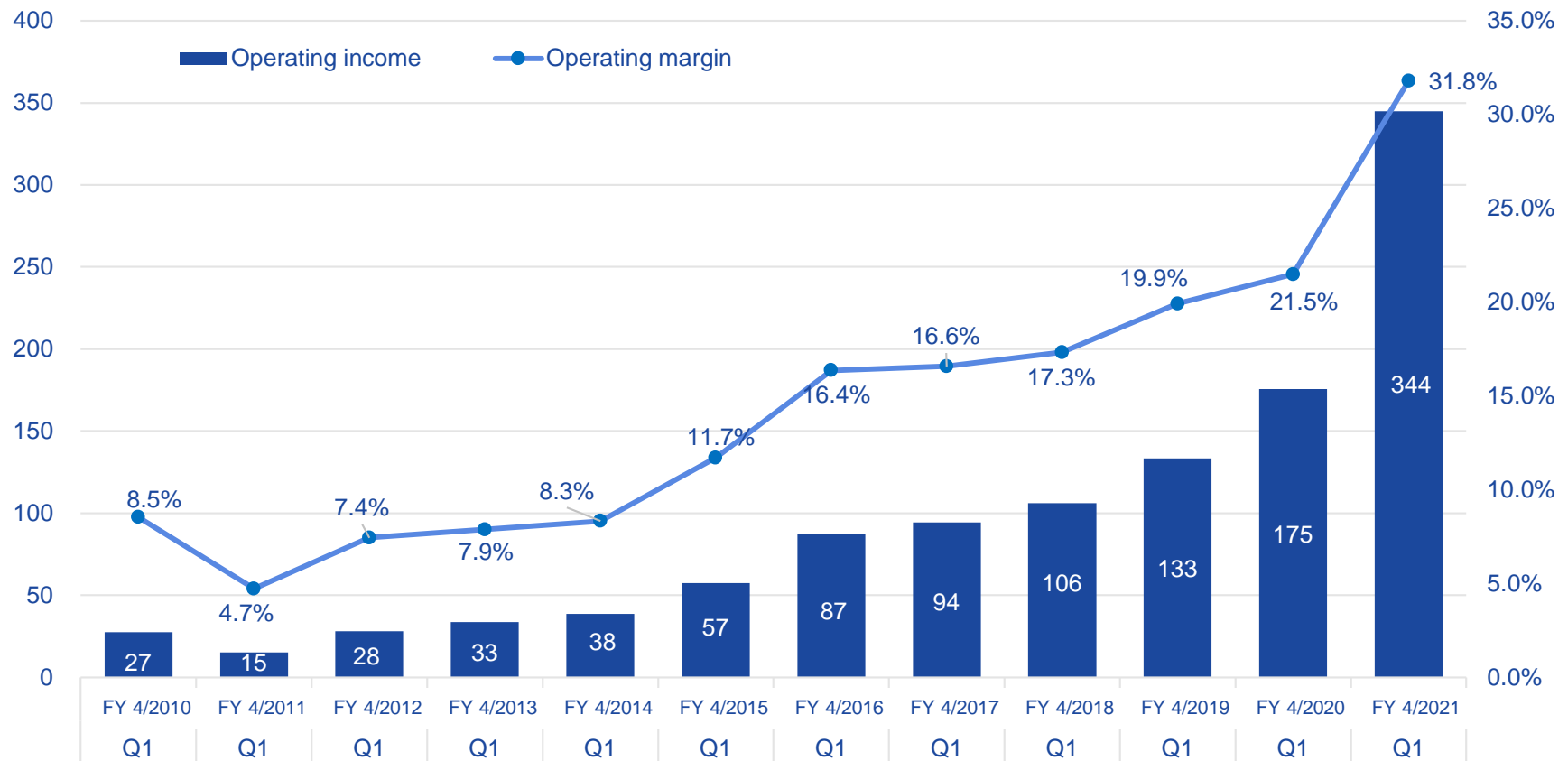
Trends in Consolidated Net Sales by Quarter



Operating income increased significantly by 96.1% year on year

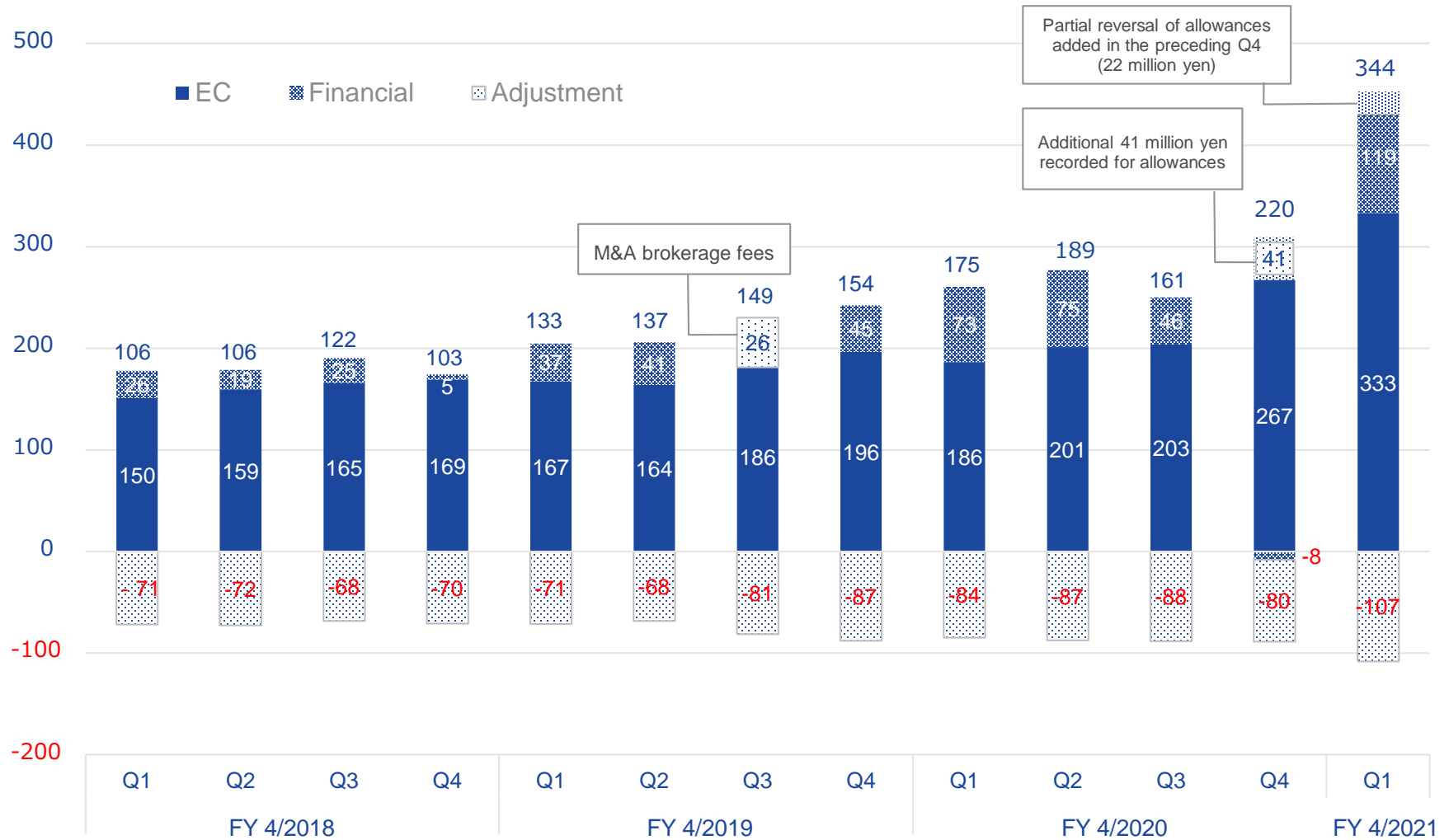
Operating margin also increased by 10.3 percentage points year on year to 31.8%

(Unit: Million Yen)



Trends in Consolidated Operating Income by Quarter

(Unit: Million Yen)



(Unit: Million Yen)

	FY 4/2021 Q1 Results	FY 4/2020 Q1 Results	YoY	Results forecasts before revision	Progress rate
Net sales	1,084	818	+32.5%	3,900	27.8%
Gross profit	907	671	+35.2%	—	—
Selling, general and administrative expenses	563	495	+13.5%	—	—
Advertising and sales promotion expenses	85	61	+39.2%	—	—
EBITDA	382	211	+80.6%	980	39.0%
				1,070	35.7%
Operating income	344	175	+96.1%	810	42.6%
				900	38.3%
Operating margin	31.8%	21.5%	+10.3pt	20.8%	—
				23.1%	
Ordinary income	334	175	+91.1%	800	41.9%
				890	37.6%
Net income attributable to owners of parent	220	111	+97.6%	490	45.0%
				550	40.1%

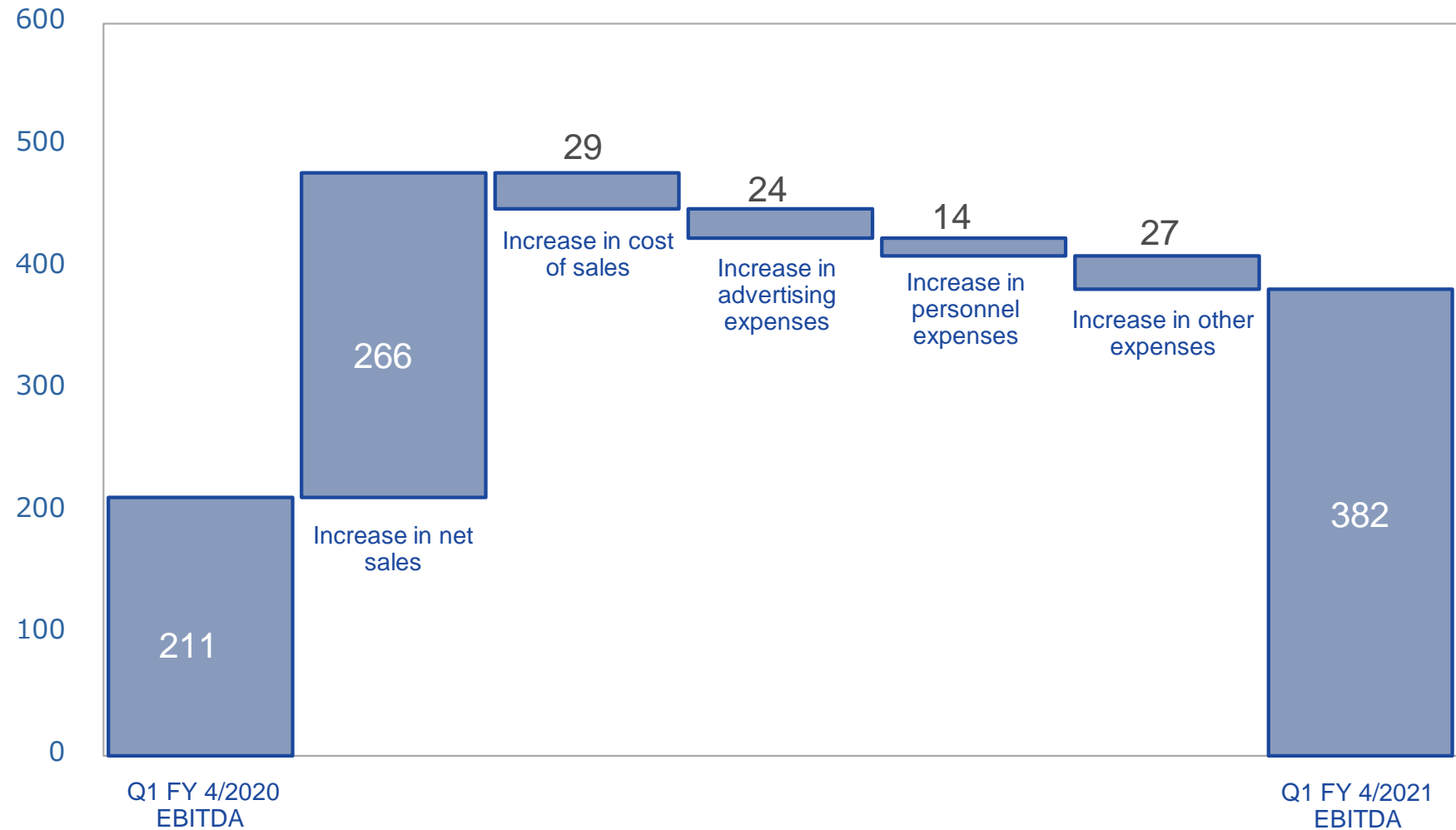
Trends in Results (Quarterly Basis)

(Unit: Million Yen)

	FY 4/2020				FY 4/2021
	Q1	Q2	Q3	Q4	Q1
Net sales	818	849	863	946	1,084
Gross profit	671	692	681	698	907
Selling, general and administrative expenses	495	503	519	519	563
Advertising and sales promotion expenses	61	61	73	79	85
Operating income	175	189	161	178	344
Operating margin	21.5%	22.3%	18.8%	18.9%	31.8%
Ordinary income	175	194	160	178	334
Net income attributable to owners of parent	111	125	101	113	220

Factors Behind Change in EBITDA (Year-on-Year Comparison)

(Unit: Million Yen)



(Unit: Million Yen)

	FY 4/2021 Q1	FY 4/2020	Difference	Compared with the end of the previous fiscal year
Current assets	10,450	10,923	-473	95.7%
Non-current assets	2,630	2,676	-46	98.3%
– Property, plant and equipment	1,465	1,473	-8	99.4%
– Intangible assets	491	505	-13	97.3%
– Investments and other assets	672	697	-24	96.5%
Current liabilities	6,975	8,146	-1,170	85.6%
Non-current liabilities	1,366	1,454	-88	93.9%
Net assets	4,738	3,999	738	118.5%
Total assets	13,080	13,600	-519	96.2%

Summary by Segment

		YoY
Segment sales	688 million yen	+ 51.2%
Segment profit	333 million yen	+ 78.6%

	YoY	YoY (year-earlier)
Domestic transaction value	+74.9%	+5.6%
Overseas transaction value	+76.4%	+31.5%



Total transaction value: 5,127,935,000 yen
(+75.2% YoY in contrast to +9.5% YoY a year ago)

**Under the impact of the
prolonged COVID-19
pandemic**

- Number of posting companies and member retailers increased, given the continued need for non-face-to-face transactions
- The trend of online purchasing accelerated.

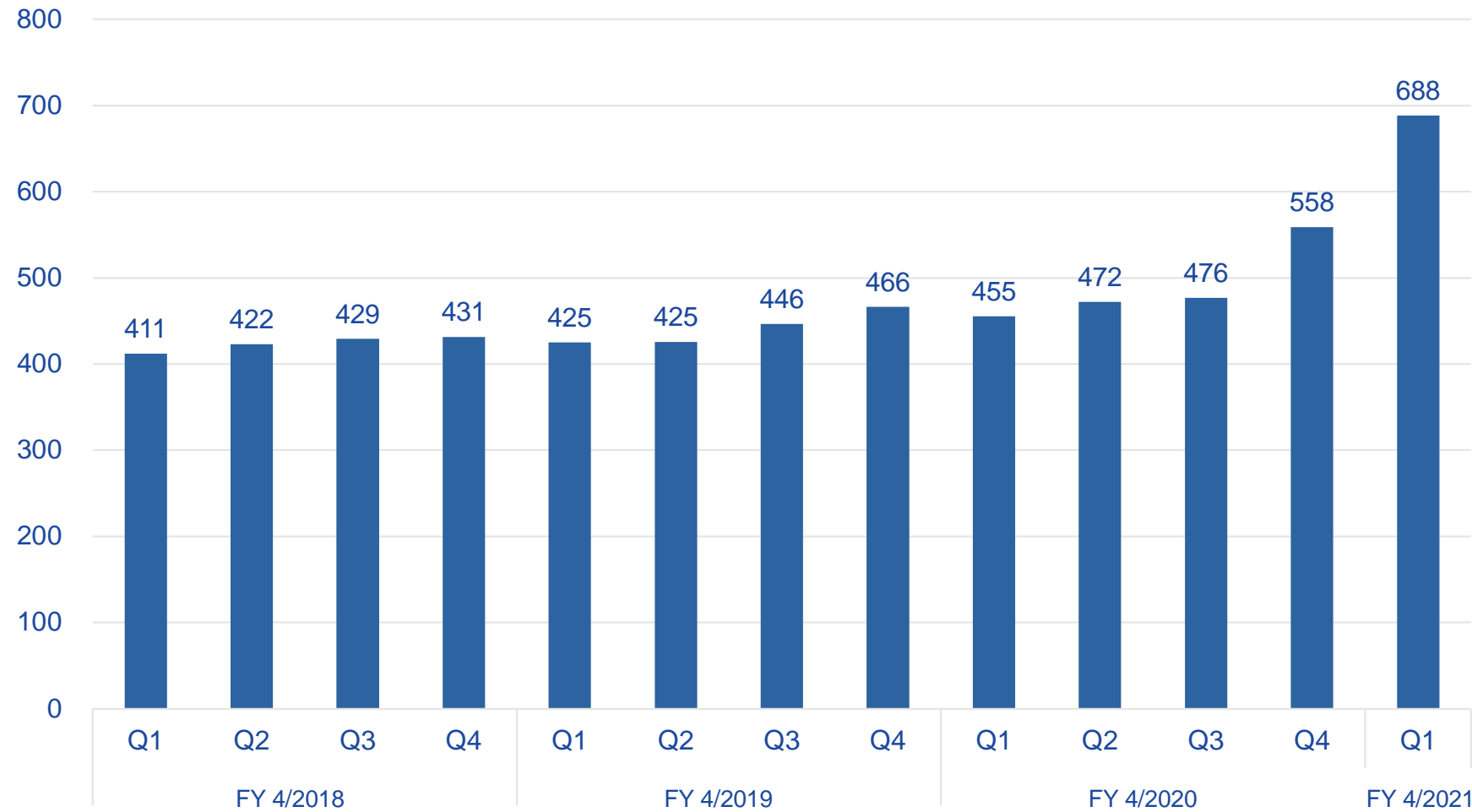
Transaction value in the fashion categories of domestic retailers, which decreased by 45% year on year in April, recovered to a year-on-year increase of 23% in July. Transaction value in other categories also increased year on year.

- Value of overseas transactions also increased due to changes in the social environment forcing a shift to non-face-to-face transactions.

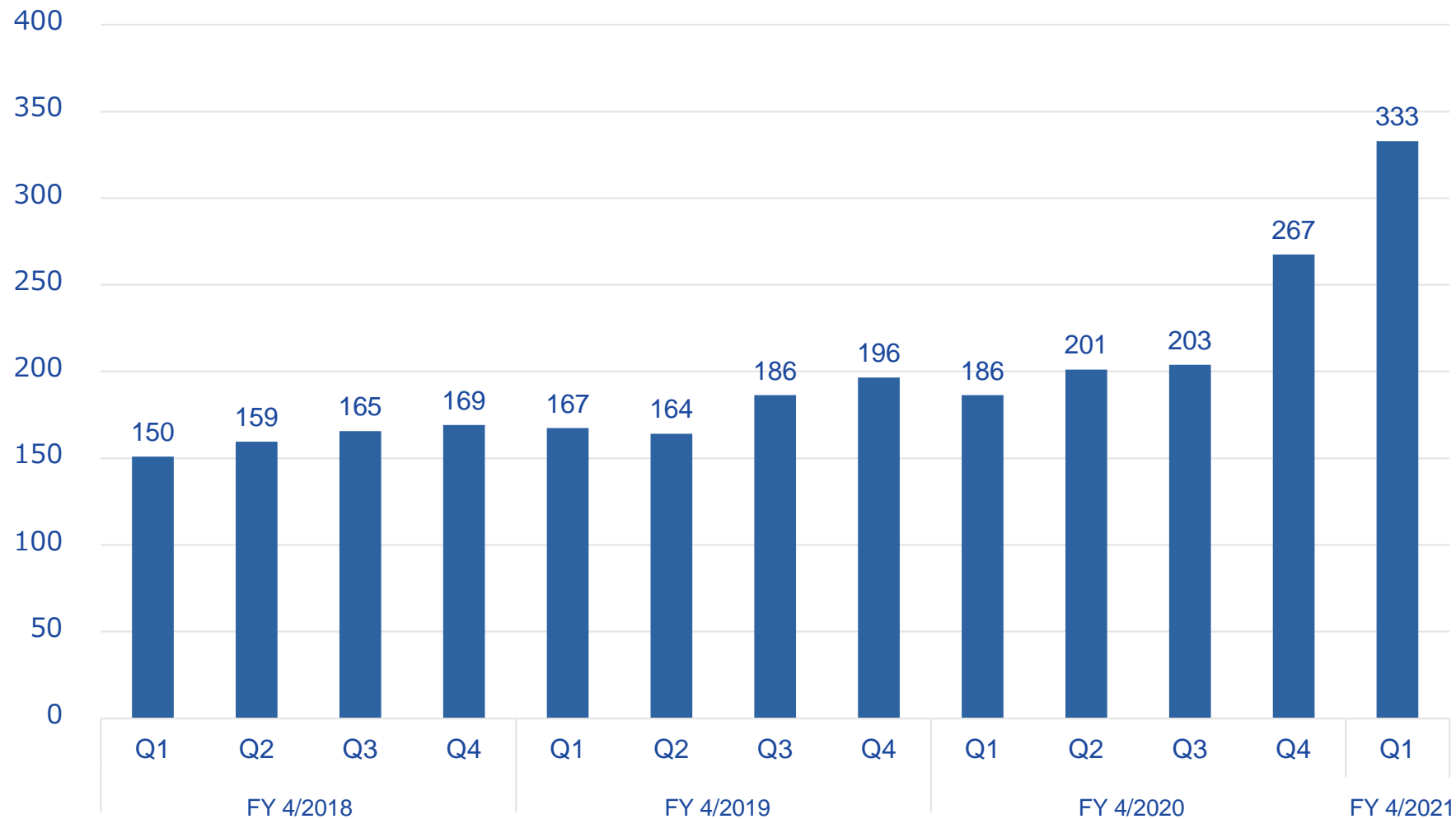


**System usage sales increased
significantly as transaction value
increased.**

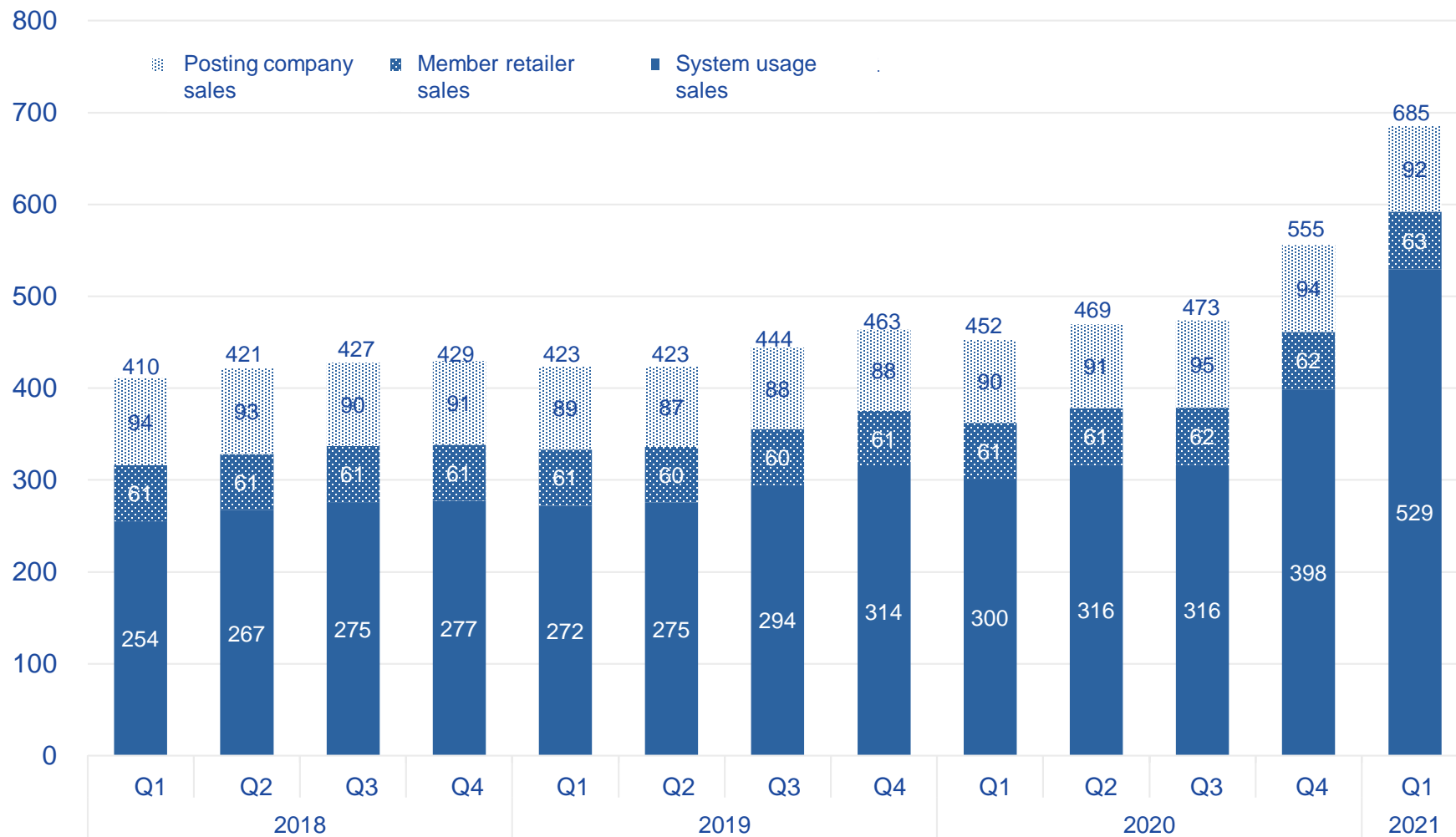
(Unit: Million Yen)



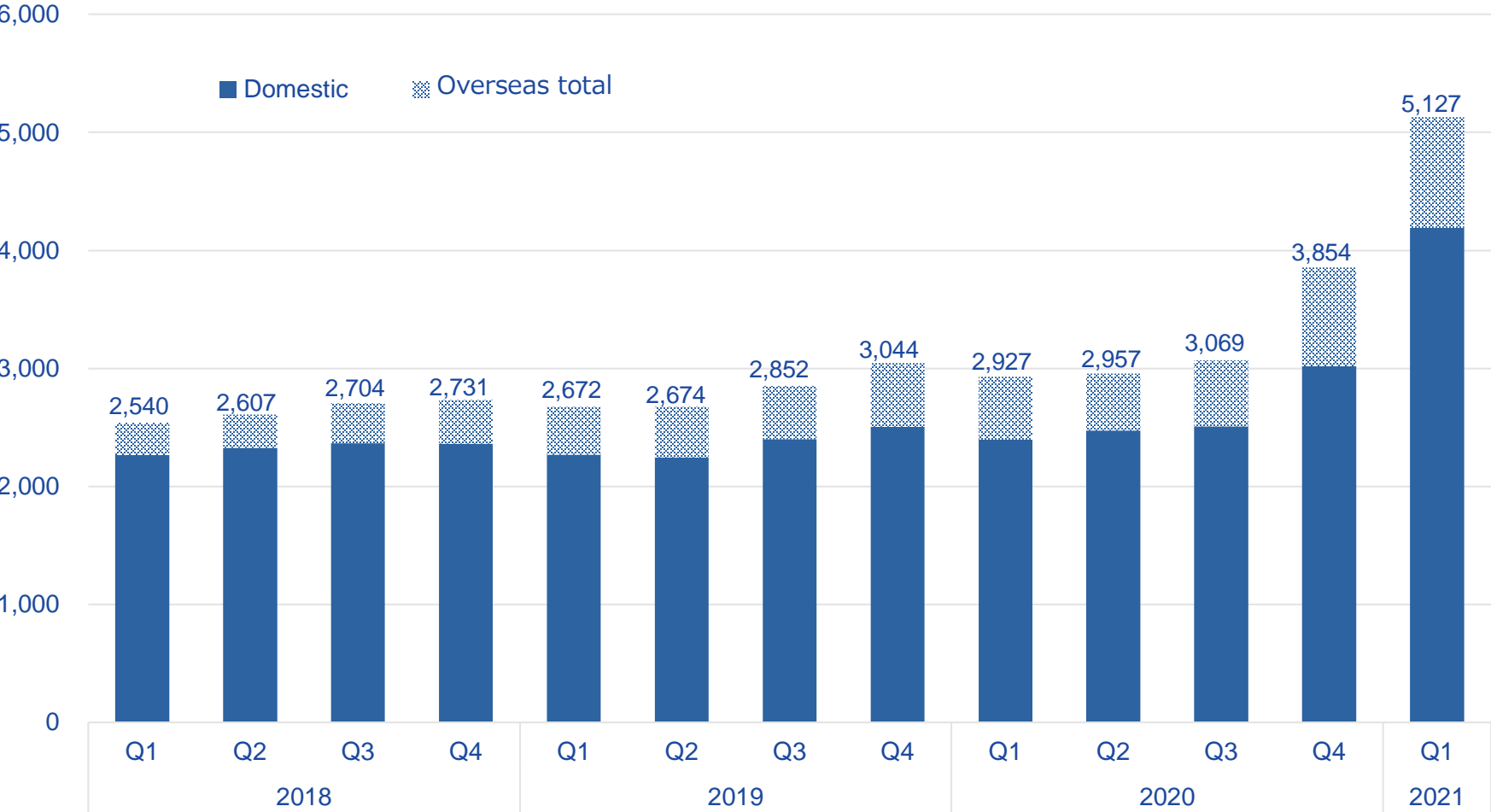
(Unit: Million Yen)



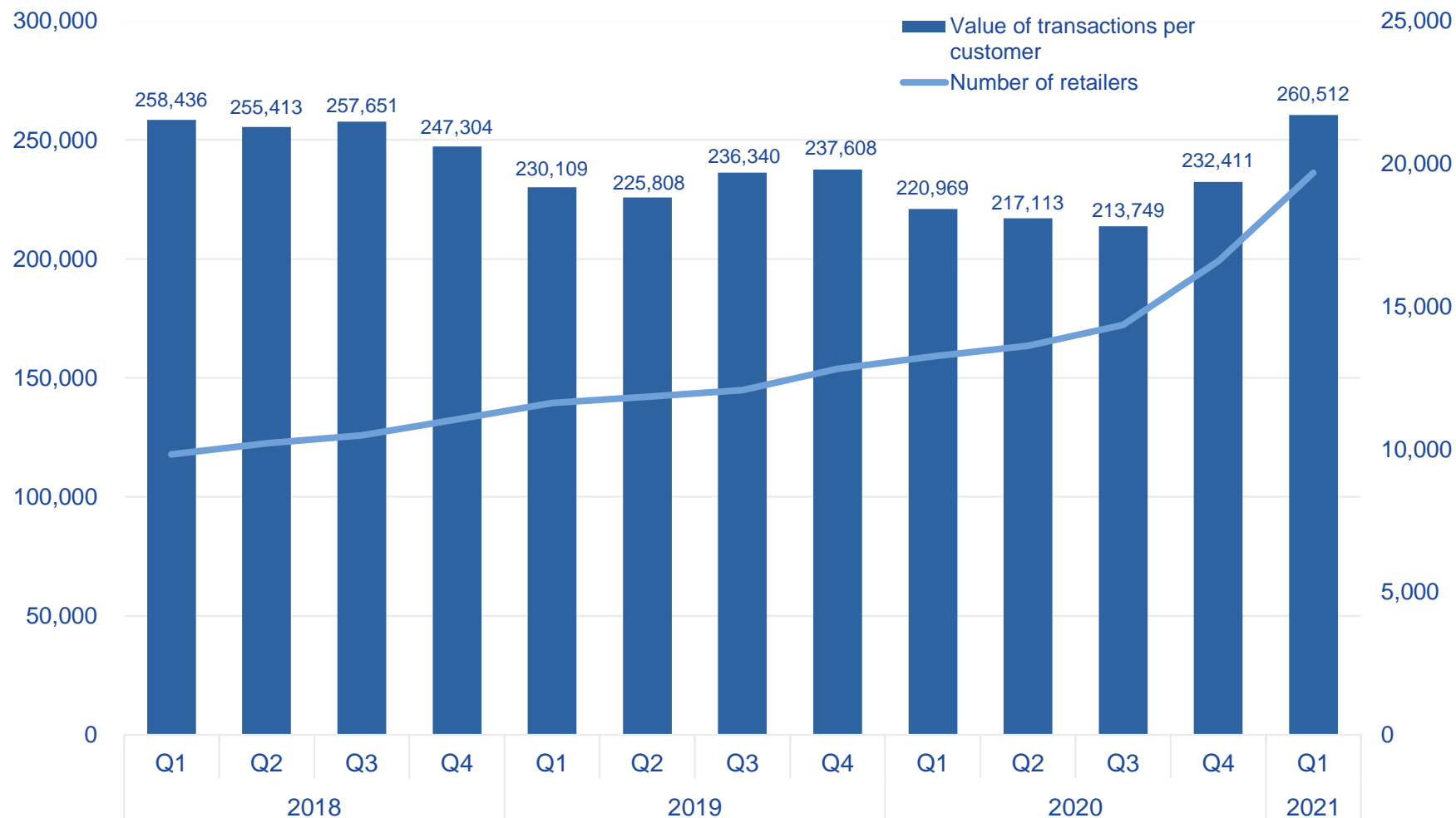
(Unit: Million Yen)







(Unit: Million Yen)



(Unit: Million Yen)

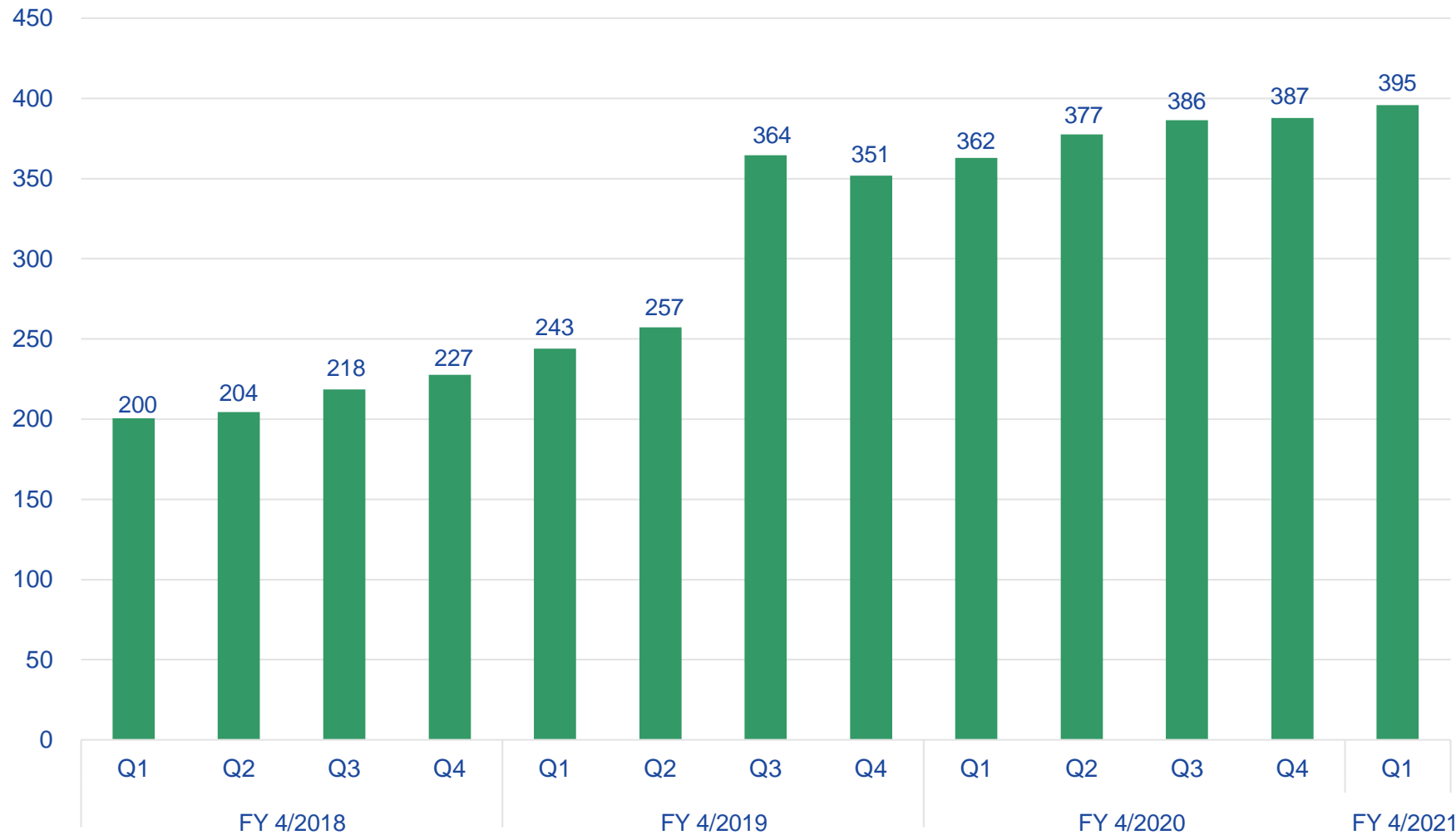


		YoY
Segment Sales	458 million yen	+12.8%
Segment Profit	119 million yen	+61.9%

In terms of sales		YoY
Guarantee	The number of inquiries continued to increase amidst the prolonged COVID-19 pandemic. Inquiries increased especially from companies having no use record.	 +6.1%
		 +69.6%
Payment	The transaction volume of member companies, which decreased in the preceding Q4, has recovered since June.	 +5.3%
Rent guarantee	The business environment stemming from the revision of the Civil Code provided tailwind.	 +3.9%
	+ Inquiries increased gradually as some firms reconsidered their guarantee companies in order to prepare for the expanded risk of the COVID-19 pandemic.	

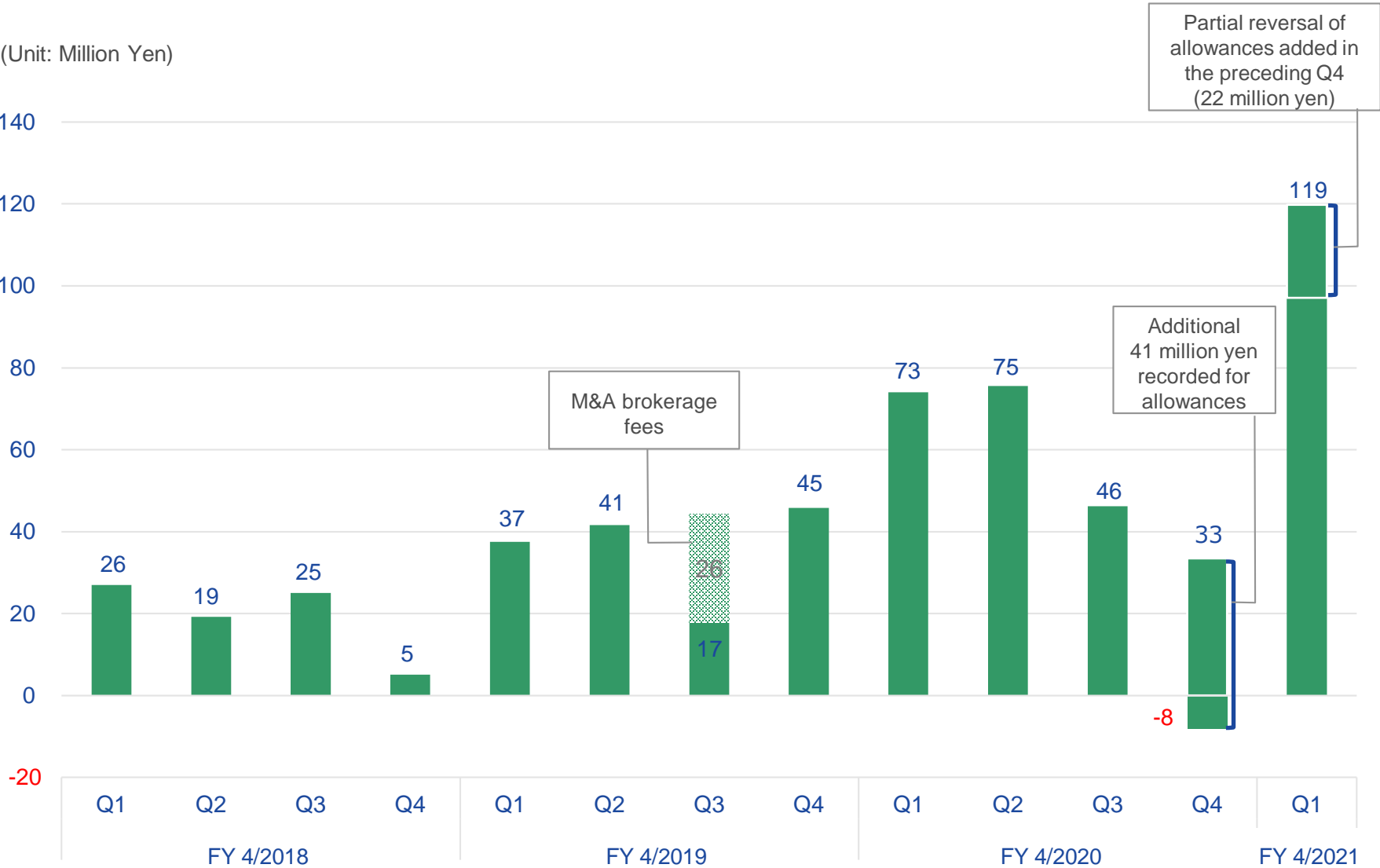
In terms of profit
The amount of guarantees provided were reduced to lower the cost of sales.
The Company reviewed allowance for guarantees, allowance for claim compensation, and allowance for doubtful accounts and partially reversed allowances additionally reserved in the preceding Q4.

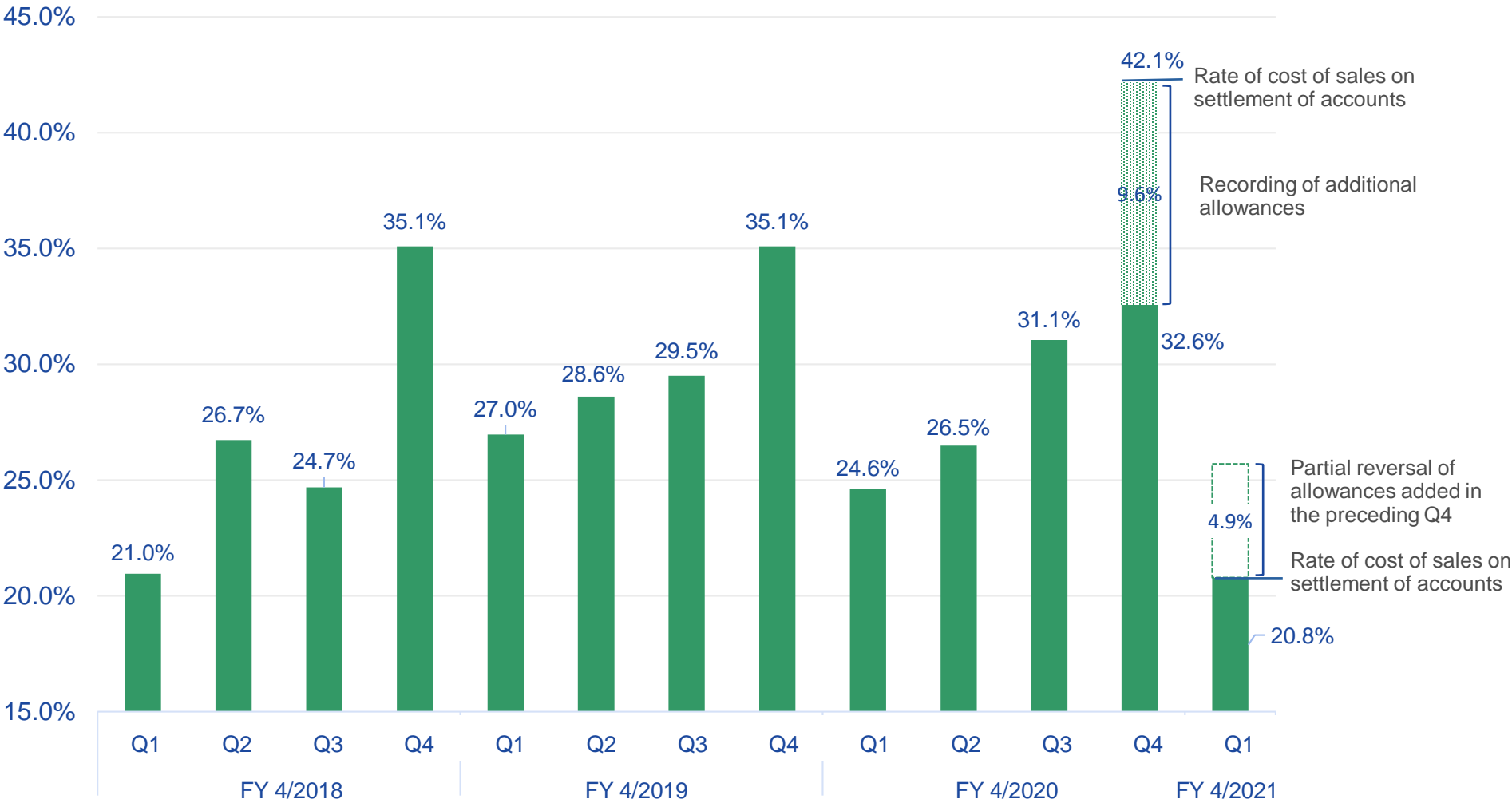
(Unit: Million Yen)



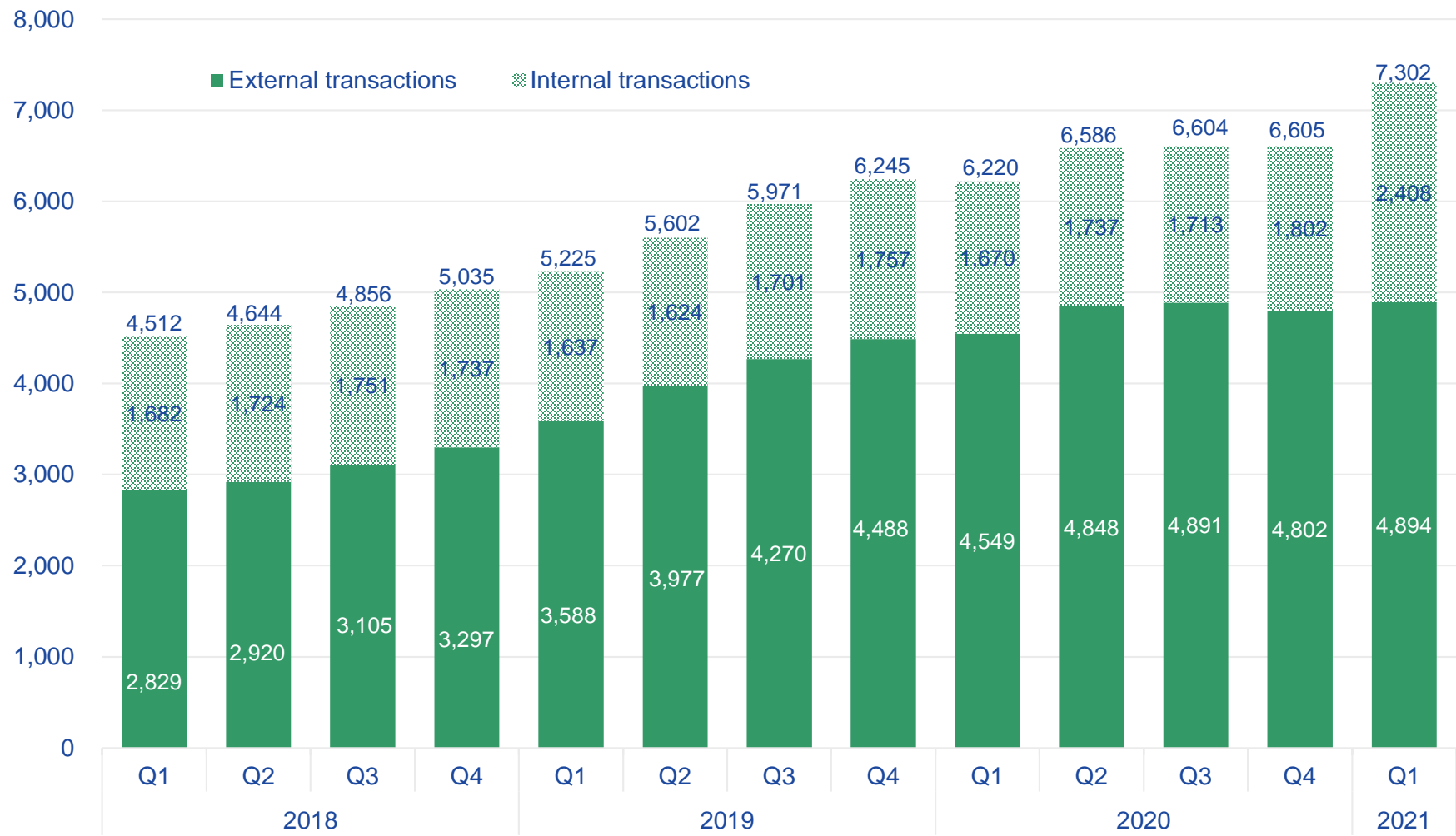
* Inter-segment transactions are excluded.

(Unit: Million Yen)

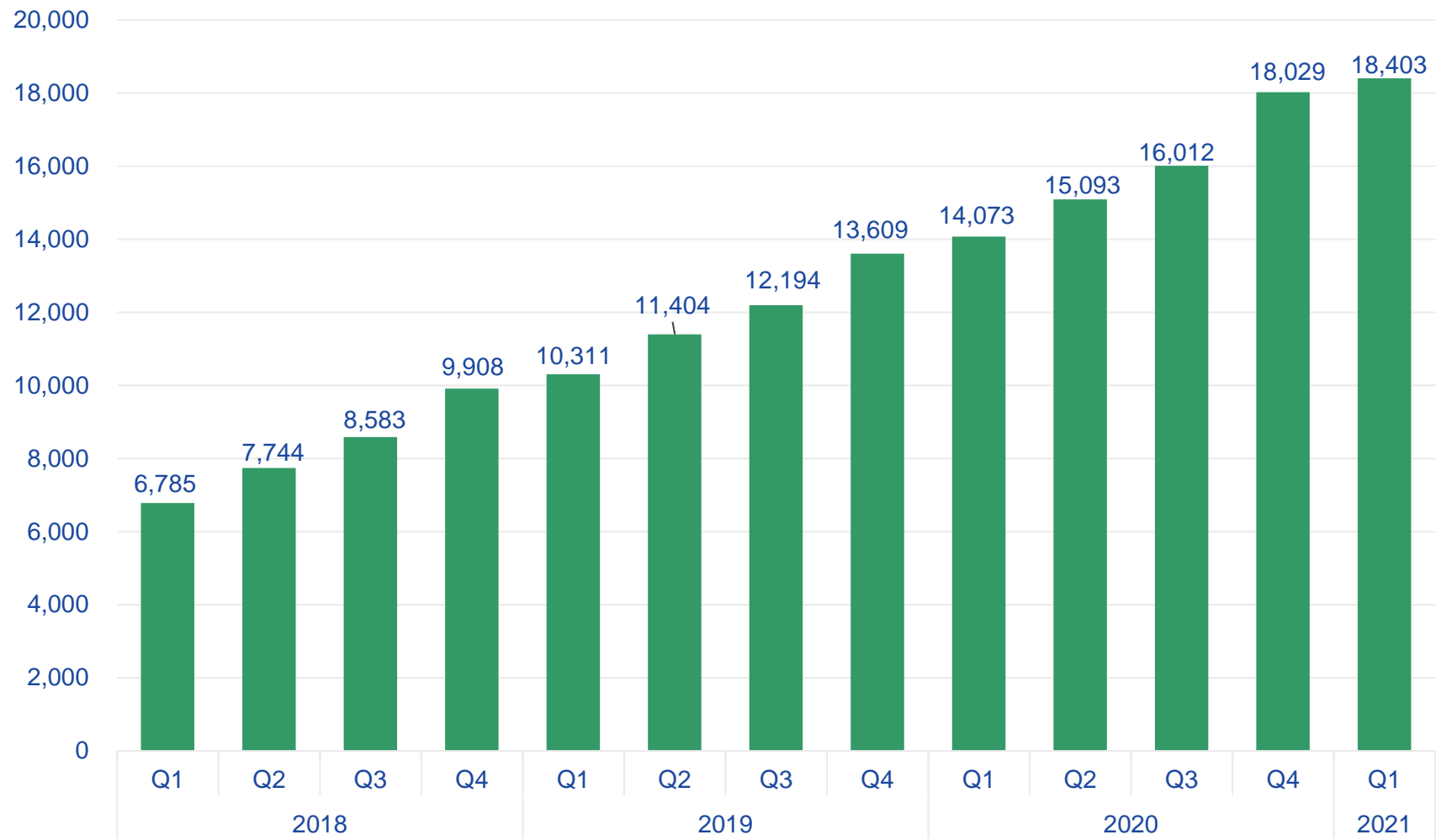




(Unit: Million Yen)

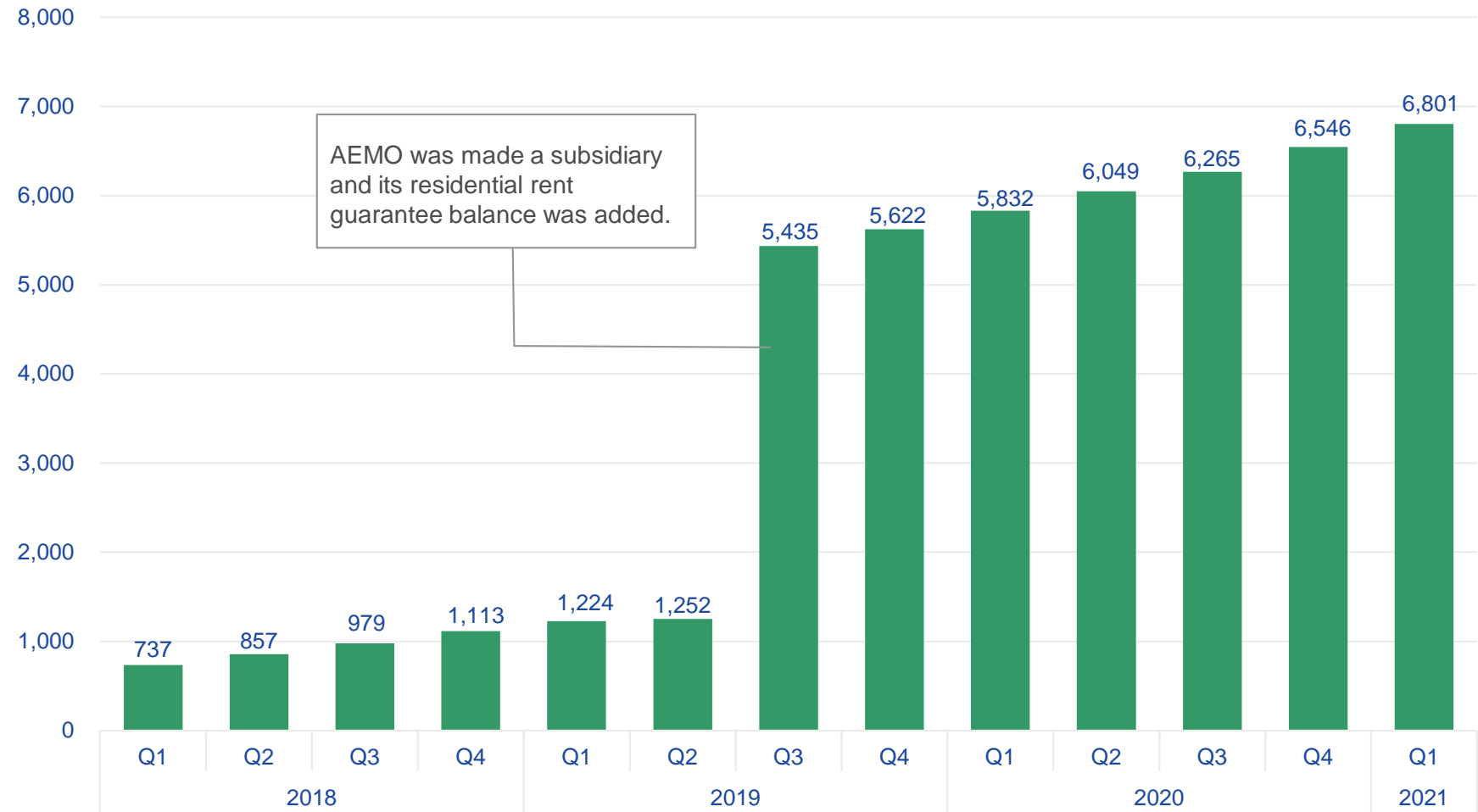


(Unit: Million Yen)



* The figures indicate the actual guarantee balance calculated under the formula of guarantee balance / guarantee period x average implementation period. Accordingly, the figures differ from the balances indicated in the relevant Summary of Financial Results and Securities Report.

(Unit: Million Yen)



* The figures indicate the actual guarantee balance calculated by the formula of guarantee balance / guarantee period x average implementation period. Accordingly, the figures differ from the balances indicated in the relevant Summary of Financial Results and Securities Report.

Based on the progress made in Q1, the Company revised its results forecasts upward

(Unit: Million Yen)	FY 4/2021 full-year results forecasts (before revision)	FY 4/2021 full-year results forecasts (after revision)	FY 4/2020 full-year results	YoY
Net sales	3,900	4,450	3,477	+28.0%
		4,600		+32.3%
EBITDA	980	1,330	848	+56.7%
	1,070	1,410		+66.2%
Operating income	810	1,180	706	+67.1%
	900	1,270		+79.9%
Operating margin	20.8%	26.5%	20.3%	—
	23.1%	27.6%		—
Ordinary income	800	1,160	708	+63.7%
	890	1,250		+76.4%
Net income attributable to owners of parent	490	740	451	+64.0%
	550	800		+77.3%



In the EC business, the transaction value of SUPER DELIVERY is assumed to remain at a high level going forward against the backdrop of changes in the social environment where non-face-to-face economic activities are emphasized.



In the Financial business, the default cost is assumed to be reduced from the initially planned amount.

Aggressive Strategy



Plan to change the fee structure of SUPER DELIVERY in the EC business to accelerate attraction of posting companies. Will factor in the impact of the change (-100 million yen in sales and profits).



Plan to reinforce promotion activities to facilitate medium- to long-term growth both in the EC and Financial businesses. Advertising expenses will increase by around 100 million yen.

* The results forecasts anticipate that the transaction volume of SUPER DELIVERY will grow at a rate higher than initially assumed. However, as the impact of COVID-19 is still highly uncertain, it is difficult to discern accurately how much growth can be attained throughout the year at present. Accordingly, the transaction volume and net sales of the EC business after revision are estimates with ranges, and the results forecasts after revision are forecasts with ranges both for net sales and profits.

Upon revising its “Basic Policy on Shareholder Return,” the Company will deliver dividends with the consolidated payout ratio of 45% to 50% as a target going forward

Trends in dividends				
	Interim dividend (yen)	Year-end dividend (yen)	Annual dividend (yen)	Payout ratio
FY 4/2021 (forecast)	8.0	8.0	16.0	around 45%
FY 4/2020	—	6.5	6.5	27.4%
FY 4/2019	—	6.0	6.0	28.5%
FY 4/2018	—	5.2	5.2	32.4%
FY 4/2017	—	4.5	4.5	30.9%
FY 4/2016	—	4.5	4.5	32.5%
FY 4/2015	—	2.27	2.27	19.7%
FY 4/2014	—	1.42	1.42	19.5%
FY 4/2013	—	1.33	1.33	16.3%
FY 4/2012	—	1.11	1.11	16.5%
FY 4/2011	—	0.92	0.92	9.3%
FY 4/2010	—	0.89	0.89	13.4%
FY 4/2009	—	0.81	0.81	14.7%

Trends in ROE	
	ROE
FY 4/2020	13.5%
FY 4/2019	15.7%
FY 4/2018	14.0%
FY 4/2017	13.9%
FY 4/2016	14.4%
FY 4/2015	13.1%
FY 4/2014	8.6%
FY 4/2013	10.4%
FY 4/2012	9.3%
FY 4/2011	15.2%
FY 4/2010	11.6%
FY 4/2009	10.6%

+ Going forward, the Company will endeavor to improve ROE, intending to achieve ROE of 20% or more over the medium to long term.

Reference: Appendix

Trends in Consolidated Net Sales by Quarter

(Unit: Thousand Yen)

	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EC	392,285	393,391	409,310	416,992	411,858	422,816	429,159	431,392
Financial	177,263	182,555	189,081	198,432	200,454	204,346	218,443	227,608
Total	569,548	575,946	598,391	615,424	612,313	627,162	647,603	659,000

	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EC	425,150	425,472	446,243	466,189	455,214	472,263	476,792	558,665
Financial	243,873	257,229	364,526	351,713	362,899	377,467	386,461	387,906
Total	669,023	682,702	810,769	817,902	818,113	849,730	863,254	946,571

	2021
	Q1
EC	688,464
Financial	395,763
Total	1,084,227

Trends in Consolidated Operating Income by Quarter

(Unit: Thousand Yen)

	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EC	139,203	140,305	154,643	150,387	150,866	159,467	165,583	169,227
Financial	13,878	13,679	14,979	13,470	26,952	19,235	25,016	5,055
Adjustment	-58,634	-48,480	-51,960	-60,661	-71,758	-72,556	-68,443	-70,957
Total	94,448	105,504	117,662	103,197	106,060	106,146	122,156	103,325

	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EC	167,308	164,168	186,450	196,600	186,422	201,232	203,865	267,602
Financial	37,533	41,638	17,839	45,823	73,979	75,589	46,154	-8,196
Adjustment	-71,567	-68,219	-81,257	-87,592	-84,626	-87,353	-88,140	-80,443
Total	133,274	137,587	123,032	154,831	175,775	189,468	161,878	178,963

	2021
	Q1
EC	333,001
Financial	119,745
Adjustment	-107,999
Total	344,748

EC: Trends in “SUPER DELIVERY” Sales

(Unit: Thousand Yen)

	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
System usage sales	236,045	238,416	252,671	260,824	254,911	267,006	275,823	277,465
Member retailer sales	61,362	62,442	61,854	61,986	61,538	61,342	61,050	61,002
Posting company sales	94,181	91,496	93,793	92,986	94,273	93,141	90,785	91,183
Total	391,589	392,354	408,319	415,797	410,722	421,490	427,659	429,651
Transaction value	2,373,604	2,364,000	2,504,825	2,592,073	2,540,172	2,607,775	2,704,572	2,731,729

	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
System usage sales	272,082	275,301	294,524	314,239	300,684	316,377	316,321	398,846
Member retailer sales	61,170	60,712	60,888	61,070	61,814	61,801	62,315	62,285
Posting company sales	89,903	87,312	88,610	88,415	90,066	91,213	95,092	94,418
Total	423,155	423,326	444,023	463,724	452,564	469,392	473,730	555,550
Transaction value	2,672,949	2,674,929	2,852,157	3,044,716	2,927,620	2,957,307	3,069,019	3,854,776

	2021
	Q1
System usage sales	529,040
Member retailer sales	63,129
Posting company sales	92,962
Total	685,132
Transaction value	5,127,935

EC: No. of Buying Customers That Purchased through “SUPER DELIVERY” and Value of Transactions

	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
No. of buying customers	8,759	8,662	8,796	8,937	8,919	8,763	8,875	9,027
Value of transactions per customer	263,338	275,998	273,161	272,449	254,966	268,478	270,505	283,623

	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
No. of buying customers	9,077	9,129	9,318	9,654	9,829	10,210	10,497	11,046
Value of transactions per customer	261,496	258,955	268,815	268,497	258,436	255,413	257,651	247,304

	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
No. of buying customers	11,616	11,846	12,068	12,814	13,249	13,621	14,358	16,586
Value of transactions per customer	230,109	225,808	236,340	237,608	220,969	217,113	213,749	232,411

	2021
	Q1
No. of buying customers	19,684
Value of transactions per customer	260,512

(Unit: Thousand Yen)

	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Internal sales	43,104	43,644	45,291	45,921	43,767	44,865	45,561	45,215
External sales	177,263	182,555	189,081	198,432	200,454	204,346	218,443	227,608
Total	220,367	226,199	234,372	244,353	244,222	249,212	264,005	272,824

	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Internal sales	42,624	42,288	44,290	45,734	43,481	45,239	44,605	46,936
External sales	243,873	257,229	364,526	351,713	362,899	377,467	386,461	387,906
Total	286,497	299,518	408,817	397,447	406,380	422,706	431,066	434,842

	2021
	Q1
Internal sales	62,668
External sales	395,763
Total	458,431

Financial: Trends in “Paid” Transaction Value

(Unit: Thousand Yen)

	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Internal transactions	1,598,398	1,735,527	1,703,691	1,750,567	1,637,797	1,699,168	1,733,022	1,869,146
External transactions	728,416	839,188	980,724	1,157,949	1,355,857	1,539,287	1,681,144	1,888,849
Total	2,326,815	2,574,716	2,684,416	2,908,517	2,993,654	3,238,455	3,414,167	3,757,996

	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Internal transactions	1,652,225	1,672,828	1,741,922	1,767,514	1,682,372	1,724,556	1,751,225	1,737,694
External transactions	2,000,291	2,311,575	2,597,637	2,841,259	2,829,913	2,920,373	3,105,237	3,297,511
Total	3,652,516	3,984,403	4,339,560	4,608,774	4,512,285	4,644,930	4,856,462	5,035,205

	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Internal transactions	1,637,880	1,624,883	1,701,840	1,757,236	1,670,517	1,737,978	1,713,416	1,802,943
External transactions	3,588,014	3,977,456	4,270,115	4,488,159	4,549,949	4,848,632	4,891,303	4,802,197
Total	5,225,894	5,602,340	5,971,955	6,245,395	6,220,467	6,586,611	6,604,719	6,605,141

	2021
	Q1
Internal transactions	2,408,086
External transactions	4,894,563
Total	7,302,650

(Unit: Thousand Yen)

2016				2017			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
5,241,870	5,447,712	5,629,359	6,267,980	5,803,443	5,895,684	5,689,826	6,158,819

2018				2019			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
6,785,008	7,743,693	8,583,315	9,907,803	10,311,384	11,403,717	12,193,958	13,609,462

2020				2021
Q1	Q2	Q3	Q4	Q1
14,073,465	15,093,308	16,011,597	18,029,768	18,403,599

(Unit: Thousand Yen)

2016				2017			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
117,323	170,098	221,702	267,139	340,143	402,415	458,777	594,519

2018				2019			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
737,035	857,787	979,309	1,113,485	1,224,871	1,252,870	5,435,686	5,622,052

2020				2021
Q1	Q2	Q3	Q4	Q1
5,832,274	6,049,021	6,265,811	6,546,084	6,801,684

* The figures indicate the actual guarantee balance calculated under the formula of guarantee balance / guarantee period x average implementation period. Accordingly, the figures differ from the balances indicated in the relevant Summary of Financial Results and Securities Report.