

**FY 4/2018** (ended April 2018)

# **4Q Financial Results**



June 11, 2018

Raccoon Co., LTD

Code: 3031 TSE1

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# Disclaimer

All estimates and opinions in this document were based on information available to us at the time, and may include inaccuracies.

Actual decisions and financial results in the future may differ.

## Summary of Financial Results for the Fourth Quarter of the Fiscal Year Ended April 2018



Net Sales: **2,546** million yen YoY: **7.9%** increase

Operating Income: **437** million yen YoY: **4.0%** increase

- 
- Sales increased for all businesses.
    - Growth in domestic transaction value of EC business turned from negative to positive YoY.
    - Guarantee business covered weak growth in Paid business sales.
  - Guarantee business cost rate rose.
  - SG&A expenses increased due to ad investment and personnel increase.



**The result was low profit growth compared to sales growth**

Ordinary income: 431,501 thousand yen (YoY 4.1% increase)

Net income: 282,920 thousand yen (YoY 10.6% increase)

## FY 4/2018 4Q Results



(Unit: Million Yen)

|  | FY 4/2018    | FY 4/2017 | YoY     | Estimation | Progress Rate |
|--|--------------|-----------|---------|------------|---------------|
| Net sales                                    | <b>2,546</b> | 2,359     | 7.9%    | 2,550      | 99.8%         |
| Gross profit                                 | <b>2,105</b> | 1,984     | 6.1%    | —          | —             |
| Selling, general and administrative expenses | <b>1,667</b> | 1,563     | 6.7%    | —          | —             |
| — Advertising and sales promotion expenses   | <b>198</b>   | 178       | 11.2%   | —          | —             |
| Operating income                             | <b>437</b>   | 420       | 4.0%    | 490        | 89.3%         |
| Operating margin                             | <b>17.2%</b> | 17.8%     | -0.6pts | 19.2%      | —             |
| Ordinary income                              | <b>431</b>   | 414       | 4.1%    | 485        | 89.0%         |
| Net income attributable to owners of parent  | <b>282</b>   | 255       | 10.6%   | 300        | 94.3%         |

## Trends in Business Performance (quarterly basis)



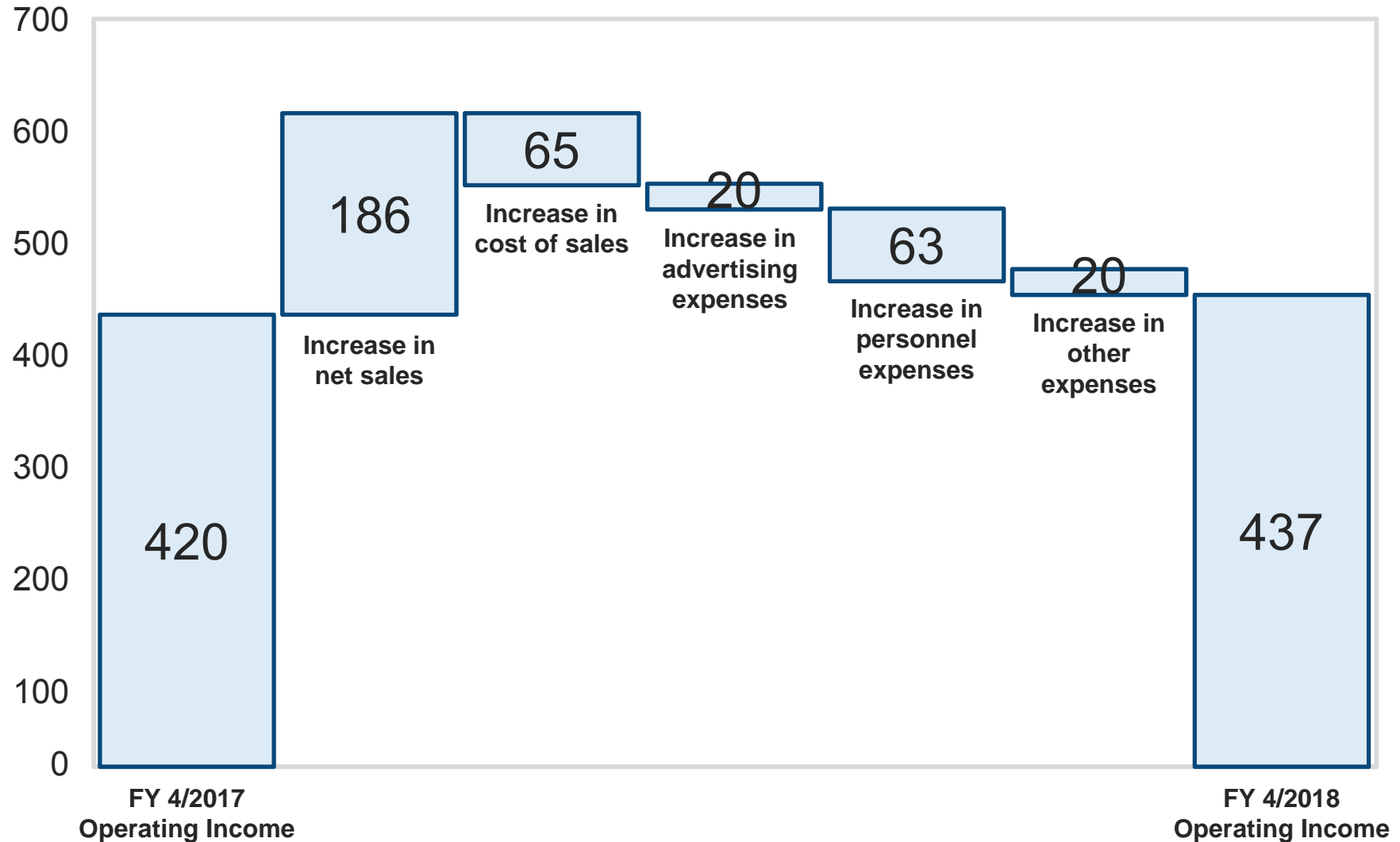
(Unit: Million Yen)

|  | FY 4/2017 | FY 4/2018 |       |       |              |
|--|-----------|-----------|-------|-------|--------------|
|  | 4Q        | 1Q        | 2Q    | 3Q    | 4Q           |
| Net sales                                    | 615       | 612       | 627   | 647   | <b>659</b>   |
| Gross profit                                 | 509       | 523       | 518   | 540   | <b>522</b>   |
| Selling, general and administrative expenses | 406       | 417       | 412   | 418   | <b>418</b>   |
| — Advertising and sales promotion expenses   | 48        | 49        | 47    | 50    | <b>51</b>    |
| Operating income                             | 103       | 106       | 106   | 122   | <b>103</b>   |
| Operating margin                             | 16.8%     | 17.3%     | 16.9% | 18.9% | <b>15.7%</b> |
| Ordinary income                              | 102       | 104       | 103   | 121   | <b>101</b>   |
| Net income attributable to owners of parent  | 73        | 69        | 70    | 81    | <b>61</b>    |

## Factors behind Change in Operating Income (year-on-year comparison)



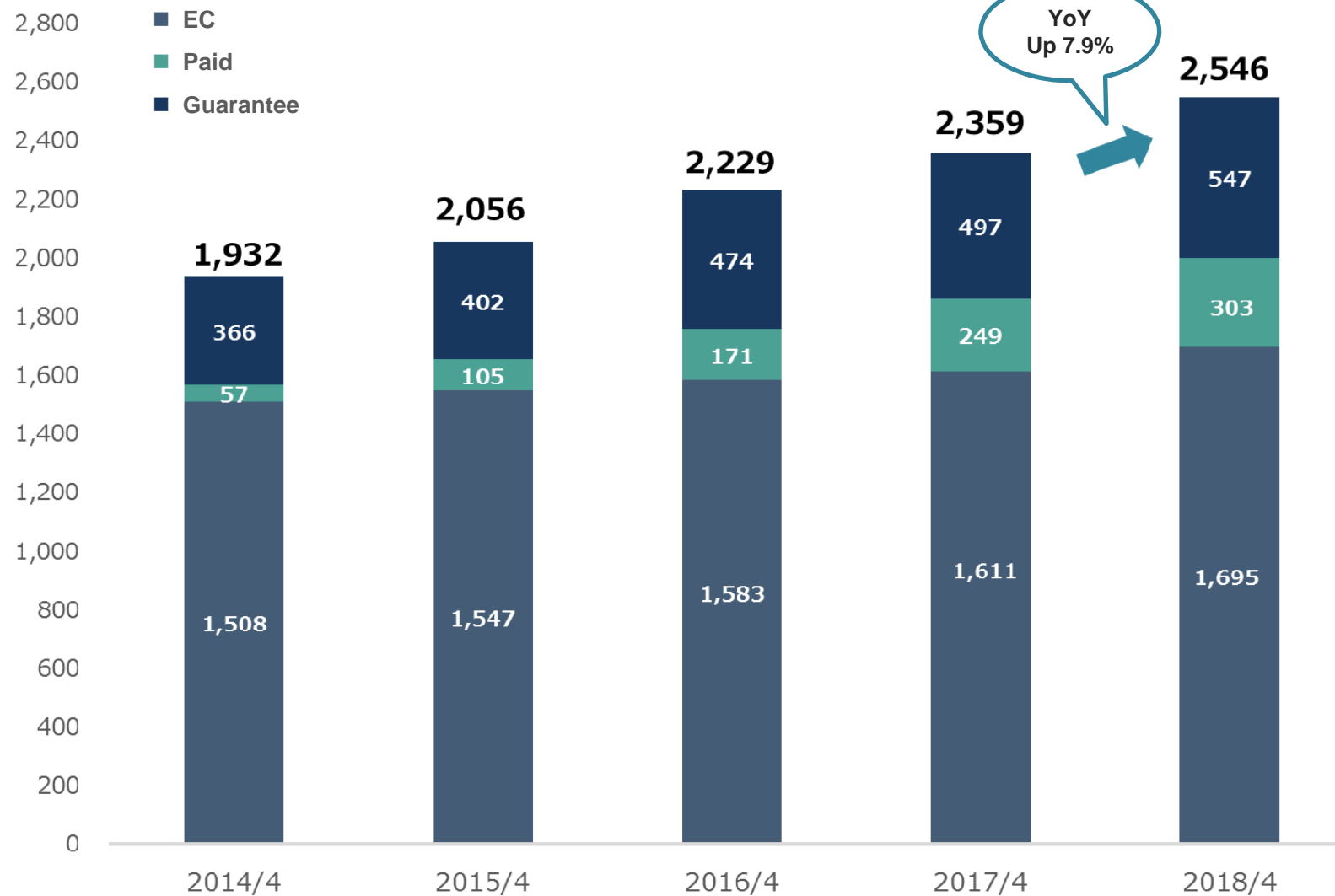
(Unit: Million Yen)



## Trends in Consolidated Net Sales



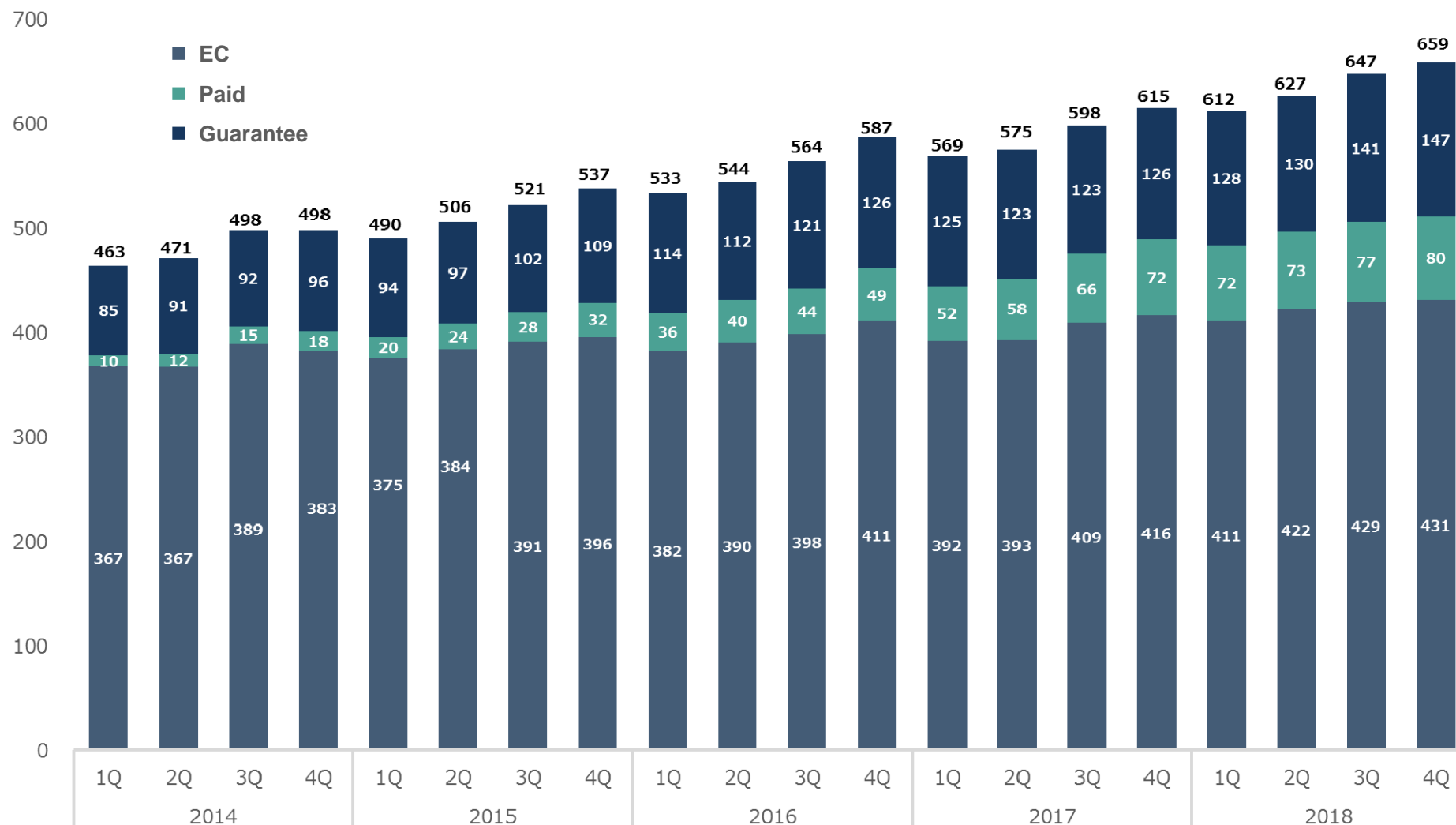
(Unit: Million Yen)



# Trends in Consolidated Net Sales by Quarter



(Unit: Million Yen)



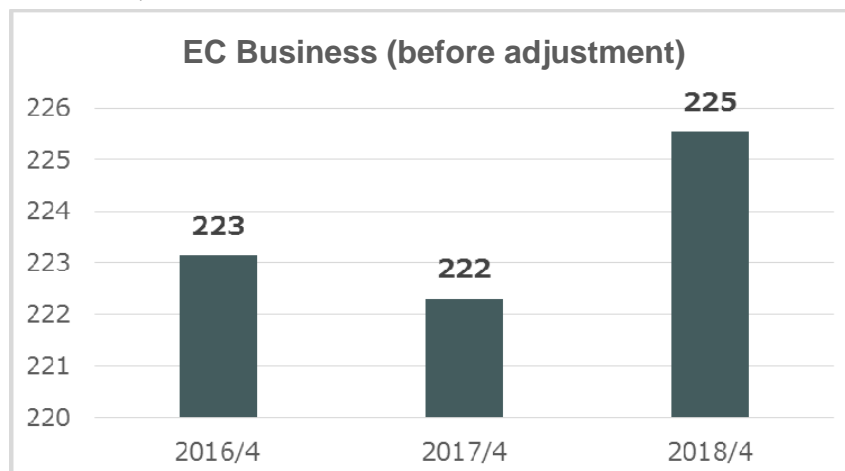


# Adjustment of Head Office Expenses in Segment Profit

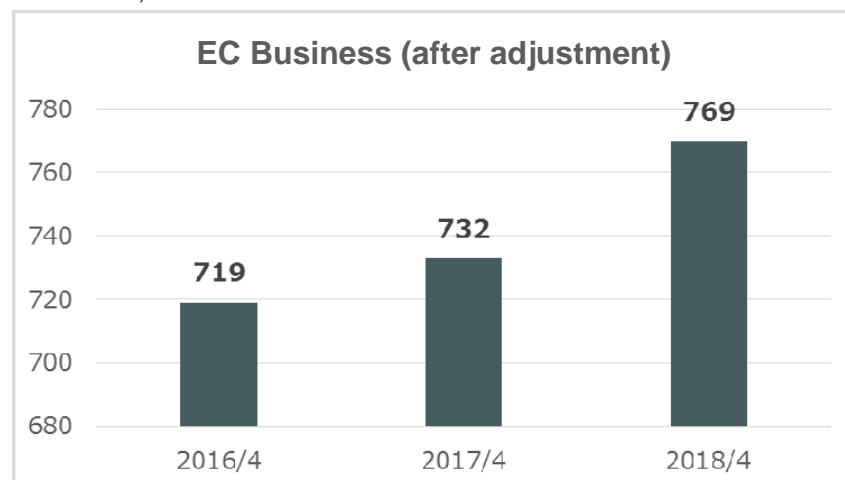


## (Change in segment profit of EC business due to adjustment)

(Unit: Million Yen)



(Unit: Million Yen)



All indirect costs in the segment information disclosed in the summary of financial results and securities report are borne by EC business.

\* Indirect costs:

Head office expenses (personnel expenses, rent, tax, etc.)

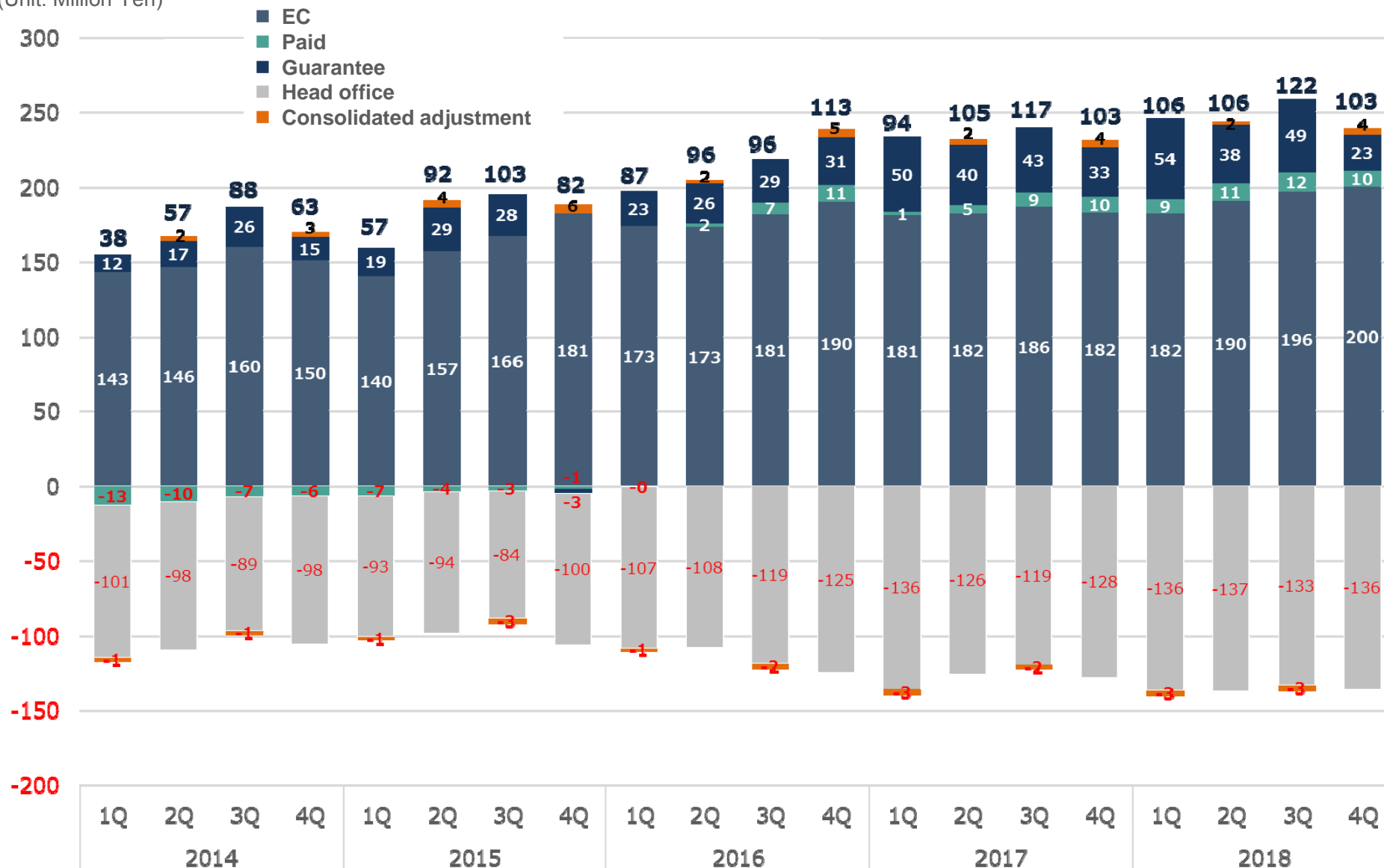
As a result, EC business segment profit is relatively small compared with other businesses (Paid business and Guarantee business). In addition, the increase/decrease in indirect costs had a large impact on the increase/decrease in EC business segment profit, making it difficult to recognize the natural growth of the EC business.

Therefore, segment profit after adjustment calculated by deducting the head office expenses from the costs of the EC business described in the segment information in the summary of financial results and securities report will be indicated in the financial results materials.

There are no changes to the amount of segment profit in the Paid business and the Guarantee business impacted by the adjustment.

# Trends in Consolidated Operating Income by Quarter (after adjustment of head office expenses)

(Unit: Million Yen)



(Unit: Million Yen)

|                                 | FY 4/2018    | FY 4/2017 | Difference | Compared with the end of the previous quarter |
|---------------------------------|--------------|-----------|------------|---|
| Current Assets                  | <b>5,657</b> | 5,176     | 480        | 109.3%  |
| Non-current assets              | <b>399</b>   | 389       | 9          | 102.5%  |
| — Property, plant and equipment | <b>20</b>    | 26        | -5         | 78.9%   |
| — Intangible assets             | <b>210</b>   | 212       | -1         | 99.2%   |
| — Investments and other assets  | <b>168</b>   | 150       | 17         | 111.4%  |
| Current liabilities             | <b>3,885</b> | 3,608     | 277        | 107.7%  |
| Non-current liabilities         | <b>37</b>    | 49        | -11        | 76.2%   |
| Net assets                      | <b>2,133</b> | 1,907     | 225        | 111.8%  |
| Total assets                    | <b>6,056</b> | 5,566     | 490        | 108.8%  |

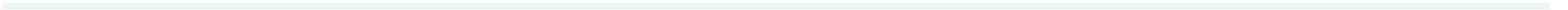
(Unit: Million Yen)

|   | FY 4/2018    | FY 4/2017 | Difference |
|---|--------------|-----------|------------|
| Cash flow from business activities              | <b>374</b>   | 469       | -94        |
| Cash flow from investment activities            | <b>-97</b>   | -153      | 55         |
| Cash flow from financial activities             | <b>-113</b>  | -180      | 67         |
| Increase/decrease in cash and cash equivalents  | <b>162</b>   | 134       | 28         |
| Period-end balance of cash and cash equivalents | <b>2,155</b> | 1,992     | 162        |

# Summary by Segment

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# EC Business



Segment Sales: **1,695** million yen YoY: **5.2%** increase

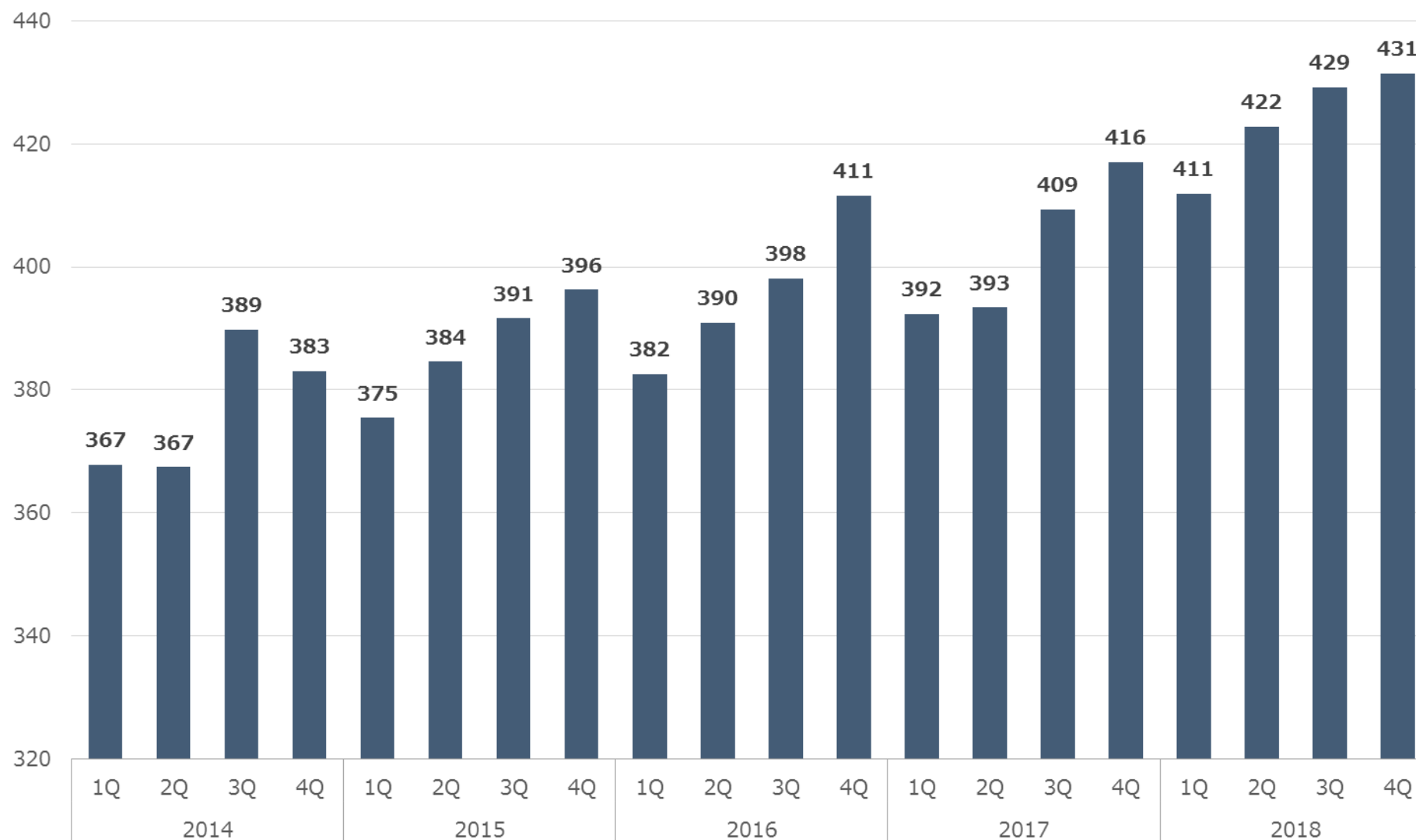
Segment Profit: **769** million yen YoY: **5.1%** increase  
(after adjustment of head office expenses)

- 
- Domestic transaction value of SUPER DELIVERY → YOY 2.6% increase
    - Increase in transactions with companies other than retailers led to growth in domestic transaction value, recovering from last period's negative figure to post positive growth.
  - Overseas transaction value of SUPER DELIVERY → YOY 67.8% increase



Total transaction value: 10,584,249 thousand yen (YoY 7.6% increase)

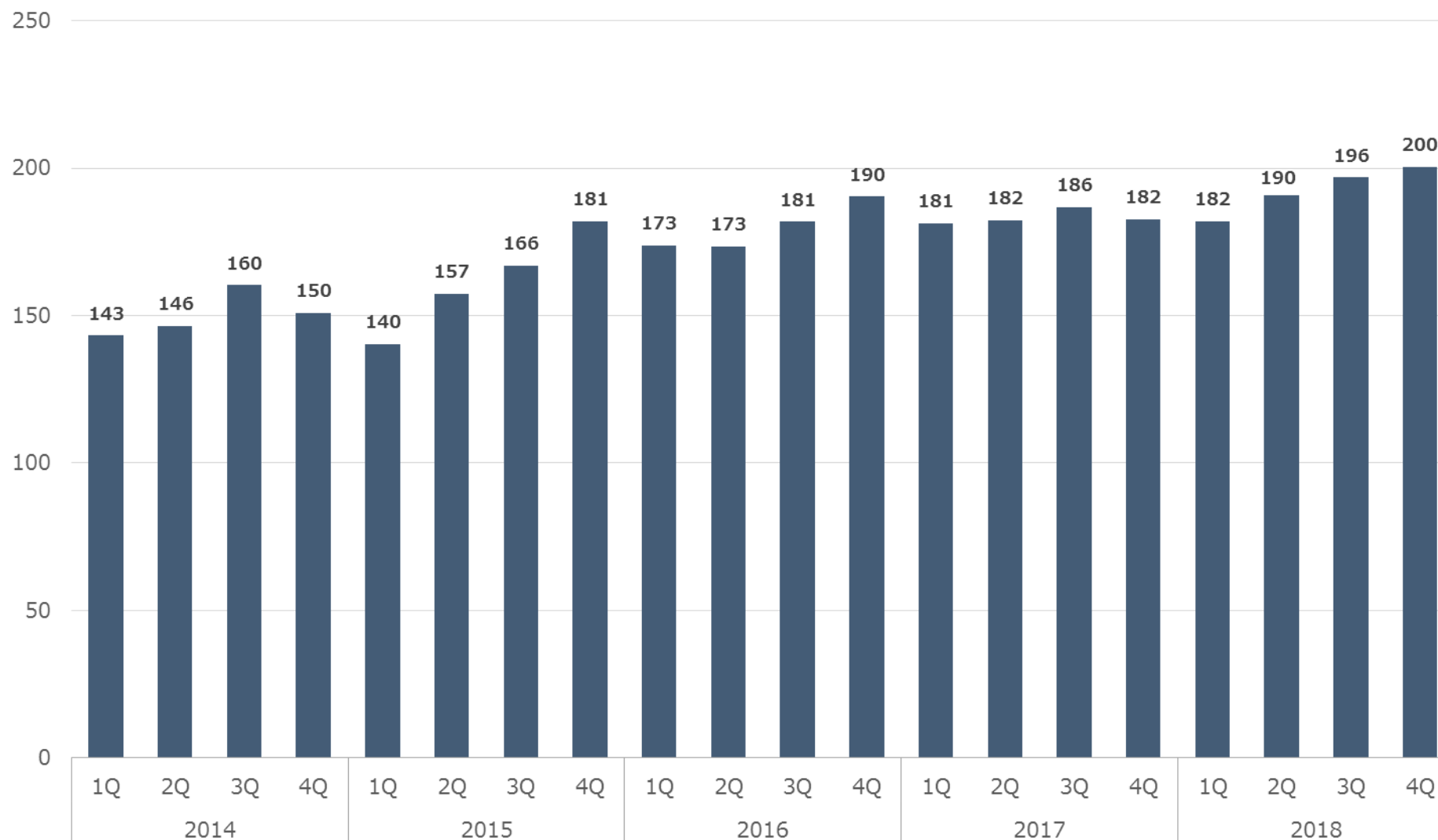
(Unit: Million Yen)



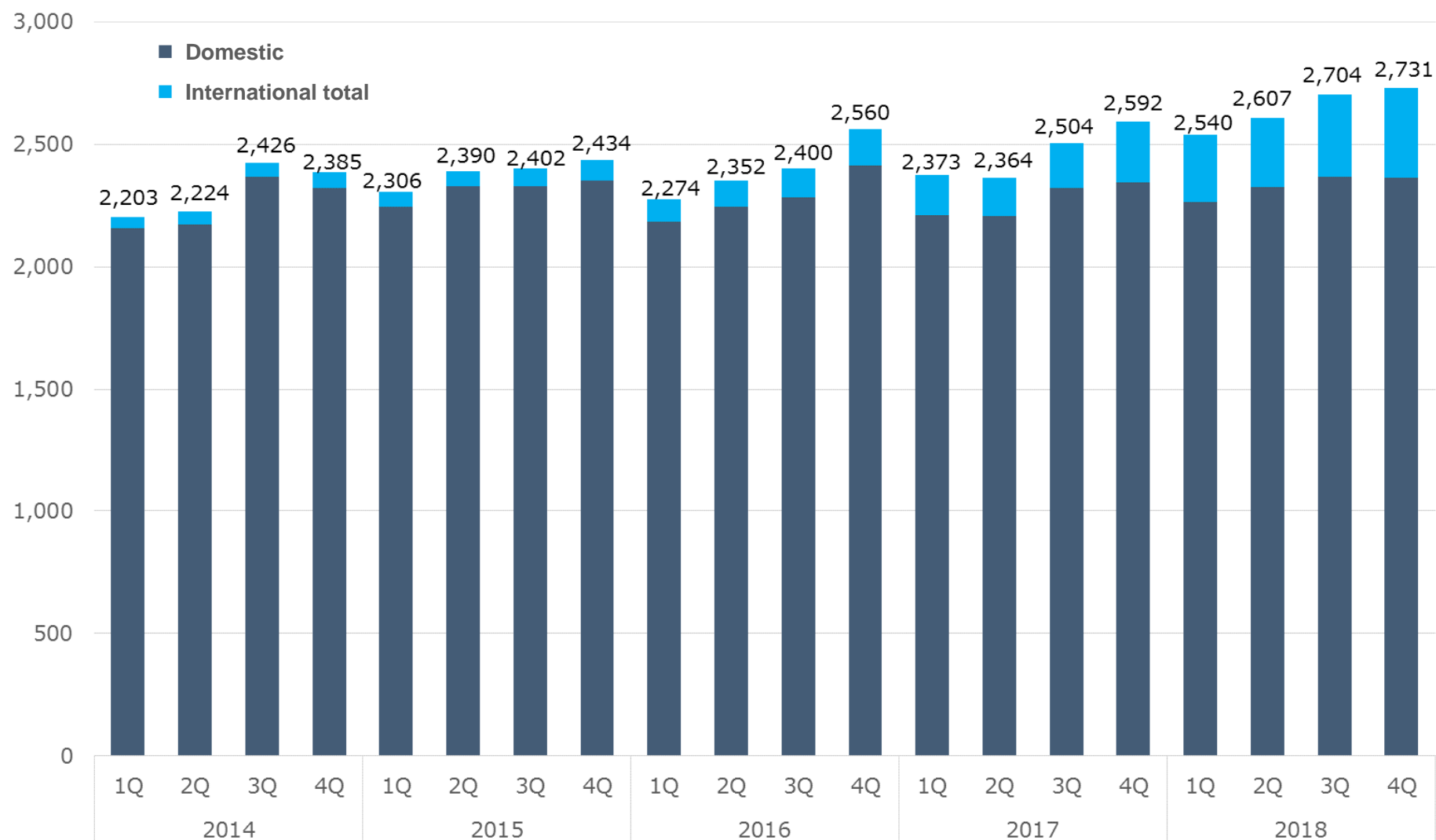


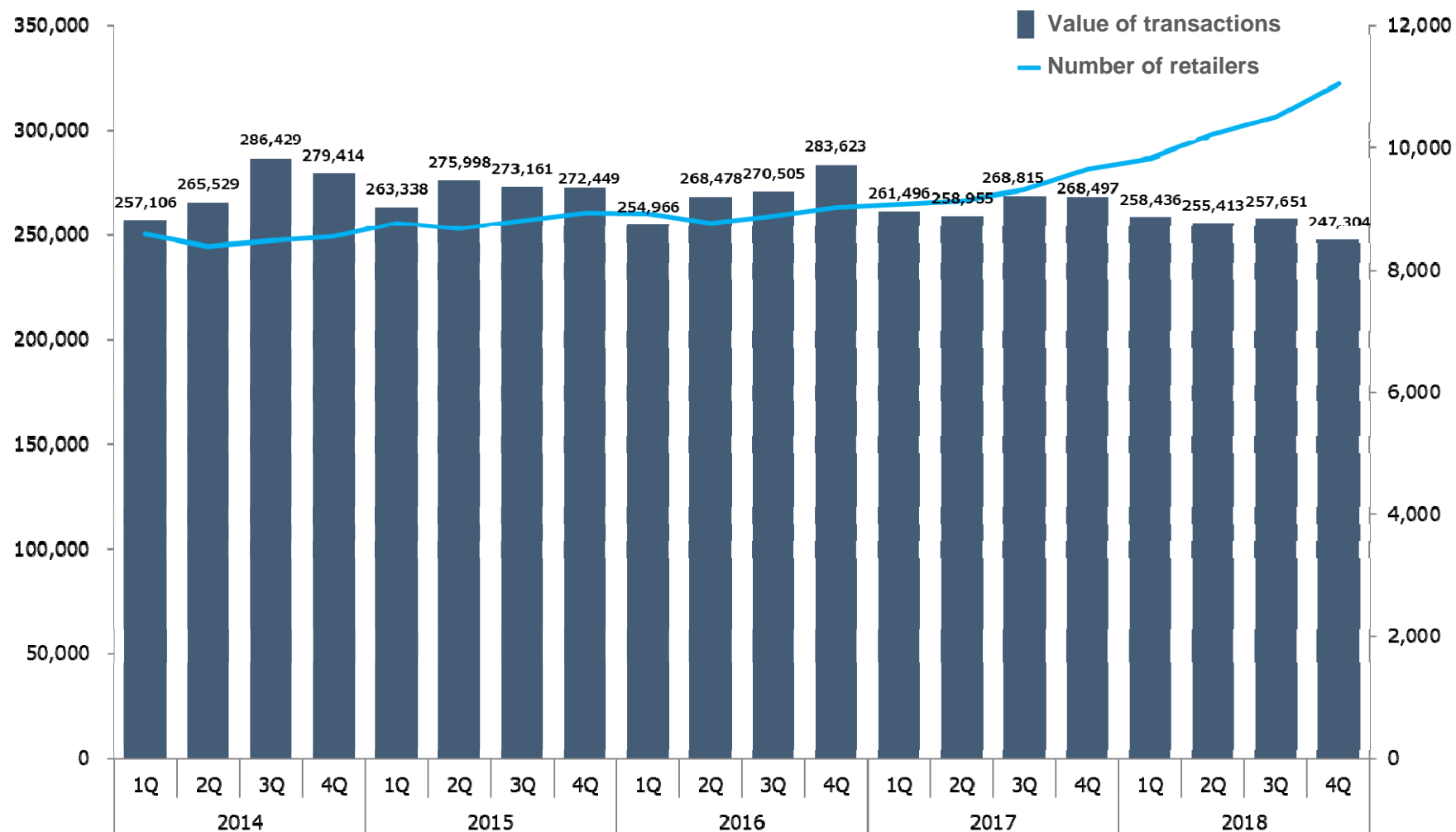
## Trends in Segment Profit by Quarter (after adjustment of head office expenses)

(Unit: Million Yen)

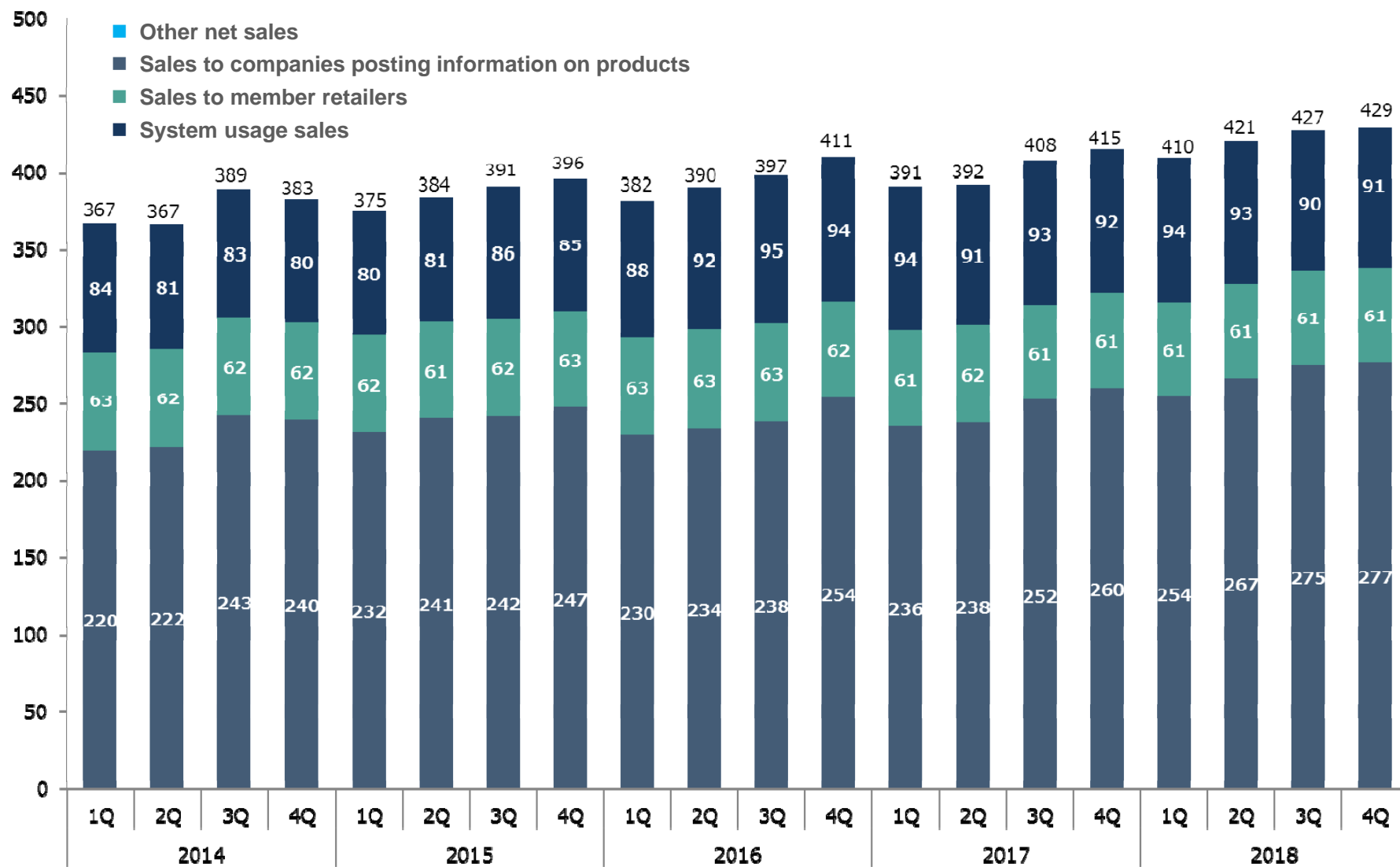


(Unit: Million Yen)

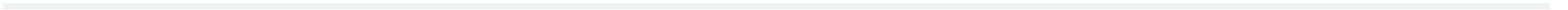


Value of transactions  
(Unit: Million Yen)No. of buying customers  
(Unit: Store)

(Unit: Million Yen)



# Paid Business



Segment Sales: **483** million yen YoY: **13.0%** increase

Segment Profit: **44** million yen YoY: **60.8%** increase

- 
- LIXIL VIVA issuing cards for shopping on credit expanded Paid use in hardware stores to all VIVA HOME stores from April 2018.
  - The number of member companies steadily increased, exceeding 2,800 by the end of the period.
  - The active rate and transaction unit price remained flat, failing to achieve expected growth.

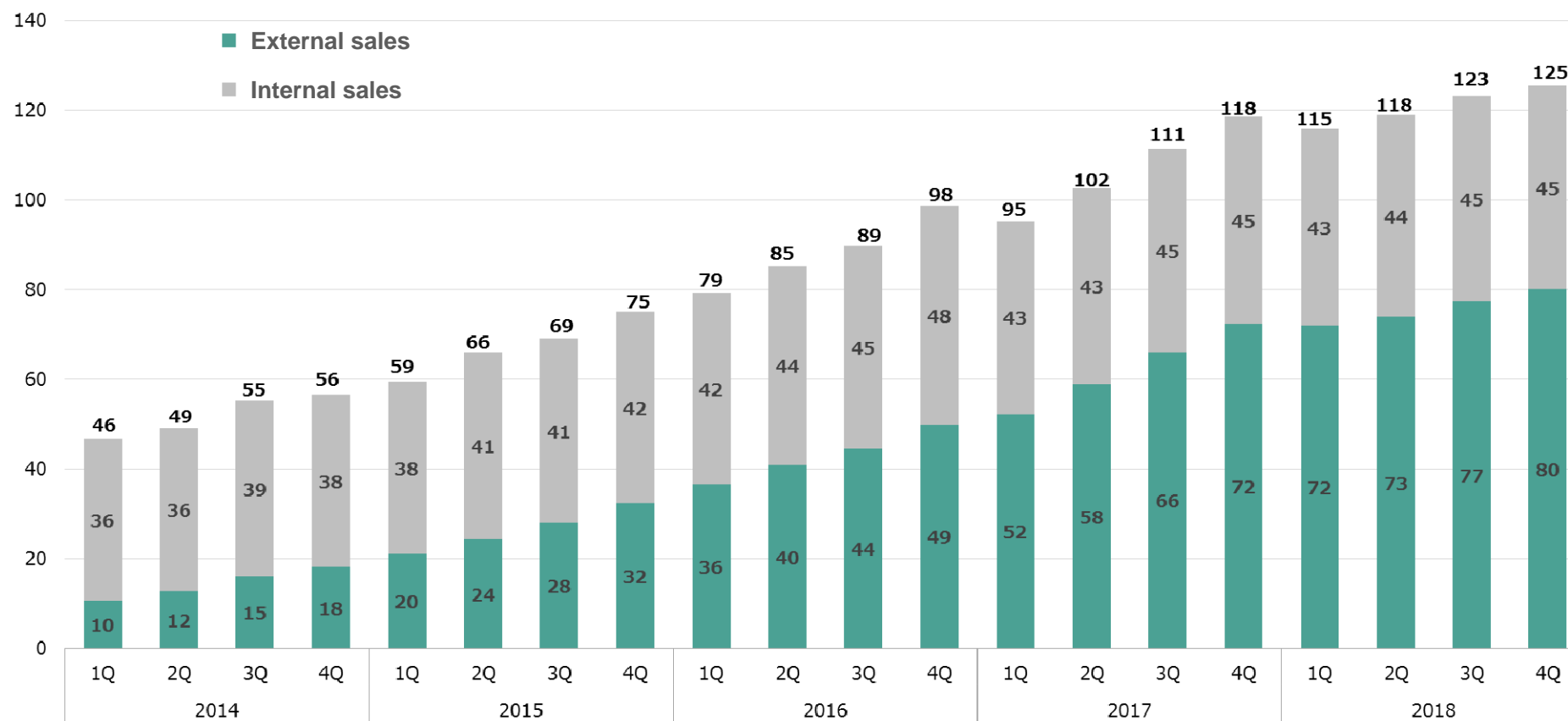


Transaction value: 19,063,635 thousand yen (YoY 14.9% increase )

External transactions: 12,153,035 thousand yen (YoY 24.6% increase)

External sales: 303,381 thousand yen (YoY 21.6% increase)

(Unit: Million Yen)

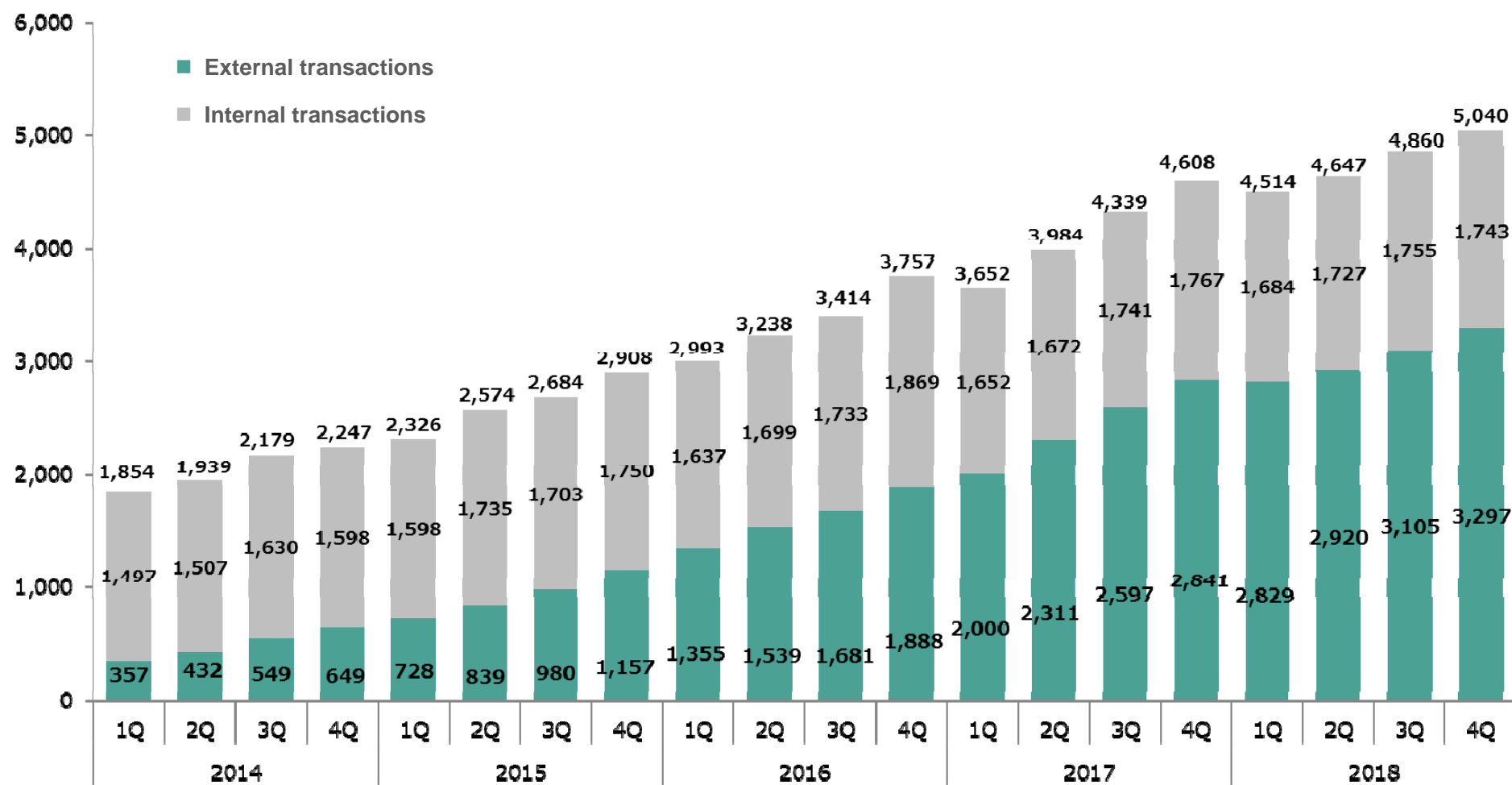


(Unit: Million Yen)

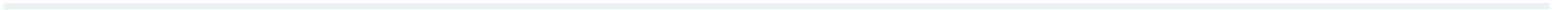




(Unit: Million Yen)



# Guarantee Business



Segment Sales: **792** million yen YoY: **9.9%** increase

Segment Profit: **166** million yen YoY: **1.0%** decrease

- 
- The guarantee balance of all services increased steadily.
  - Use of low guarantee rate service plans increased with T&G Accounts Receivable Guarantee.
  - Business rent guarantee and URIHO sales steadily increased.



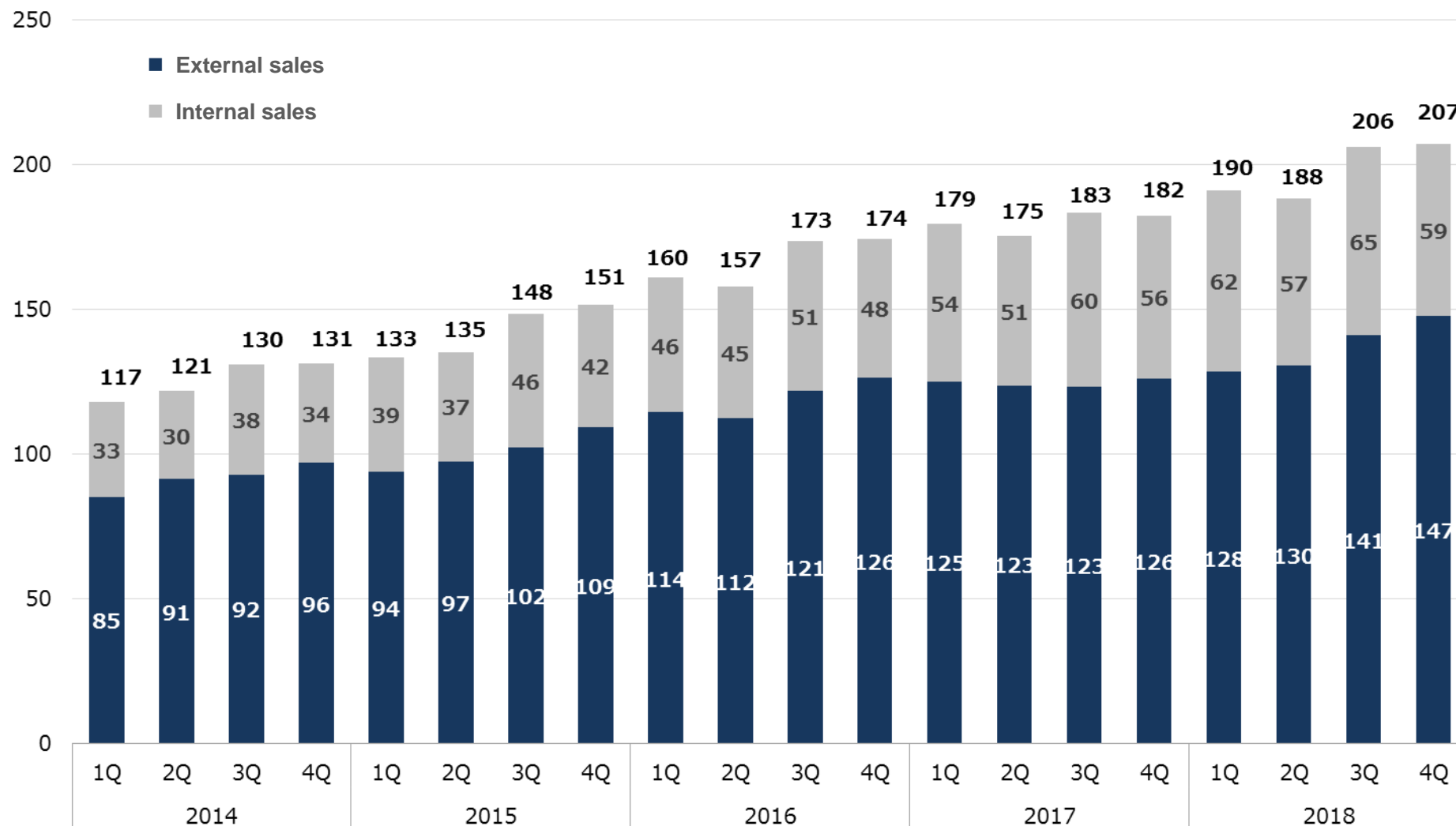
Guarantee balance: 18,420,504 thousand yen  
(62.3% increase from the end of the previous quarter)

- Switching calculation methods of guarantee fulfillment reserves in business rent guaranteeing caused the sales cost rate to rise (up 2.1 percentage points YoY)

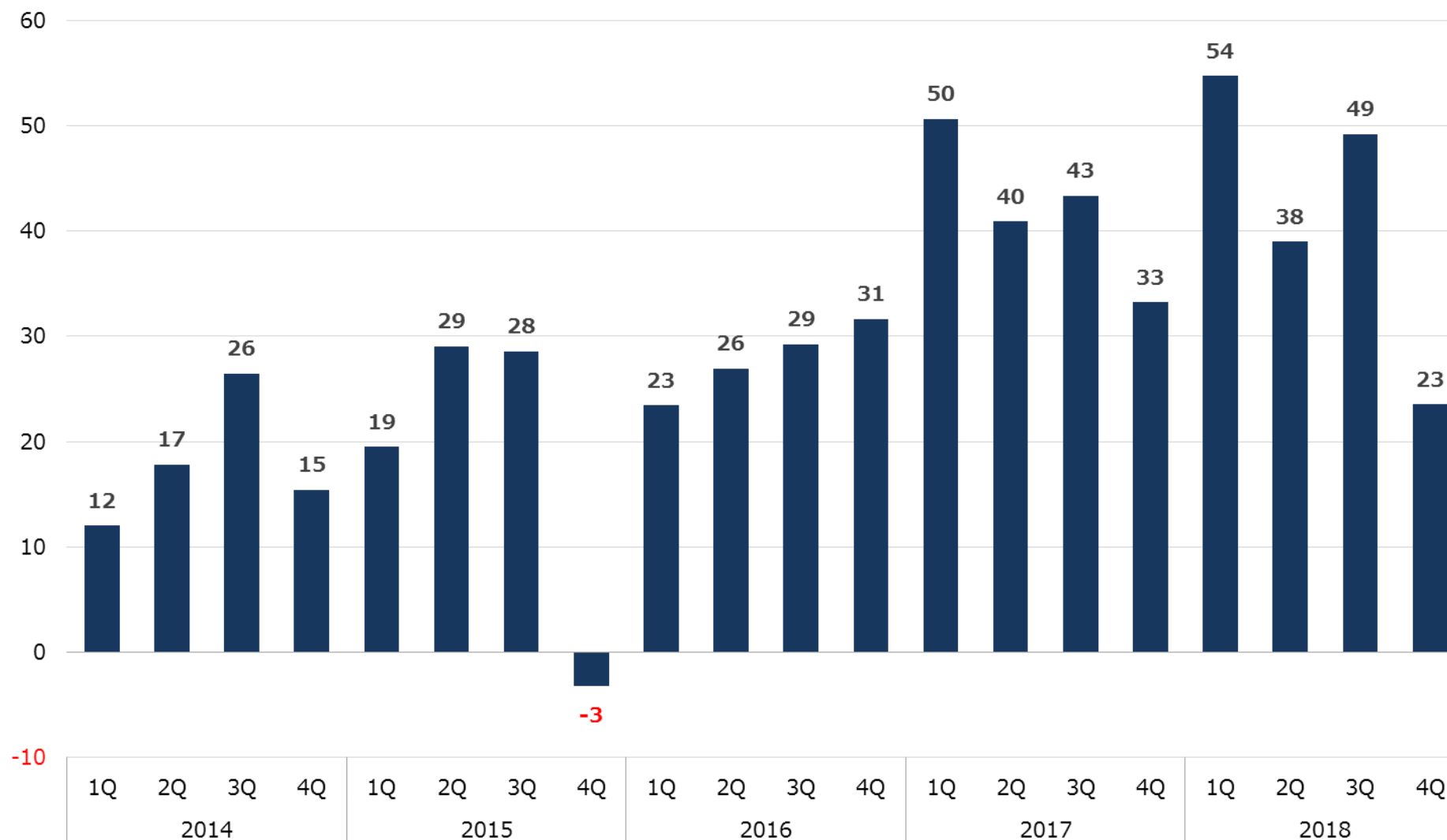


Sales saw positive growth but profit resulted in negative growth

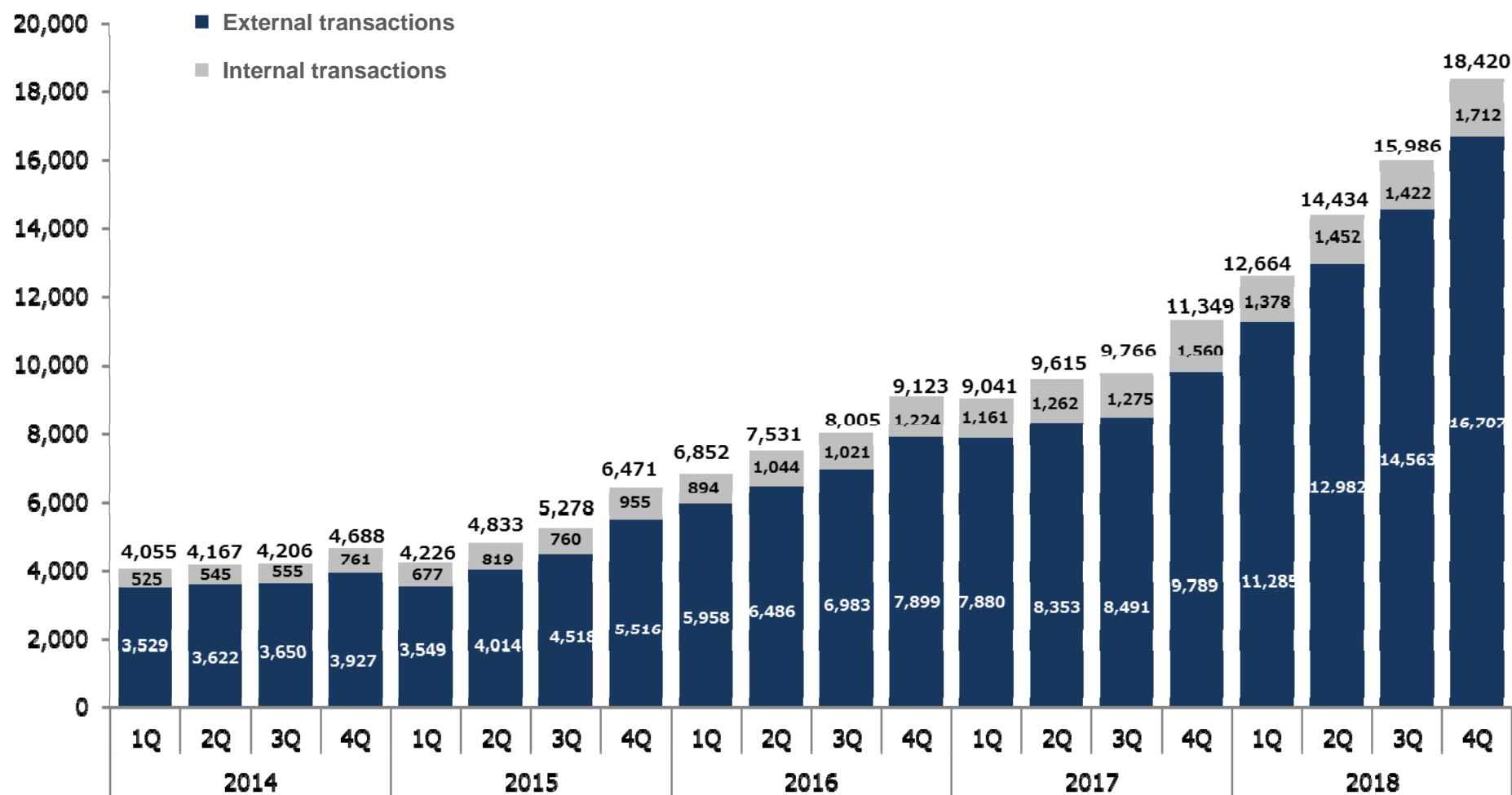
(Unit: Million Yen)



(Unit: Million Yen)



(Unit: Million Yen)



# Earnings Forecasts

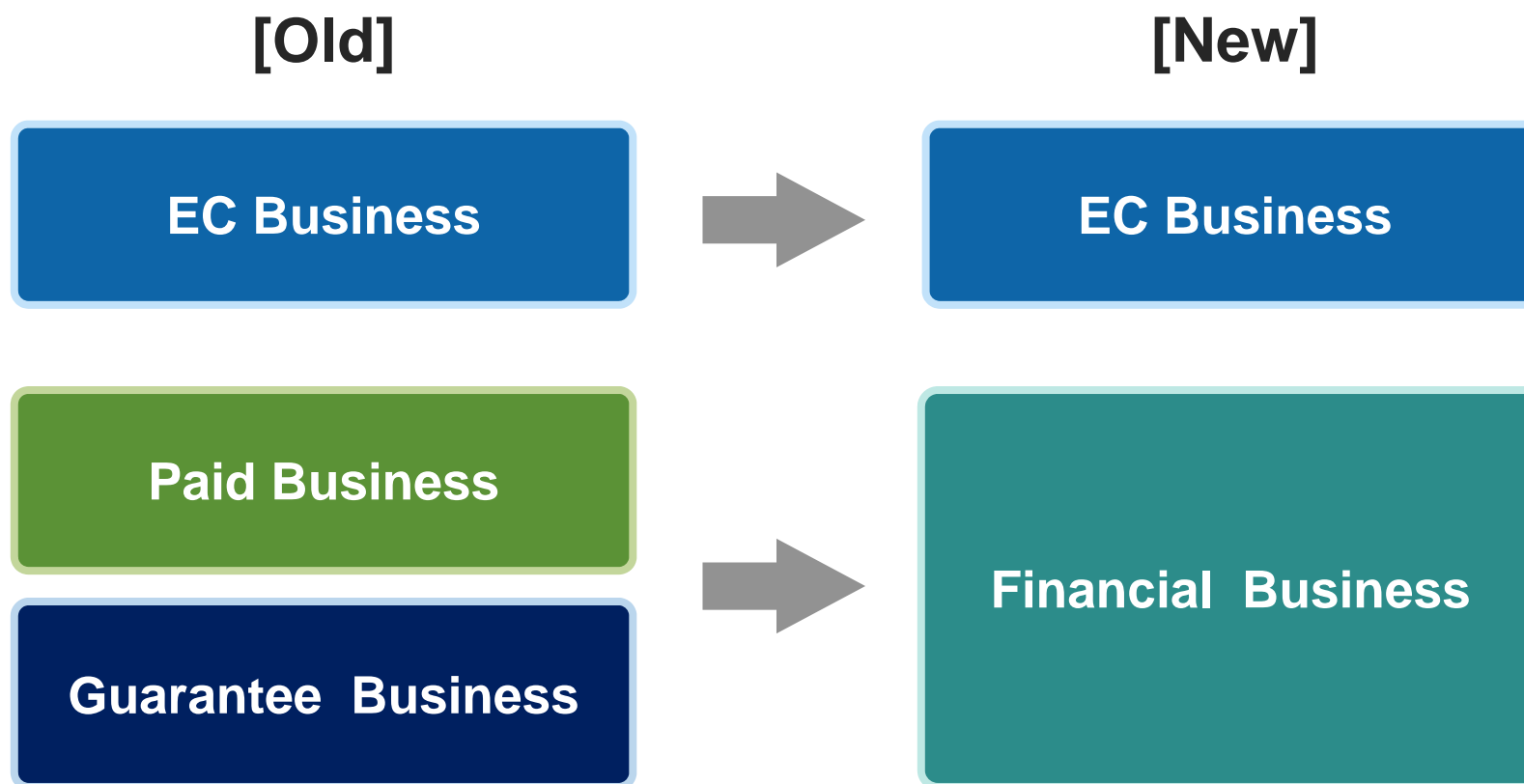
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(Unit: Million Yen)

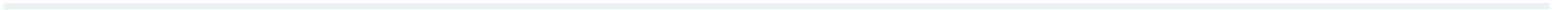
|                  | FY 4/2018<br>(Forecast) | FY 4/2018<br>(Actual) | YoY    |
|------------------|-------------------------|-----------------------|--------|
| Sales            | 2,709 million yen       | 2,546 million yen     | +6.4%  |
| Operating Income | 513 million yen         | 437 million yen       | +17.2% |
| Ordinary Income  | 508 million yen         | 431 million yen       | +17.7% |
| Net Income       | 330 million yen         | 282 million yen       | +16.6% |
| EPS              | 18.53 yen               | 16.05 yen             | —      |



**Ahead of our transition to a holding company structure,  
we will make the following changes from FY 4/2019.**



**FY 4/2019**



## Expand existing business platforms

### Advertising

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Marketing  
+  
promotion

### Systems

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Increase service  
convenience/  
reliability

### Structure

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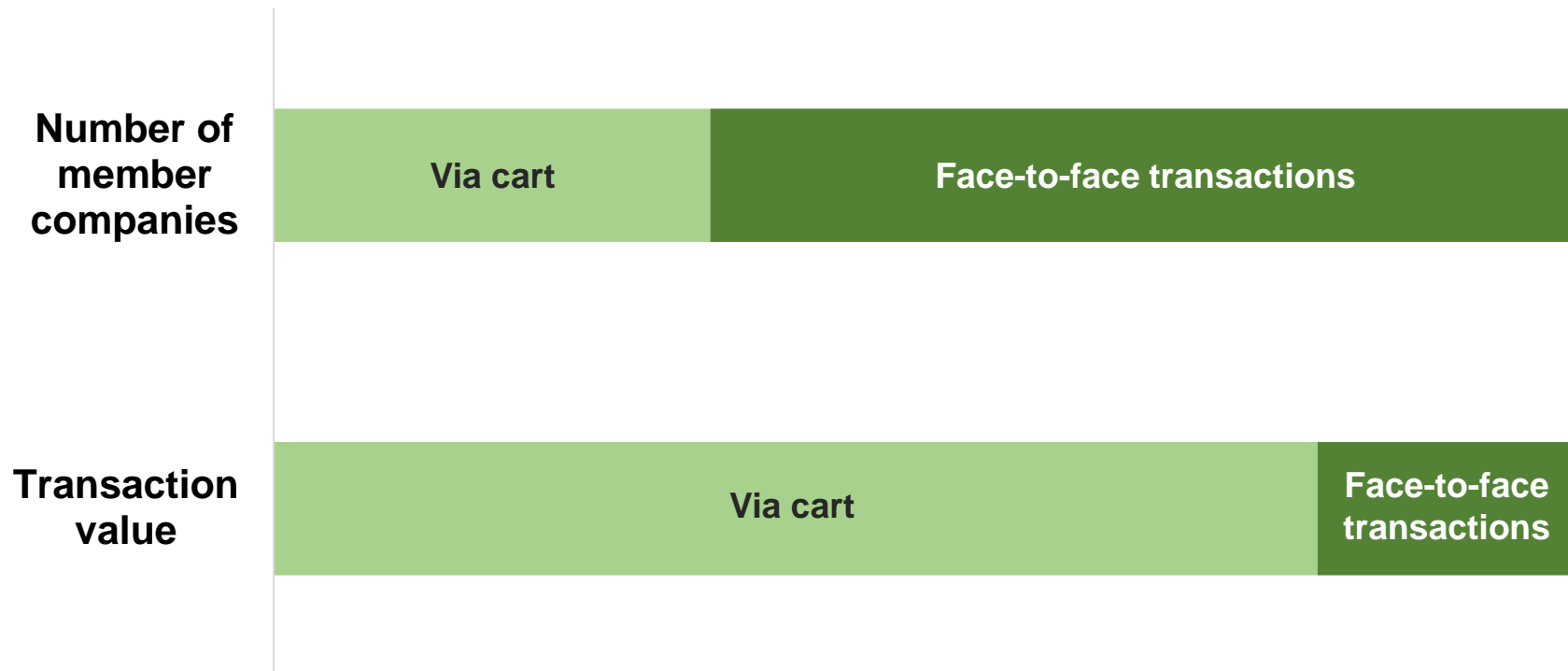
Improve structure of  
each service

Post on SD ➡ Buyers from around the world

**Become an infrastructure tool connecting  
with buyers around the world**



## Increase active rate by evolving into an easy-to-use service even for face-to-face sellers



## From initial launch in July 2017 to availability in 88 stores across Japan in April 2018



Use card for  
payment on credit

+

Cross-store use

=

Highly convenient  
payment on credit

## Begin selling own brand in earnest

 事業用家賃保証

お問い合わせ 平日9時-18時  
☎ 03-6661-0200

資料請求

事業用家賃保証とは 保証内容 保証までの流れ

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—  
事業用の家賃保証とは

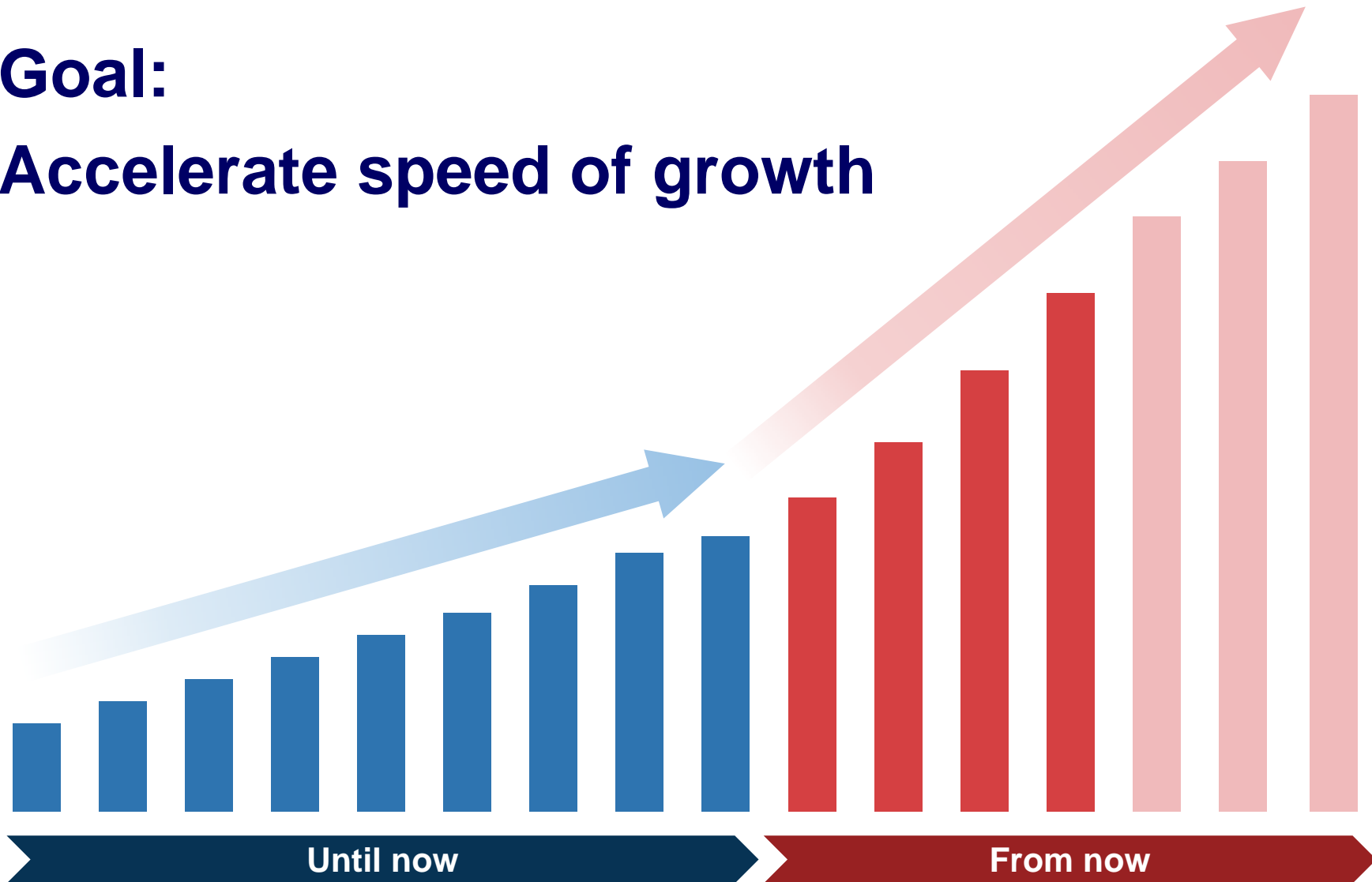
# **Transition to Holding Company Structure**

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We aim to transition to a holding company structure by November. racoon

## Goal: Accelerate speed of growth



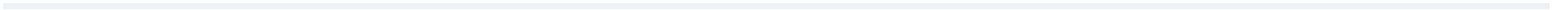
**1 Expedite decision-making in existing businesses**

**2 Create new business and execute M&As**

**3 Maximize Group synergy by appropriately allocating management resources**



# Reference: Appendix



# Trends in Consolidated Net Sales by Quarter



(Unit: Thousand Yen)

|           | 2014    |         |         |         | 2015    |         |         |         |
|-----------|---------|---------|---------|---------|---------|---------|---------|---------|
|           | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      | 3Q      | 4Q      |
| EC        | 367,884 | 367,411 | 389,742 | 383,074 | 375,447 | 384,577 | 391,616 | 396,253 |
| Paid      | 10,688  | 12,804  | 15,972  | 18,125  | 20,998  | 24,230  | 28,009  | 32,298  |
| Guarantee | 85,243  | 91,273  | 92,965  | 96,989  | 94,003  | 97,479  | 102,127 | 109,225 |
| Total     | 463,817 | 471,490 | 498,681 | 498,189 | 490,448 | 506,287 | 521,753 | 537,778 |

|           | 2016    |         |         |         | 2017    |         |         |         |
|-----------|---------|---------|---------|---------|---------|---------|---------|---------|
|           | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      | 3Q      | 4Q      |
| EC        | 382,543 | 390,892 | 398,157 | 411,525 | 392,285 | 393,391 | 409,310 | 416,992 |
| Paid      | 36,593  | 40,883  | 44,460  | 49,862  | 52,197  | 58,926  | 66,018  | 72,419  |
| Guarantee | 114,331 | 112,425 | 121,701 | 126,265 | 125,066 | 123,628 | 123,062 | 126,012 |
| Total     | 533,468 | 544,201 | 564,319 | 587,653 | 569,548 | 575,946 | 598,391 | 615,424 |

|           | 2018    |         |         |         |
|-----------|---------|---------|---------|---------|
|           | 1Q      | 2Q      | 3Q      | 4Q      |
| EC        | 411,858 | 422,816 | 429,159 | 431,392 |
| Paid      | 72,014  | 73,894  | 77,402  | 80,069  |
| Guarantee | 128,440 | 130,451 | 141,040 | 147,539 |
| Total     | 612,313 | 627,162 | 647,603 | 659,000 |

## Trends in Consolidated Operating Income by Quarter (after adjustment of head office expenses)



(Unit: Thousand Yen)

|                         | 2014     |         |         |         | 2015    |         |         |          |
|-------------------------|----------|---------|---------|---------|---------|---------|---------|----------|
|                         | 1Q       | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      | 3Q      | 4Q       |
| EC                      | 143,188  | 146,506 | 160,246 | 150,892 | 140,259 | 157,234 | 166,821 | 181,970  |
| Paid                    | -13,215  | -10,769 | -7,187  | -6,659  | -7,174  | -4,129  | -3,376  | -1,960   |
| Guarantee               | 12,014   | 17,798  | 26,469  | 15,443  | 19,493  | 29,049  | 28,540  | -3,241   |
| Head Office             | -101,806 | -98,855 | -89,737 | -98,944 | -93,610 | -94,184 | -84,954 | -100,918 |
| Consolidated adjustment | -1,550   | 2,348   | -1,710  | 3,172   | -1,588  | 4,866   | -3,203  | 6,283    |
| Total                   | 38,630   | 57,029  | 88,080  | 63,904  | 57,380  | 92,835  | 103,827 | 82,133   |

|                         | 2016     |          |          |          | 2017     |          |          |          |
|-------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
|                         | 1Q       | 2Q       | 3Q       | 4Q       | 1Q       | 2Q       | 3Q       | 4Q       |
| EC                      | 173,697  | 173,267  | 181,776  | 190,297  | 181,203  | 182,305  | 186,743  | 182,487  |
| Paid                    | -954     | 2,321    | 7,676    | 11,323   | 1,857    | 5,542    | 9,540    | 10,942   |
| Guarantee               | 23,441   | 26,908   | 29,252   | 31,645   | 50,662   | 40,892   | 43,378   | 33,228   |
| Head Office             | -107,748 | -108,351 | -119,000 | -125,285 | -136,262 | -126,106 | -119,685 | -128,386 |
| Consolidated adjustment | -1,117   | 2,107    | -2,799   | 5,259    | -3,012   | 2,871    | -2,314   | 4,924    |
| Total                   | 87,318   | 96,253   | 96,905   | 113,239  | 94,448   | 105,504  | 117,662  | 103,197  |

|                         | 2018     |          |          |          |
|-------------------------|----------|----------|----------|----------|
|                         | 1Q       | 2Q       | 3Q       | 4Q       |
| EC                      | 182,066  | 190,667  | 196,783  | 200,427  |
| Paid                    | 9,494    | 11,608   | 12,957   | 10,767   |
| Guarantee               | 54,716   | 38,993   | 49,191   | 23,541   |
| Head Office             | -136,932 | -137,729 | -133,617 | -136,124 |
| Consolidated adjustment | -3,283   | 2,607    | -3,158   | 4,714    |
| Total                   | 106,060  | 106,146  | 122,156  | 103,325  |

## Trends in “SUPER DELIVERY” Sales



(Unit: Thousand Yen)

|                       | 2014      |           |           |           | 2015      |           |           |           |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                       | 1Q        | 2Q        | 3Q        | 4Q        | 1Q        | 2Q        | 3Q        | 4Q        |
| System usage sales    | 220,657   | 222,718   | 243,448   | 240,197   | 232,159   | 241,295   | 242,833   | 247,402   |
| Member retailer sales | 63,100    | 62,824    | 62,805    | 62,638    | 62,758    | 61,667    | 62,403    | 63,461    |
| Posting company sales | 84,127    | 81,869    | 83,488    | 80,238    | 80,529    | 81,602    | 86,352    | 85,316    |
| Total                 | 367,884   | 367,411   | 389,742   | 383,074   | 375,447   | 384,565   | 391,589   | 396,181   |
| Transaction value     | 2,203,142 | 2,224,870 | 2,426,346 | 2,385,642 | 2,306,578 | 2,390,695 | 2,402,729 | 2,434,880 |

|                       | 2016      |           |           |           | 2017      |           |           |           |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                       | 1Q        | 2Q        | 3Q        | 4Q        | 1Q        | 2Q        | 3Q        | 4Q        |
| System usage sales    | 230,178   | 234,369   | 238,694   | 254,334   | 236,045   | 238,416   | 252,671   | 260,824   |
| Member retailer sales | 63,412    | 63,338    | 63,268    | 62,638    | 61,362    | 62,442    | 61,854    | 61,986    |
| Posting company sales | 88,793    | 92,958    | 95,826    | 94,029    | 94,181    | 91,496    | 93,793    | 92,986    |
| Total                 | 382,383   | 390,666   | 397,789   | 411,001   | 391,589   | 392,354   | 408,319   | 415,797   |
| Transaction value     | 2,274,044 | 2,352,681 | 2,400,734 | 2,560,267 | 2,373,604 | 2,364,000 | 2,504,825 | 2,592,073 |

|                       | 2018      |           |           |           |
|-----------------------|-----------|-----------|-----------|-----------|
|                       | 1Q        | 2Q        | 3Q        | 4Q        |
| System usage sales    | 254,911   | 267,006   | 275,823   | 277,465   |
| Member retailer sales | 61,538    | 61,342    | 61,050    | 61,002    |
| Posting company sales | 94,273    | 93,141    | 90,785    | 91,183    |
| Total                 | 410,722   | 421,490   | 427,659   | 429,651   |
| Transaction value     | 2,540,172 | 2,607,775 | 2,704,572 | 2,731,729 |

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



Value of Transactions (Units: Yen)

|                         | 2014    |         |         |         | 2015    |         |         |         |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
|                         | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      | 3Q      | 4Q      |
| No. of buying customers | 8,569   | 8,379   | 8,471   | 8,538   | 8,759   | 8,662   | 8,796   | 8,937   |
| Value of transactions   | 257,106 | 265,529 | 286,429 | 279,414 | 263,338 | 275,998 | 273,161 | 272,449 |

|                         | 2016    |         |         |         | 2017    |         |         |         |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
|                         | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      | 3Q      | 4Q      |
| No. of buying customers | 8,919   | 8,763   | 8,875   | 9,027   | 9,077   | 9,129   | 9,318   | 9,654   |
| Value of transactions   | 254,966 | 268,478 | 270,505 | 283,623 | 261,496 | 258,955 | 268,815 | 268,497 |

|                         | 2018    |         |         |         |
|-------------------------|---------|---------|---------|---------|
|                         | 1Q      | 2Q      | 3Q      | 4Q      |
| No. of buying customers | 9,829   | 10,210  | 10,497  | 11,046  |
| Value of transactions   | 258,436 | 255,413 | 257,651 | 247,304 |



## Trends in “Paid” Sales



(Units: Thousand Yen)

|                | 2014   |        |        |        | 2015   |        |        |        |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|
|                | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     | 2Q     | 3Q     | 4Q     |
| Internal Sales | 36,052 | 36,335 | 39,270 | 38,483 | 38,481 | 41,803 | 41,051 | 42,704 |
| External Sales | 10,688 | 12,804 | 15,972 | 18,125 | 20,998 | 24,230 | 28,009 | 32,298 |
| Total          | 46,741 | 49,140 | 55,243 | 56,608 | 59,480 | 66,033 | 69,061 | 75,003 |

|                | 2016   |        |        |        | 2017   |         |         |         |
|----------------|--------|--------|--------|--------|--------|---------|---------|---------|
|                | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     | 2Q      | 3Q      | 4Q      |
| Internal Sales | 42,696 | 44,306 | 45,209 | 48,759 | 43,104 | 43,657  | 45,339  | 45,982  |
| External Sales | 36,593 | 40,883 | 44,460 | 49,862 | 52,197 | 58,926  | 66,018  | 72,419  |
| Total          | 79,289 | 85,190 | 89,669 | 98,621 | 95,301 | 102,583 | 111,358 | 118,402 |

|                | 2018    |         |         |         |
|----------------|---------|---------|---------|---------|
|                | 1Q      | 2Q      | 3Q      | 4Q      |
| Internal Sales | 43,831  | 44,957  | 45,687  | 45,376  |
| External Sales | 72,014  | 73,894  | 77,402  | 80,069  |
| Total          | 115,845 | 118,852 | 123,090 | 125,446 |

## Trends in “Paid” Transaction Value



(Units: Thousand Yen)

|                       | 2014      |           |           |           | 2015      |           |           |           |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                       | 1Q        | 2Q        | 3Q        | 4Q        | 1Q        | 2Q        | 3Q        | 4Q        |
| Internal Transactions | 1,497,167 | 1,507,402 | 1,630,085 | 1,598,024 | 1,598,398 | 1,735,527 | 1,703,691 | 1,750,567 |
| External Transactions | 357,494   | 432,289   | 549,099   | 649,045   | 728,416   | 839,188   | 980,724   | 1,157,949 |
| Total                 | 1,854,661 | 1,939,691 | 2,179,184 | 2,247,069 | 2,326,815 | 2,574,716 | 2,684,416 | 2,908,517 |

|                       | 2016      |           |           |           | 2017      |           |           |           |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                       | 1Q        | 2Q        | 3Q        | 4Q        | 1Q        | 2Q        | 3Q        | 4Q        |
| Internal Transactions | 1,637,797 | 1,699,168 | 1,733,022 | 1,869,146 | 1,652,225 | 1,672,828 | 1,741,922 | 1,767,514 |
| External Transactions | 1,355,857 | 1,539,287 | 1,681,144 | 1,888,849 | 2,000,291 | 2,311,575 | 2,597,637 | 2,841,259 |
| Total                 | 2,993,654 | 3,238,455 | 3,414,167 | 3,757,996 | 3,652,516 | 3,984,403 | 4,339,560 | 4,608,774 |

|                       | 2018      |           |           |           |
|-----------------------|-----------|-----------|-----------|-----------|
|                       | 1Q        | 2Q        | 3Q        | 4Q        |
| Internal Transactions | 1,684,490 | 1,727,624 | 1,755,419 | 1,743,066 |
| External Transactions | 2,829,913 | 2,920,373 | 3,105,237 | 3,297,511 |
| Total                 | 4,514,403 | 4,647,997 | 4,860,656 | 5,040,577 |

# Trends in Guarantee Sales



(Units: Thousand Yen)

|                | 2014    |         |         |         | 2015    |         |         |         |
|----------------|---------|---------|---------|---------|---------|---------|---------|---------|
|                | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      | 3Q      | 4Q      |
| Internal Sales | 32,665  | 30,503  | 38,028  | 34,265  | 39,415  | 37,732  | 46,273  | 42,197  |
| External Sales | 85,243  | 91,273  | 92,965  | 96,989  | 94,003  | 97,479  | 102,127 | 109,225 |
| Total          | 117,908 | 121,777 | 130,994 | 131,254 | 133,418 | 135,212 | 148,401 | 151,423 |

|                | 2016    |         |         |         | 2017    |         |         |         |
|----------------|---------|---------|---------|---------|---------|---------|---------|---------|
|                | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      | 3Q      | 4Q      |
| Internal Sales | 46,533  | 45,516  | 51,777  | 48,093  | 54,511  | 51,799  | 60,118  | 56,416  |
| External Sales | 114,331 | 112,425 | 121,701 | 126,265 | 125,066 | 123,628 | 123,062 | 126,012 |
| Total          | 160,864 | 157,941 | 173,479 | 174,358 | 179,577 | 175,428 | 183,181 | 182,428 |

|                | 2018    |         |         |         |
|----------------|---------|---------|---------|---------|
|                | 1Q      | 2Q      | 3Q      | 4Q      |
| Internal Sales | 62,498  | 57,685  | 65,160  | 59,499  |
| External Sales | 128,440 | 130,451 | 141,040 | 147,539 |
| Total          | 190,939 | 188,136 | 206,201 | 207,038 |

## Trends in Guarantee Balance



(Units: Thousand Yen)

|                       | 2014      |           |           |           | 2015      |           |           |           |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                       | 1Q        | 2Q        | 3Q        | 4Q        | 1Q        | 2Q        | 3Q        | 4Q        |
| Internal Transactions | 525,822   | 545,980   | 555,764   | 761,363   | 677,679   | 819,252   | 760,544   | 955,015   |
| External Transactions | 3,529,900 | 3,622,014 | 3,650,406 | 3,927,362 | 3,549,223 | 4,014,613 | 4,518,229 | 5,516,003 |
| Total                 | 4,055,723 | 4,167,995 | 4,206,170 | 4,688,725 | 4,226,903 | 4,833,865 | 5,278,774 | 6,471,019 |

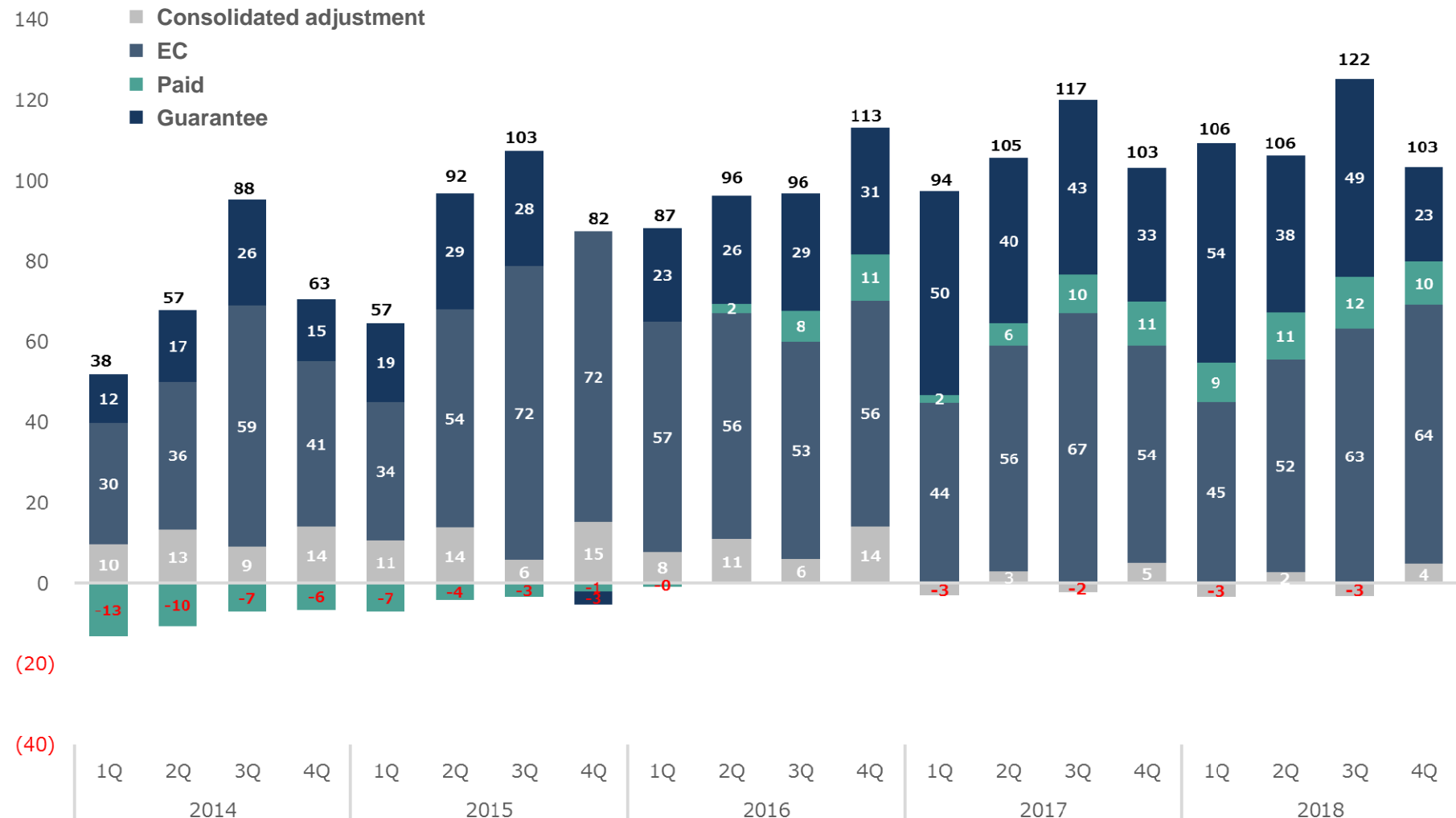
|                       | 2016      |           |           |           | 2017      |           |           |            |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                       | 1Q        | 2Q        | 3Q        | 4Q        | 1Q        | 2Q        | 3Q        | 4Q         |
| Internal Transactions | 894,400   | 1,044,661 | 1,021,991 | 1,224,147 | 1,161,171 | 1,262,455 | 1,275,282 | 1,560,351  |
| External Transactions | 5,958,346 | 6,486,483 | 6,983,264 | 7,899,365 | 7,880,656 | 8,353,182 | 8,491,518 | 9,789,473  |
| Total                 | 6,852,747 | 7,531,144 | 8,005,256 | 9,123,513 | 9,041,827 | 9,615,638 | 9,766,801 | 11,349,825 |

|                       | 2018       |            |            |            |
|-----------------------|------------|------------|------------|------------|
|                       | 1Q         | 2Q         | 3Q         | 4Q         |
| Internal Transactions | 1,378,217  | 1,452,722  | 1,422,739  | 1,712,787  |
| External Transactions | 11,285,989 | 12,982,090 | 14,563,828 | 16,707,717 |
| Total                 | 12,664,206 | 14,434,812 | 15,986,568 | 18,420,504 |

# Reference: Trends in Consolidated Operating Income by Quarter (after adjustment of head office expenses)



(Unit: Million Yen)



(20)

(40)