

February 25, 2015

Company name: Aucfan Co., Ltd.
 Representative: Shuichi Takenaga, President and Representative
 Director
 (Stock code: 3674, TSE Mothers)
 Contact: Junji Hamada, Director and Manager of the Business
 Administration Department
 (Tel: +81-3-6809-0951)

Announcement of Increase in Consolidated Total Assets (Funding with Loans Payable)

Aucfan Co., Ltd. (hereinafter, “the Company”) hereby announces that a Board of Directors meeting held on February 25, 2015 resolved to raise a total of ¥700,000 thousand in funds with loans payable on February 27, 2015. The funds raised with the loans and the subsequent increase in cash and deposits is projected to increase the Company’s consolidated total assets by more than 30% of the year-end balance of net assets for the previous fiscal year ended September 30, 2014. Details are as follows.

I. Reasons for the Funding with Loans

The Company has set a target to achieve ¥3,000,000 thousand in net sales and ¥800,000 thousand in ordinary income by the fiscal year ending September 30, 2017 in its New Paradigm 2017 three-year business plan. To achieve this target, the Company entered a two-year phase of strategic investments in the fiscal year ending September 30, 2015.

The Company took on the loans to primarily raise funds for the strategic investments and flexibly develop business, as well as to secure operating funds.

II. Amount of Increase in Total Assets

	At September 30, 2014	After the loans	Increase
Consolidated total assets	¥2,129,567 thousand	¥2,829,567 thousand	¥700,000 thousand

III. The Increase as a Ratio to Net Assets

	At September 30, 2014 Net assets (A)	Increase (B)	Ratio (B/A)
Ratio to consolidated net assets	¥1,917,243 thousand	¥700,000 thousand	36.5%

(Reference) Information on the loans

1. Lenders: Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Resona Bank, Limited, Shoko Chukin Bank, Ltd.
2. Amount borrowed: ¥700,000 thousand
3. Contract date: February 27, 2015
4. Scheduled execution date: February 27, 2015
5. Collateral: Unsecured, non-guaranteed

(Reference) Information on balances as of December 31, 2014

- Cash and deposits (consolidated): 859,631 thousand
- Short-term loans payable (consolidated): ¥81,407 thousand
- Long-term loans payable (consolidated): ¥93,981 thousand