

# FY2014 4Q Presentation Material

Medium-term Management Plan  
F o r F Y 2 0 1 5 – 2 0 1 7



*At* Aucfan's Present and Future

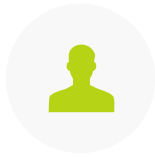
Aucfan Co., Ltd.

TSE Mothers 3674

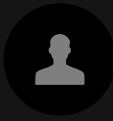
CEO Shuichi Takenaga

Dec 3<sup>rd</sup> 2014

	00 Introduction	3
	01 Aucfan's Present Review of Financial Results for Current FY	6
	02 Aucfan's Future 1. Why the New Paradigm	13
	03 Aucfan's Future 2. New Paradigm 2017	18
	04 Aucfan's Goals Our Vision	32



## 00 Introduction

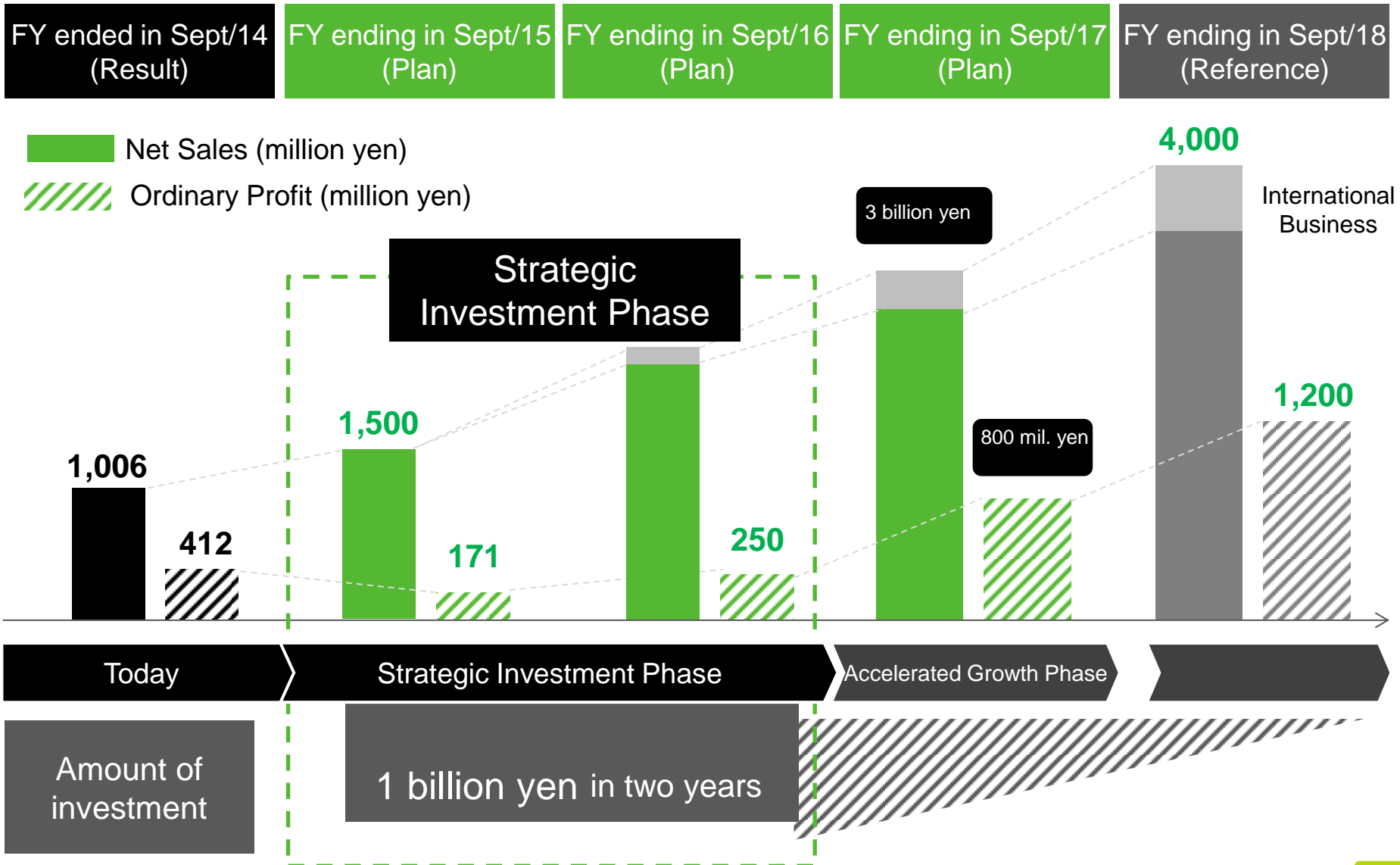


Achieved another strong fiscal year this year.  
We achieved steady increase in both profit and income for 6 consecutive years.

The next two years will be spent on strategic investment.

Our goal for FY2017 is set at 3 billion yen in sales and 800 million yen in ordinary profit.

# 3-year Plan and Strategic Investment





## 01 Aucfan's Present

Review of Financial Results for Current FY

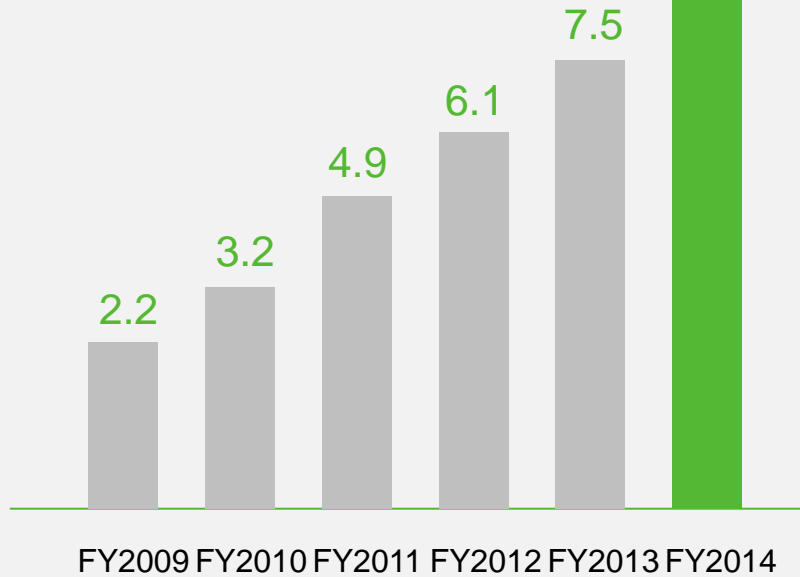
# Financial Summary for Fiscal year ended September 2014



In FY2014, we achieved increased income and profit, recording **1 billion yen in net sales** and **400 million yen in ordinary profit**.

## Net Sales\*

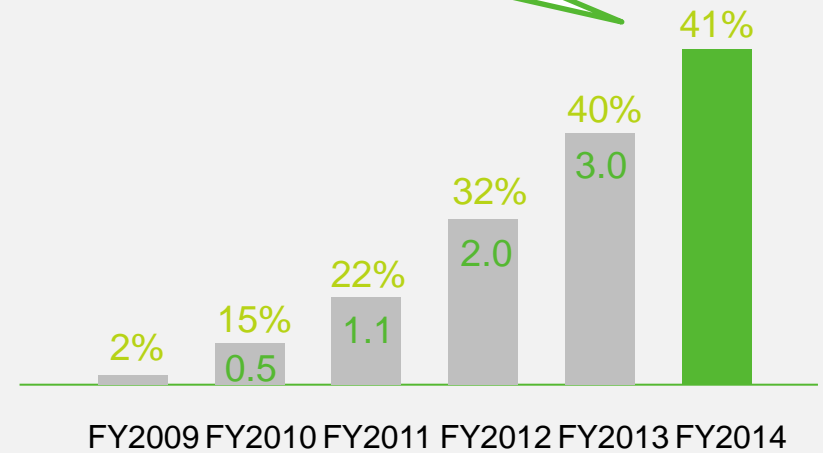
1 billion yen



## Ordinary Profit/Ordinary Profit Ratio (%)

Maintained a high ordinary profit ratio exceeding 40%

410 million yen



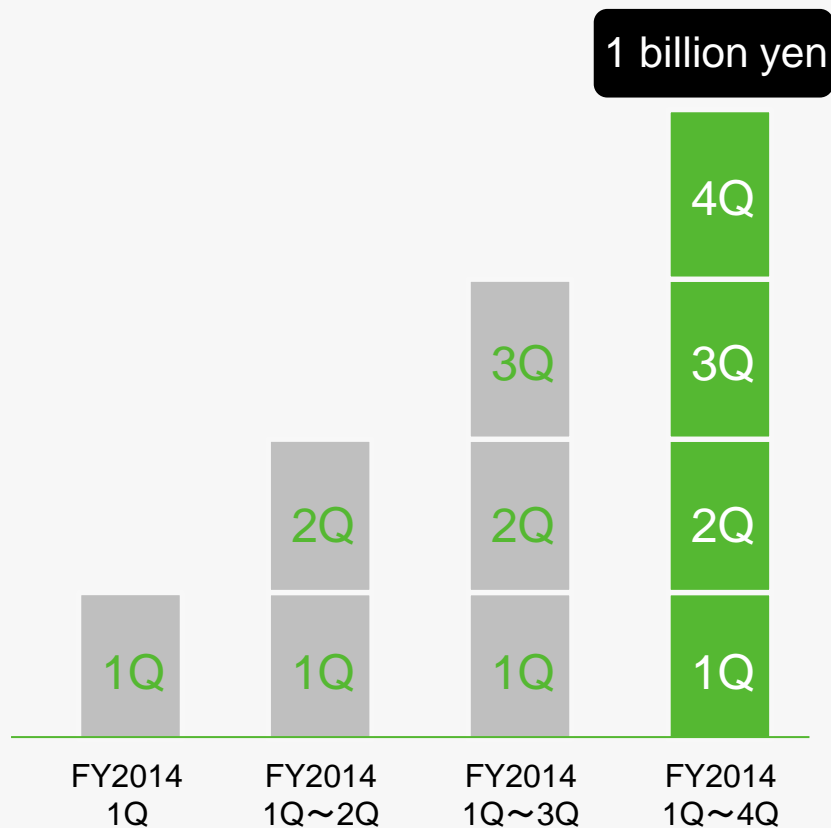
\*Although the Company has produced non-consolidated financial results up to FY2014, from FY2015 on, our subsidiary, Grand Design & Company will be included and consolidated.

# Review of Financial Results for Current FY - 1 (Fiscal year ended September 2014)

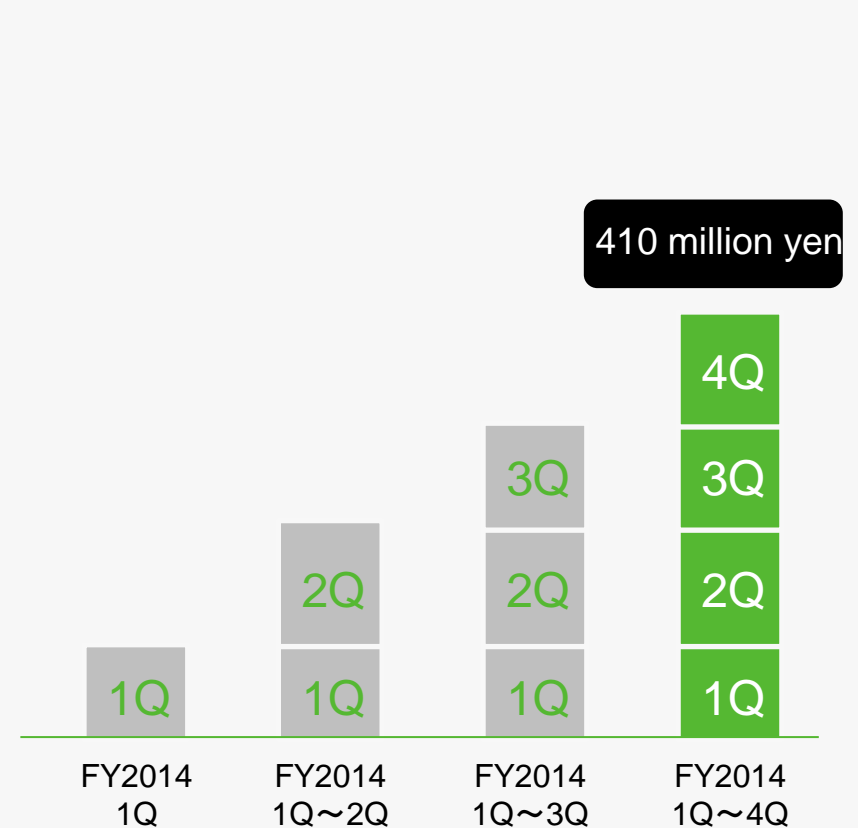


Compared to the same quarter of the previous FY, **all quarters recorded an increase in both income and profit.**

Total Net Sales for Fiscal year ended September 2014



Total Ordinary Profit for Fiscal year ended September 2014





# Review of Financial Results for Current FY – 2 (Fiscal year ended September 2014)



## Previous Business Model

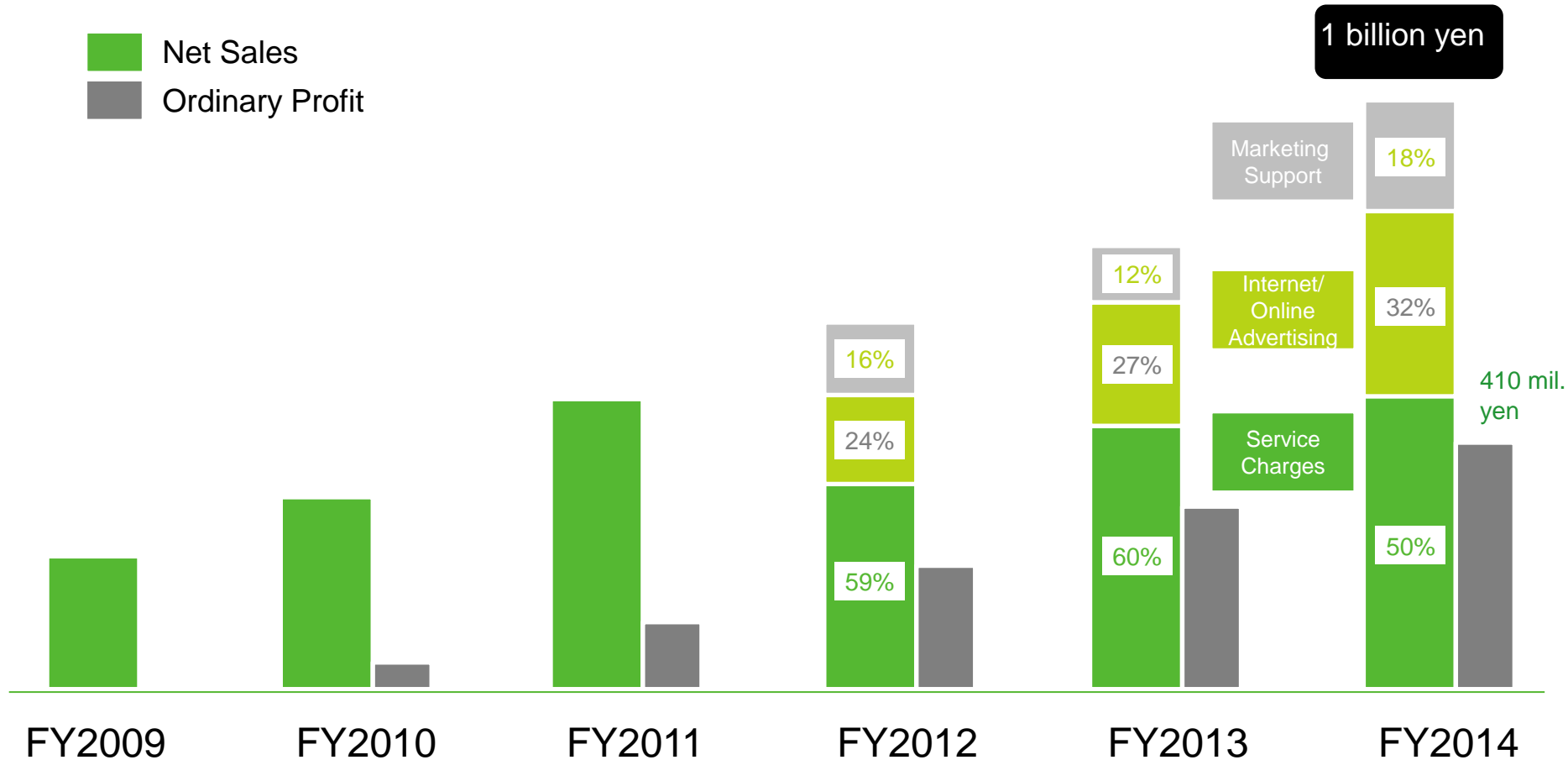
E Marketplace



# Review of Financial Results for Current FY – 3 (Fiscal year ended September 2014)



## Previous P/L Results



# Result Forecast for Next FY2015



Although the current income structure producing large profits remains unchanged, we expect to **add approximately 500 million yen in additional strategic investment**.

Our numerical values for achievements are forecasted as follows.

## Results for Fiscal year ended September 2014 (Non-consolidated)

(Unit: million yen)

Net Sales	1,006
Operating Profit	406
Operating Profit Ratio (%)	40.4%
Ordinary Profit	412
Ordinary Profit Ratio (%)	41.0%
Net Profit	250
Net Profit Ratio (%)	24.9%

## Forecast for Fiscal year ending September 2015 (Consolidated\*)2

(Unit: million yen)

Net Sales	1,500
Operating Profit	170
Operating Profit Ratio (%)	11.3%
Ordinary Profit	171
Ordinary Profit Ratio (%)	11.4%
Net Profit	100
Net Profit Ratio (%)	6.7%

Additional Strategic Investment  
(Estimated)

Apprx.  
500  
mil.  
yen

\*Although the Company has produced non-consolidated financial results up to FY2014, from FY2015 on, our subsidiary, Grand Design & Company will be included and consolidated.

# Breakdown of 2-year (FY 2015/2016) Strategic Investment Areas



## Breakdown of Investment (1 billion yen)

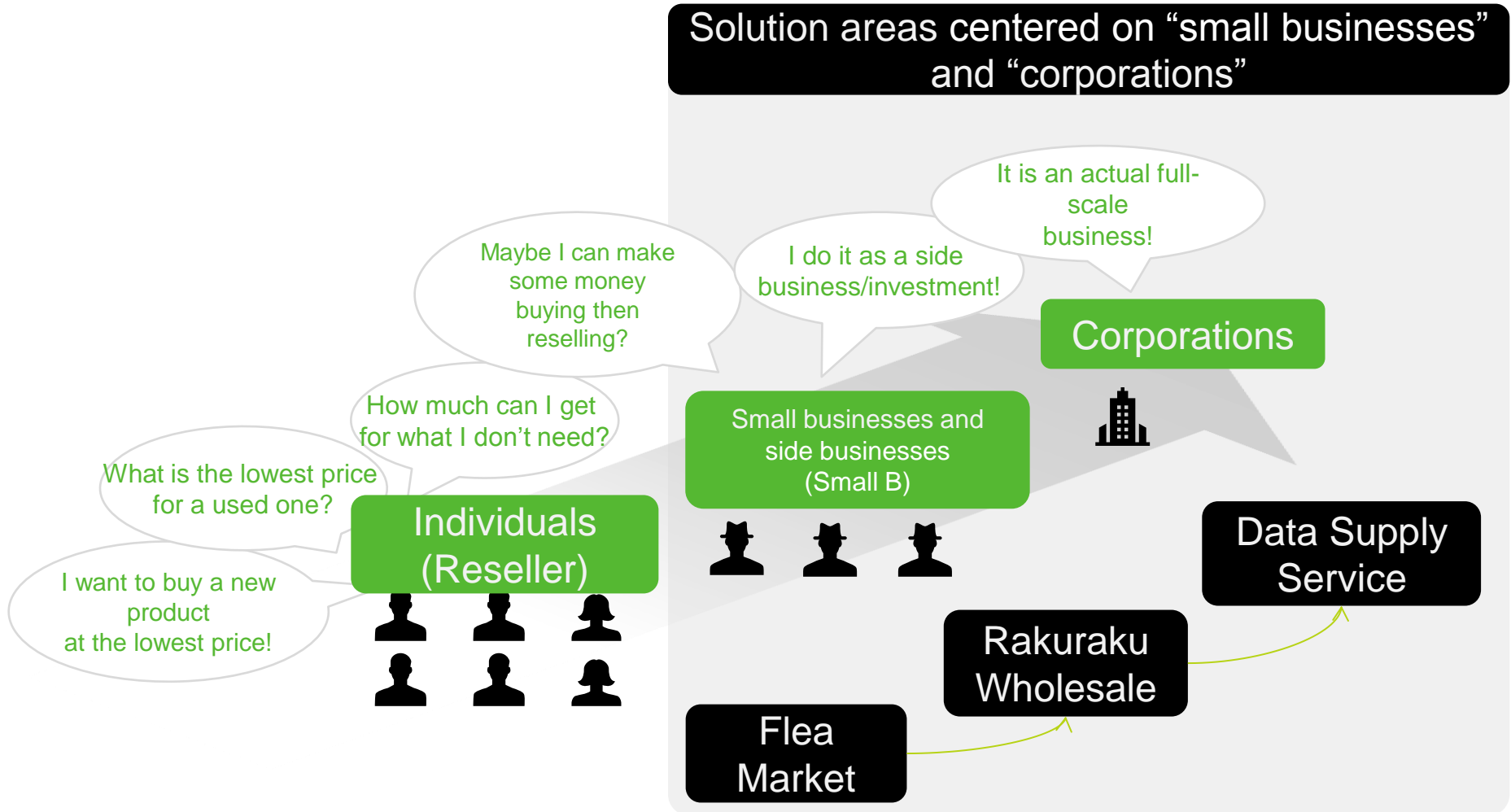
HR Related	1. HR/Hiring	To pursue our growth model at full throttle, each business area will secure and nurture staff with specialized knowledge and experience.	300 mil. yen
	2. Int. Expansion	To hire and nurture staff with advanced and specialized expertise in data mining, we will set up and invest in a base in Asia.	100 mil. yen
Data Related	3. Data Acquisition / Organization	Expand and develop existing and new data as well as our operation with our unique basic product information system.	300 mil. yen
	4. Infrastructure	Pursue high-speed processing technologies for our DMP structure and various services and provide reliable, high-quality services.	200 mil. yen
	5. R&D	Propose pricing strategies utilizing data. R&D for establishing new horizons in commerce.	100 mil. yen



## 02 Aucfan's Future

### 1. Why the New Paradigm

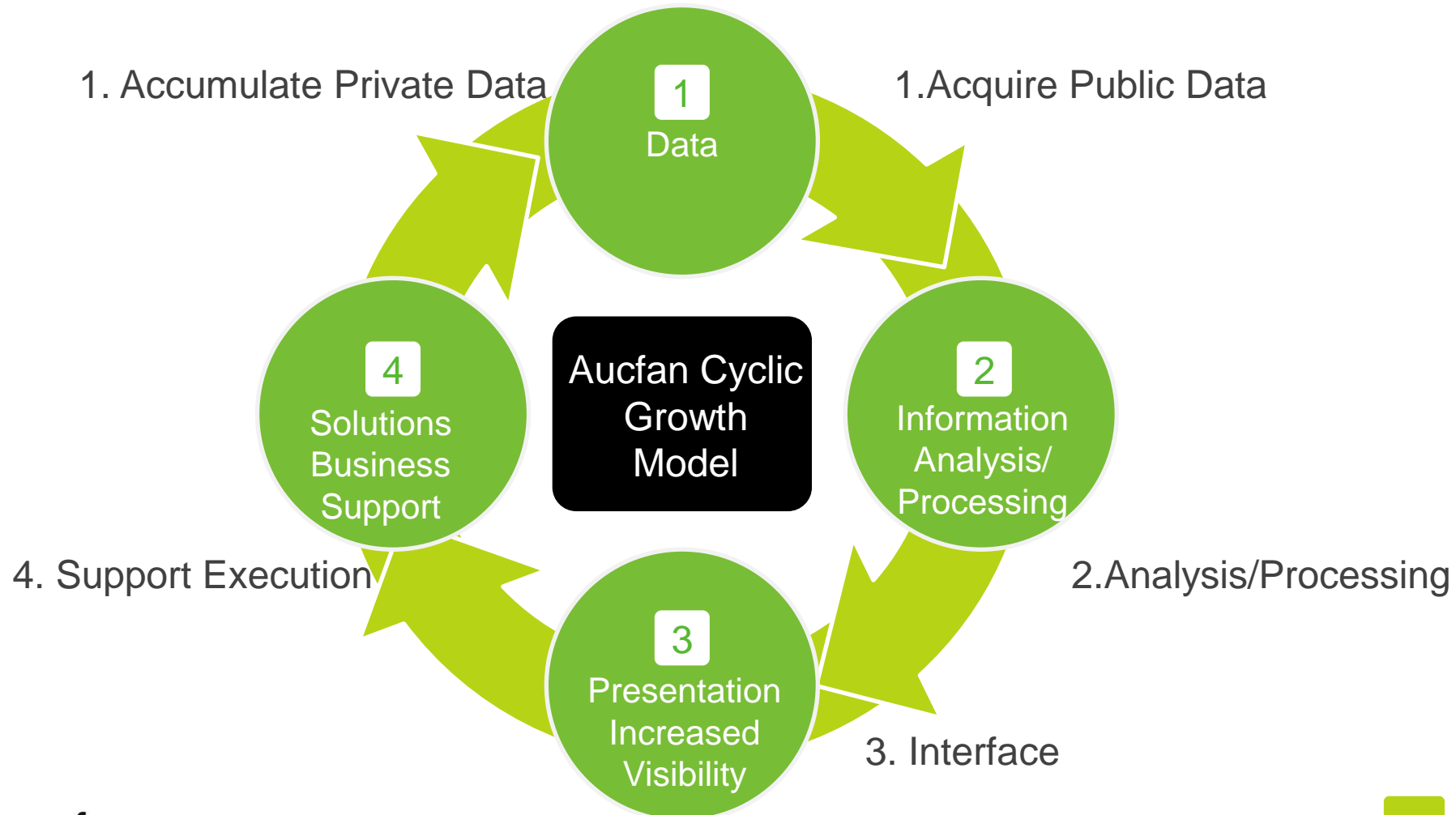
# Aucfan's Previous Growth Model



# Newly Redefined “Cyclical Growth Model”



## Aucfan’s Redefined Cyclical Growth Model



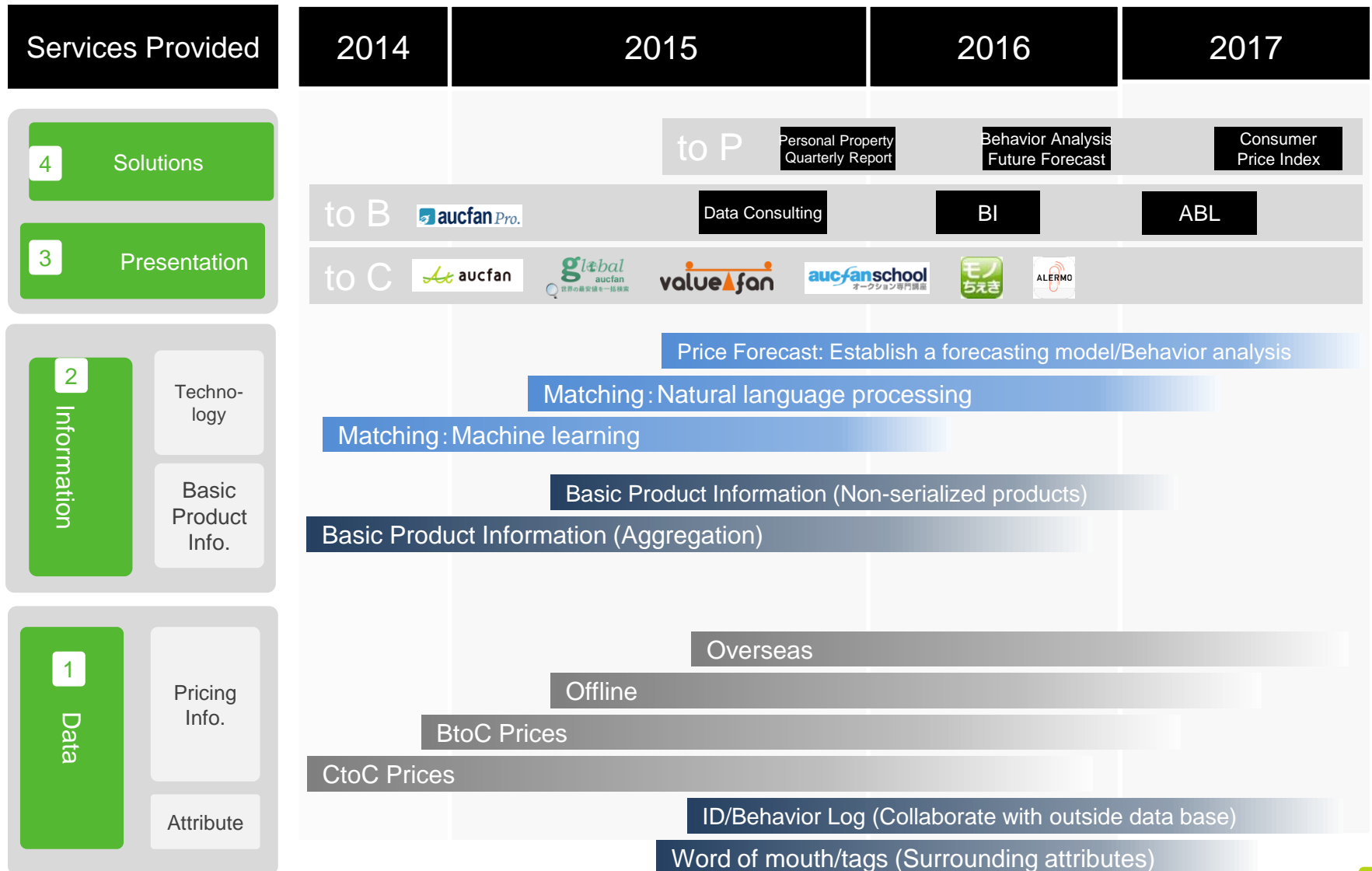
# KPI of Cyclic Growth Model

We set sales and KPI targets for each area from 1. Data to 4. Solutions for growth.





# Milestones of New Paradigm 2017





## 04 Aucfan's Future 2. New Paradigm 2017

# 1 Data

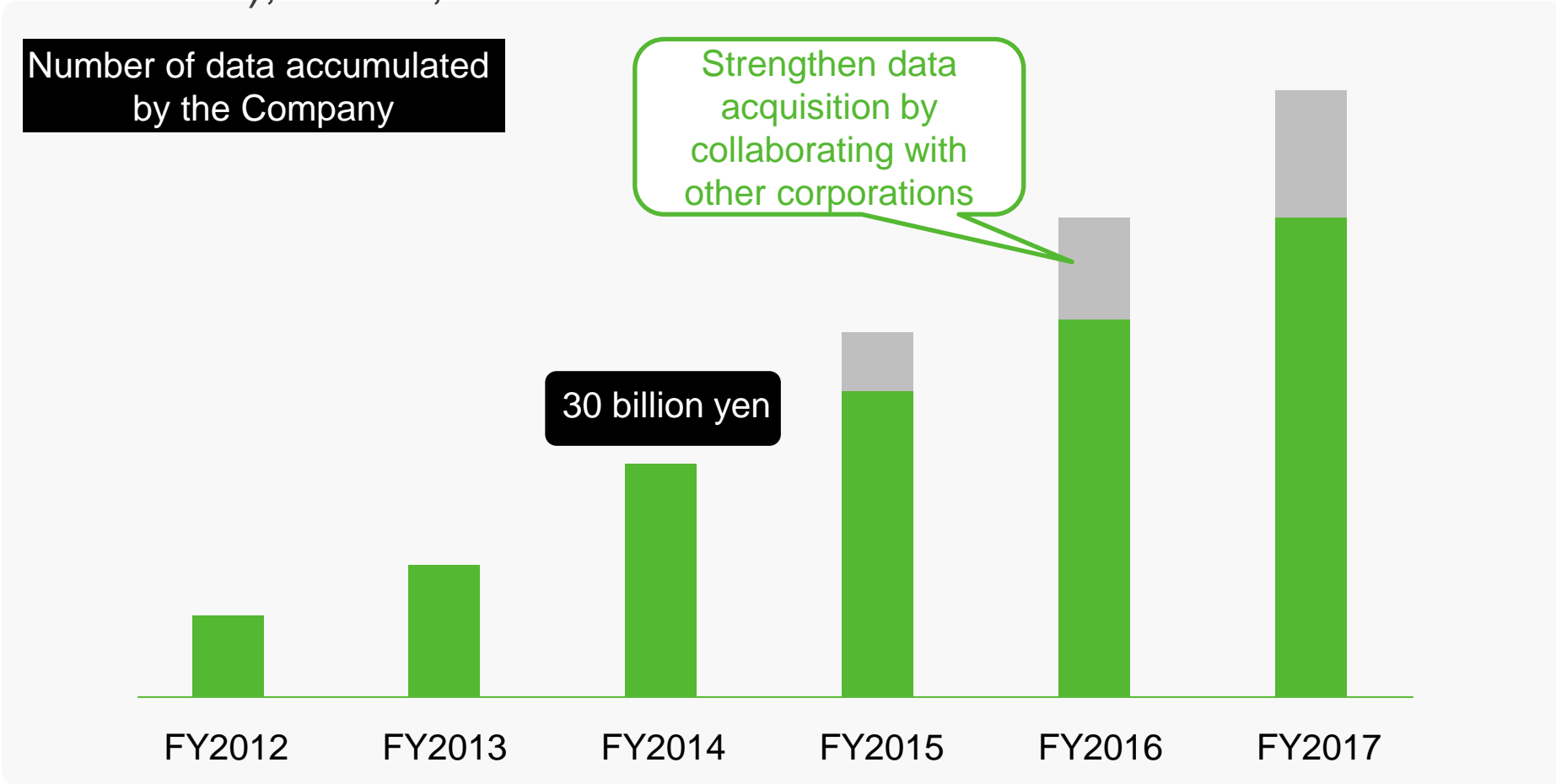
## - Number and Types of Data



# Types and Number of Data Retained



The number of CtoC and BtoC data retained is increasingly steadily.  
Need to strengthen 4 areas: new CtoC markets (flea markets), BtoC (actual sales), POS's, and overseas.



## 2 Information Analysis/Possessing

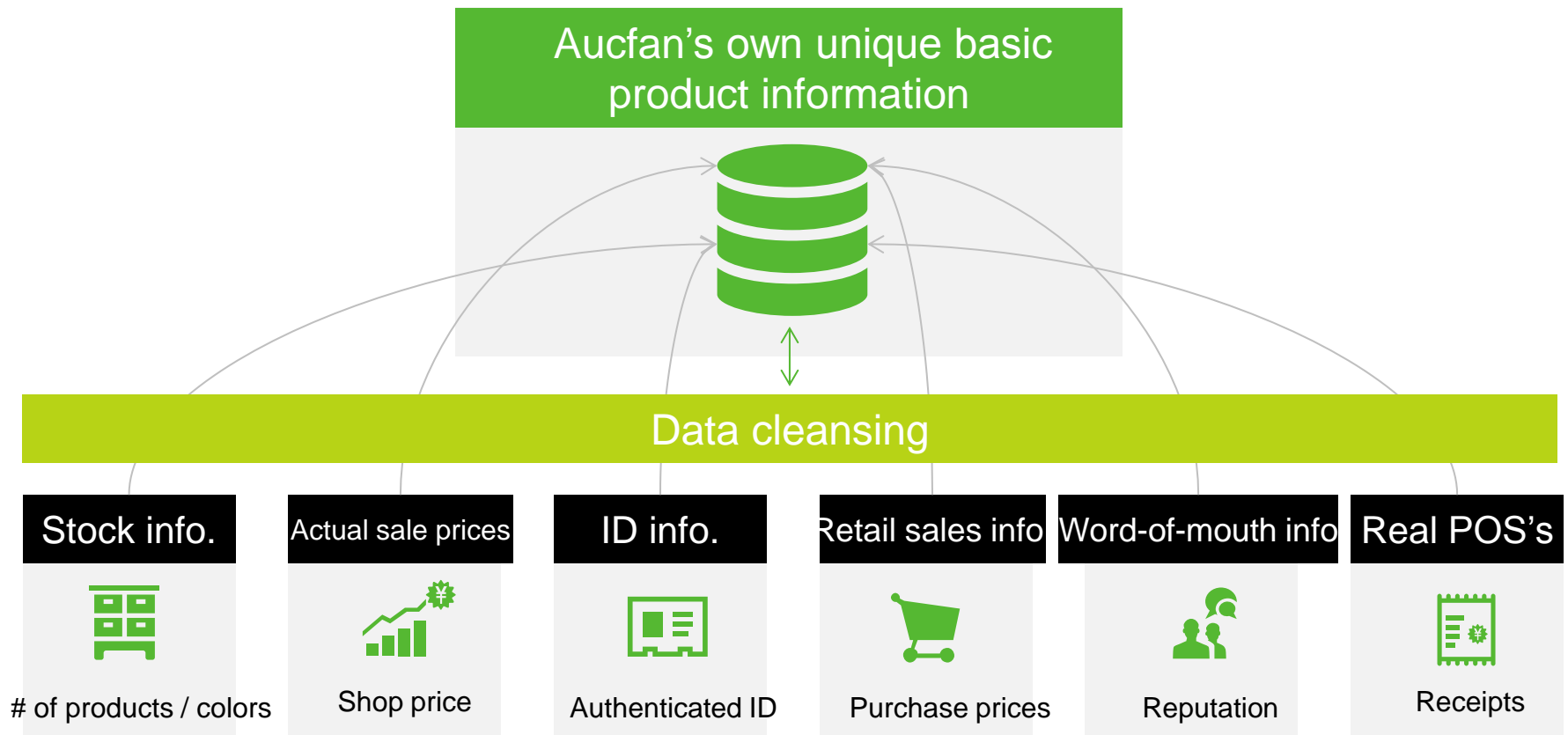
- Own Unique Basic Product Info.
- DMP



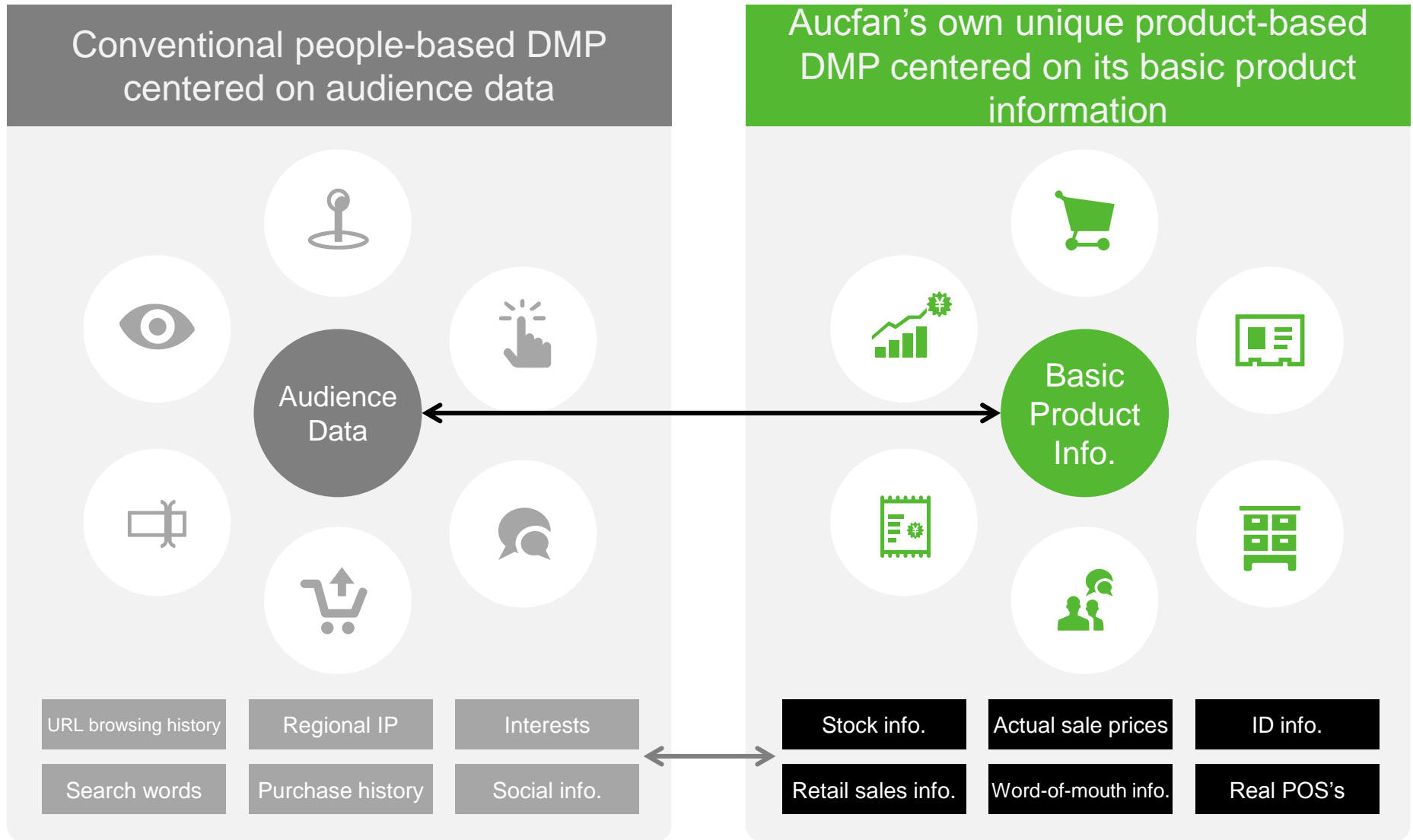
# Expanding Basic Product Information Types



Goal 3 years from now: **100 million data** in our own unique basic product information totaling **1 trillion yen in circulation coverage**

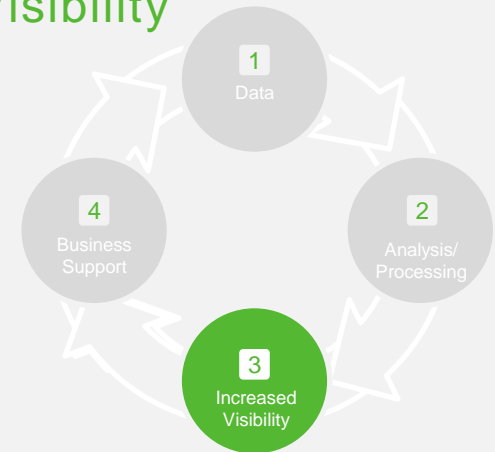


# Targeted Areas of Aucfan's Own Unique Product-based DMP



### 3 Presentation Increased Visibility

- Media UV/UU
- Network Advertising
- Premium Fees





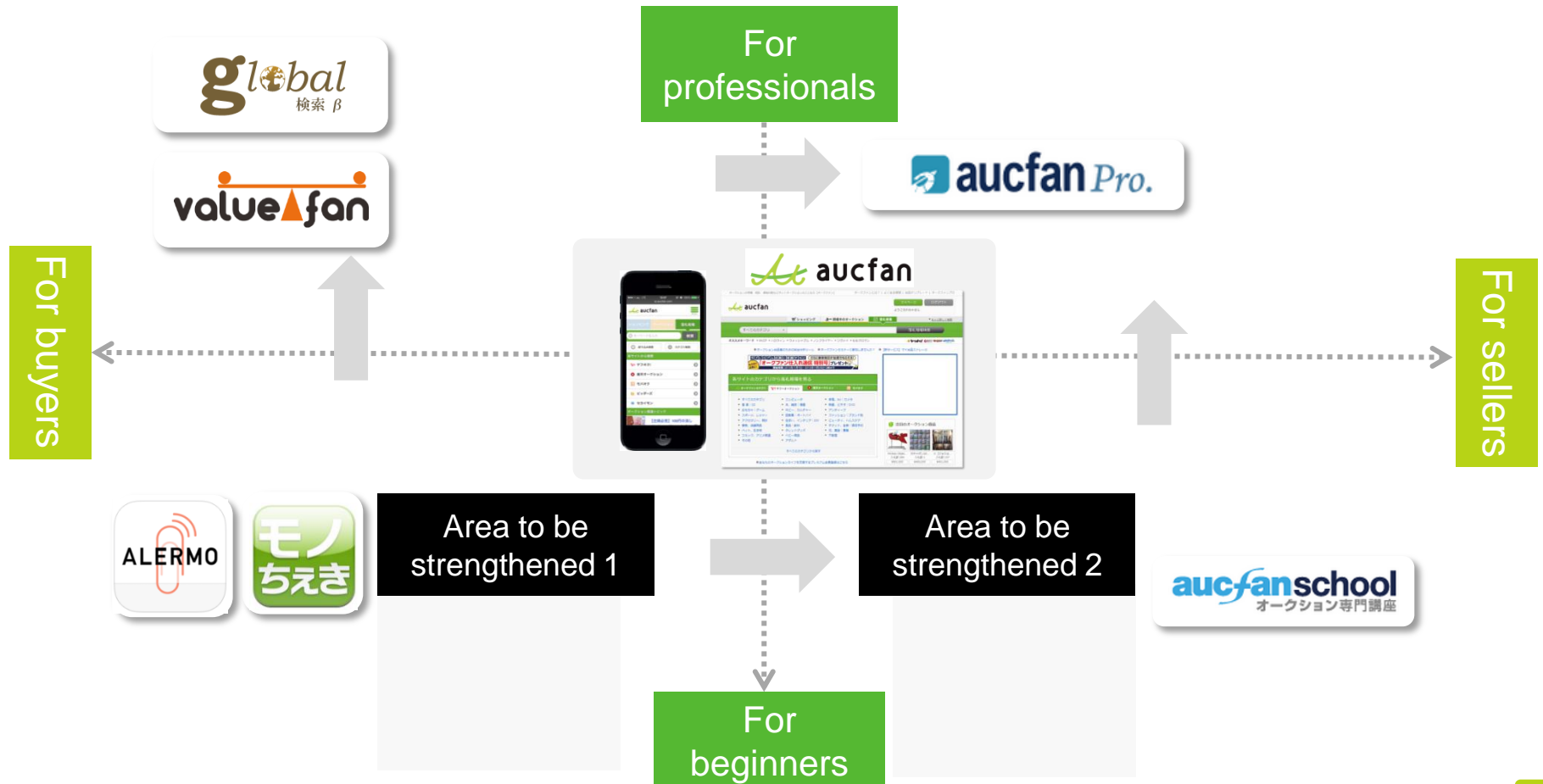
# Aucfan.com's Growth



Using 7 types of media outlets in 4 areas

Number of UVs (unique visitors) - **More than 12 million UVs per month** (grew by 143%)

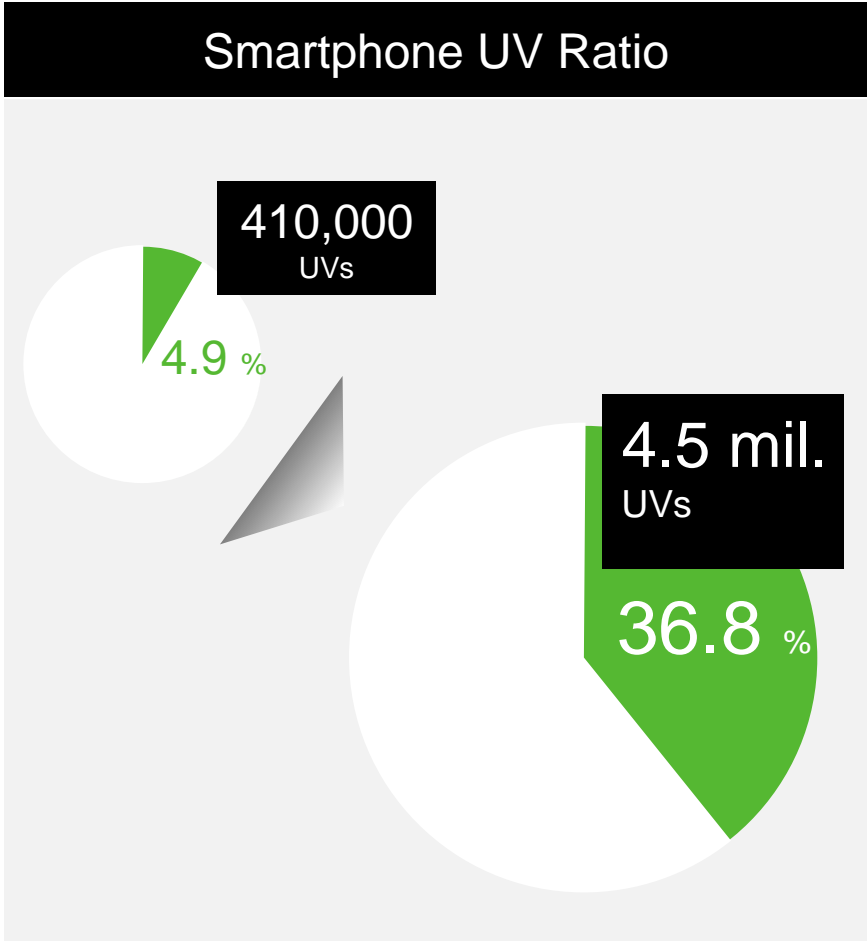
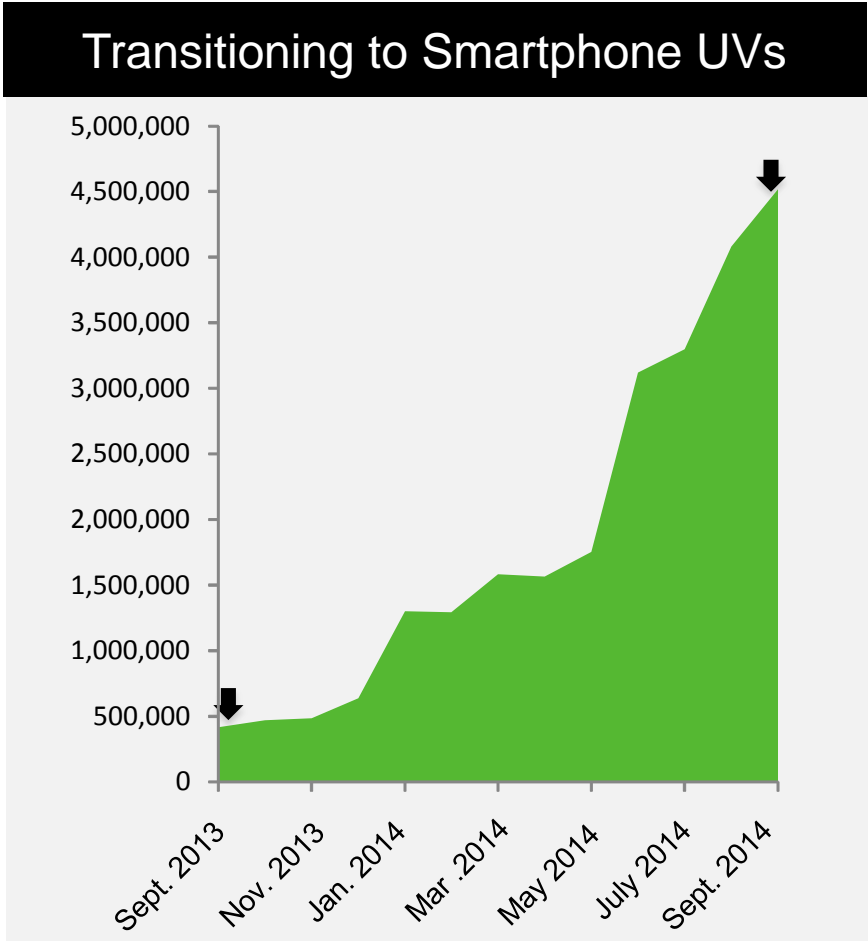
Advertisement – grew by **156%**, fees – grew by **122%**



# Smooth Transition Toward Smartphones



The ratio of smartphone usage now **exceeds 4.5 million UVs** or 10 times more compared to the same period during the previous FY.  
Thanks to strengthened services and promotional efforts!



# Developing “Value fan” Services



Our goal is to create a “Wikipedia for Products” that includes information such as **ratings and future price forecasts** by collecting real-time and international data.

Value fan: Smarter way to “buy” and “sell”

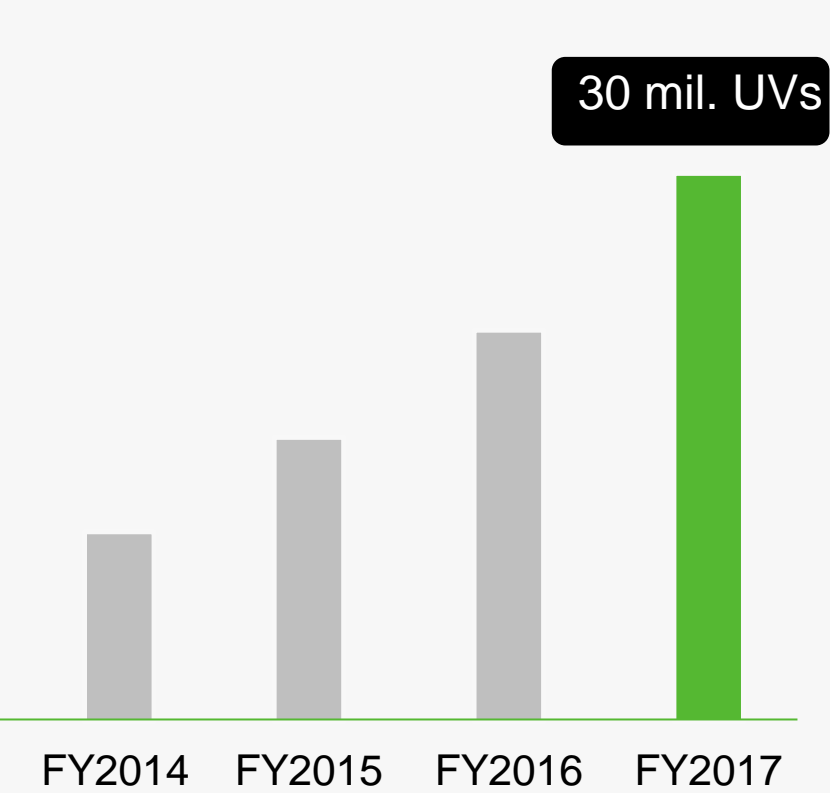


# 3-year Plan (FY Ending Sept. 2015 – FY Ending in Sept. 2017)

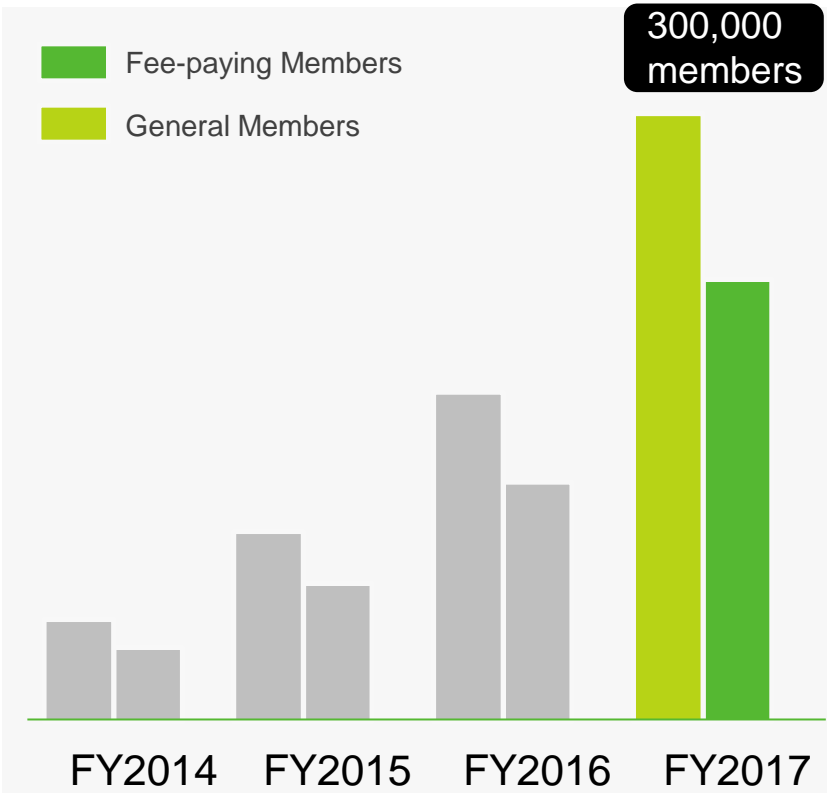


Our goal is to exceed 30 million UVs and 300,000 fee-paying members.

Trend in the Number of UVs (Unique Visitors)



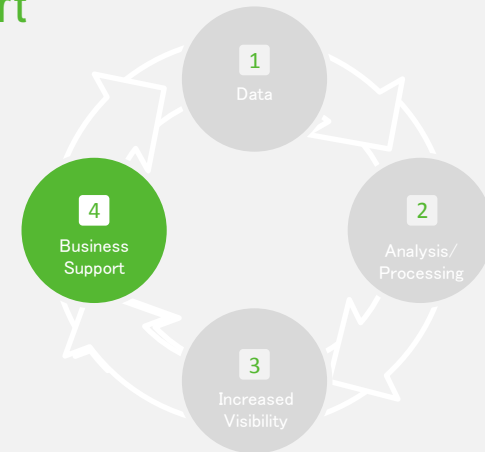
Trend in the Number of General Members/Fee-paying Members



Please refer to p.45 for our past trends.

## 4 Solutions Business Support

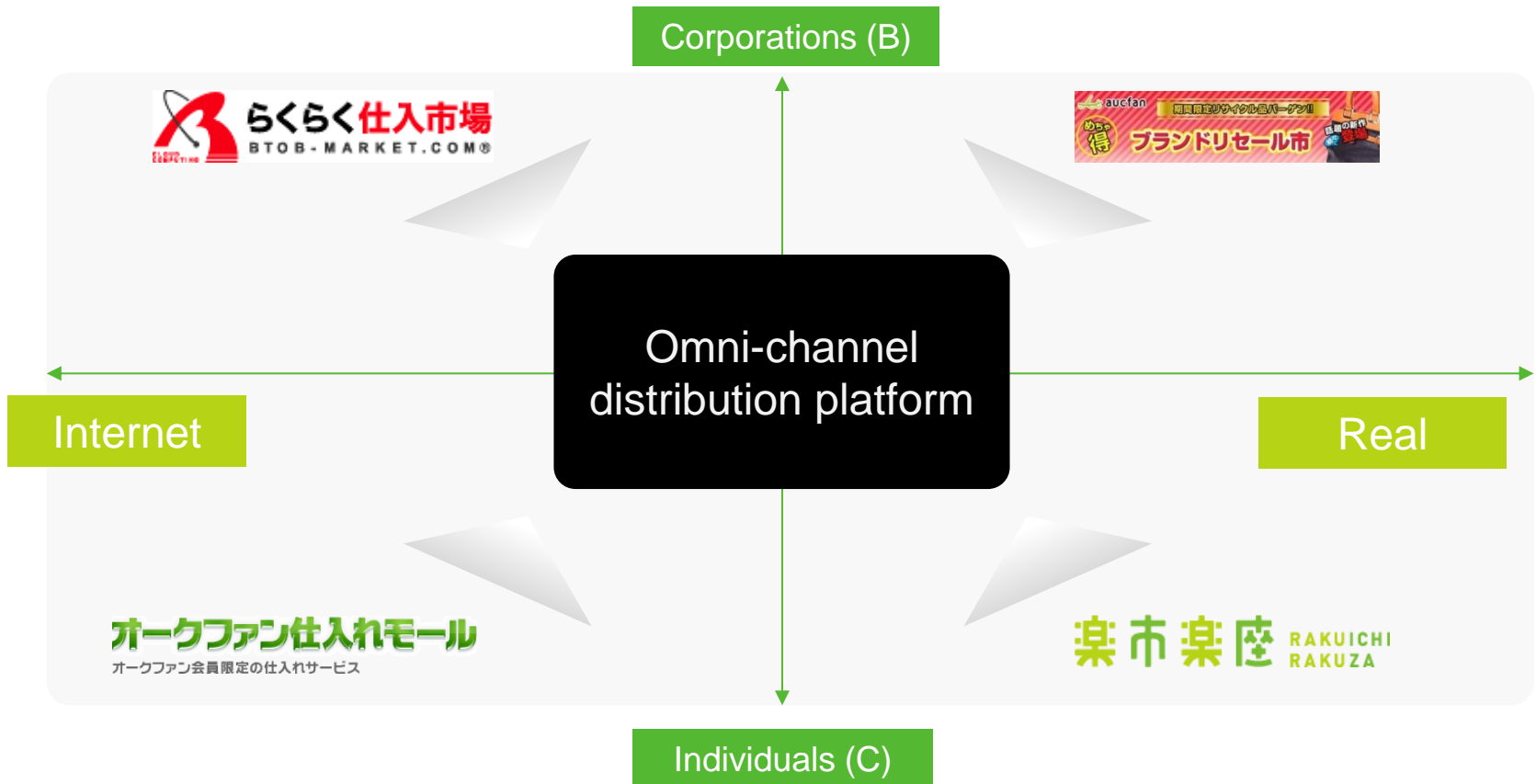
### - One-stop Solutions



# Our Unique Platform



Expanding a distribution platform that is a cross between  
“CtoSmallBtoB” and “Internet-Real.”



# Aiming to Become the No.1 Solution Business in “Pricing Strategy”





## 04 Aucfan's Goals Our Vision

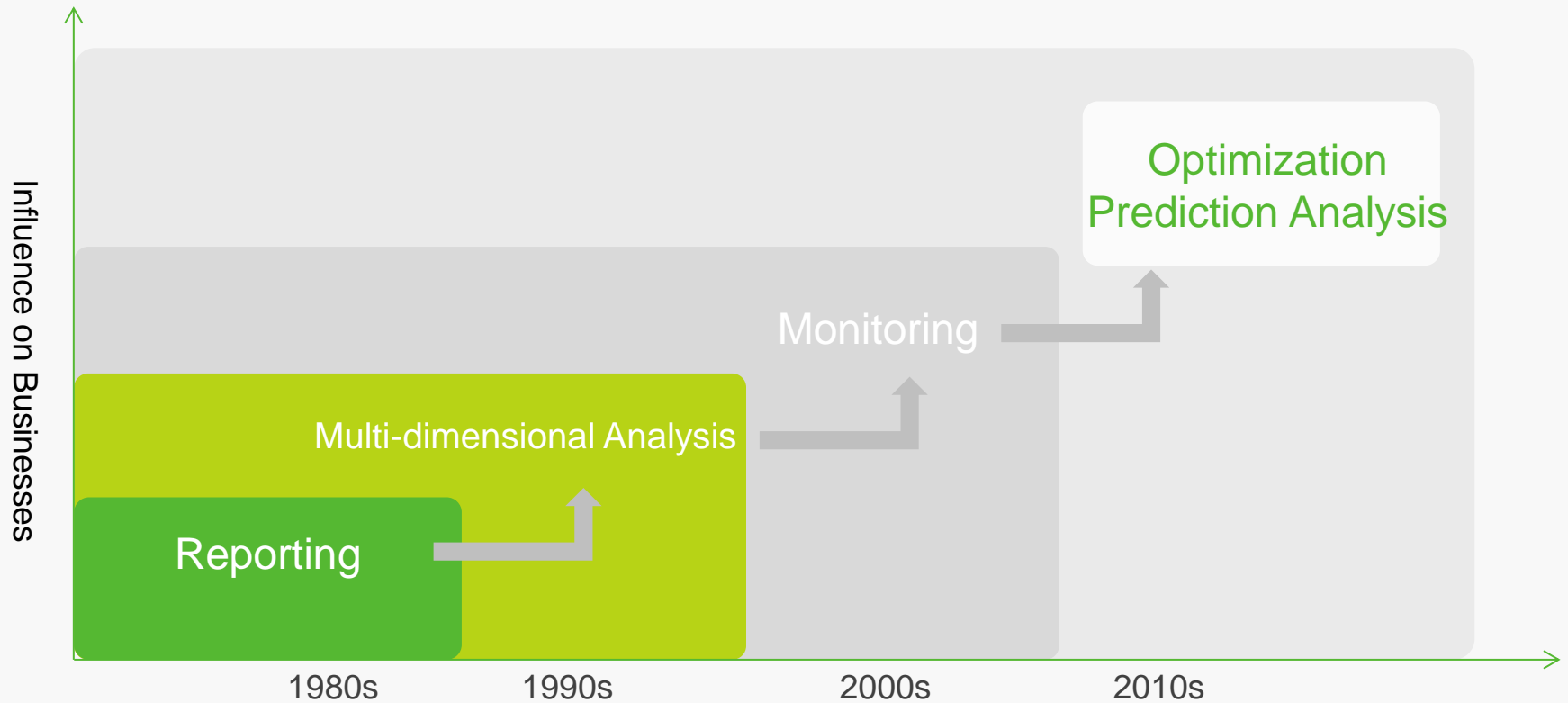


# Big Data Market



In the last 10 years, the amount of data circulating grew by 199 times while data consumption, during the same time period, grew only by 1.1 times. The need for optimized data and more accurate predictions is increasing.

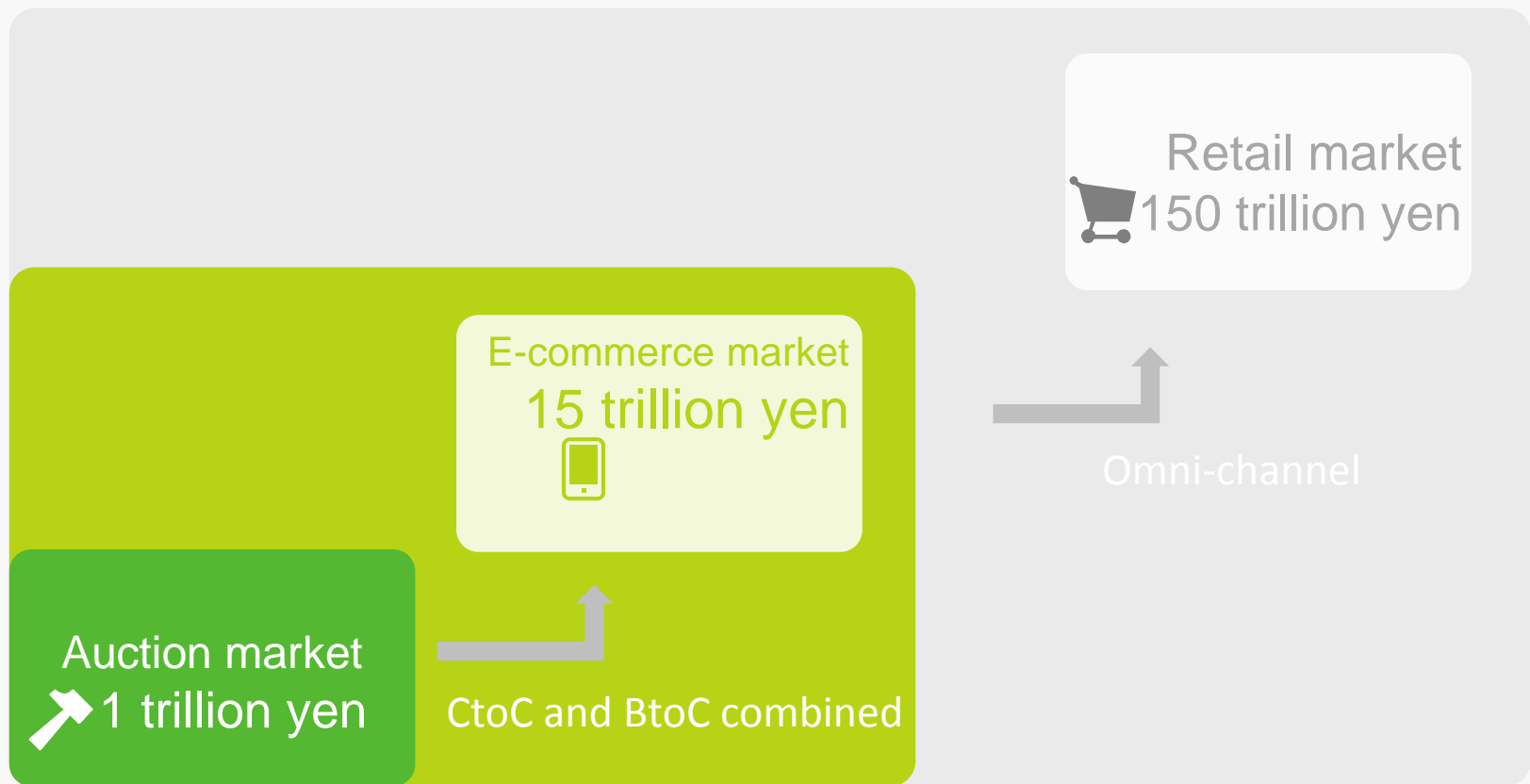
## Areas of Big Data Future Prediction Analysis



# The Company is Facing an Enormous Market



## Markets Surrounding the Auction Market



# Aucfan's Mission



Anyone can buy and  
sell anything  
anywhere... The  
dawn of a new era.





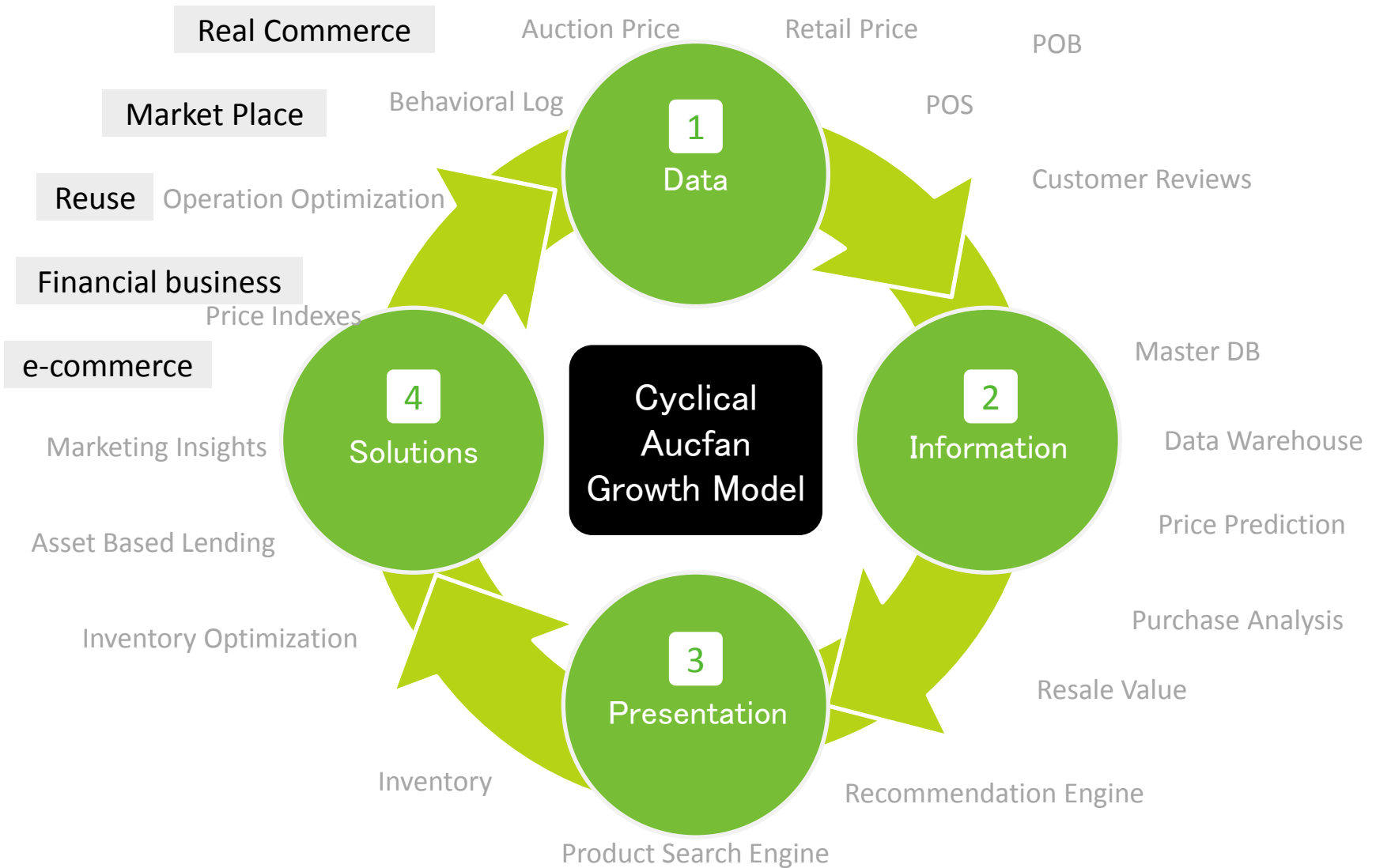
To be a unique presence in the world as a company that provides accurate and fair information on various products.

Serve as an index for buying and selling across the world

Answer any “How much?” questions

Become the “Wikipedia” for products

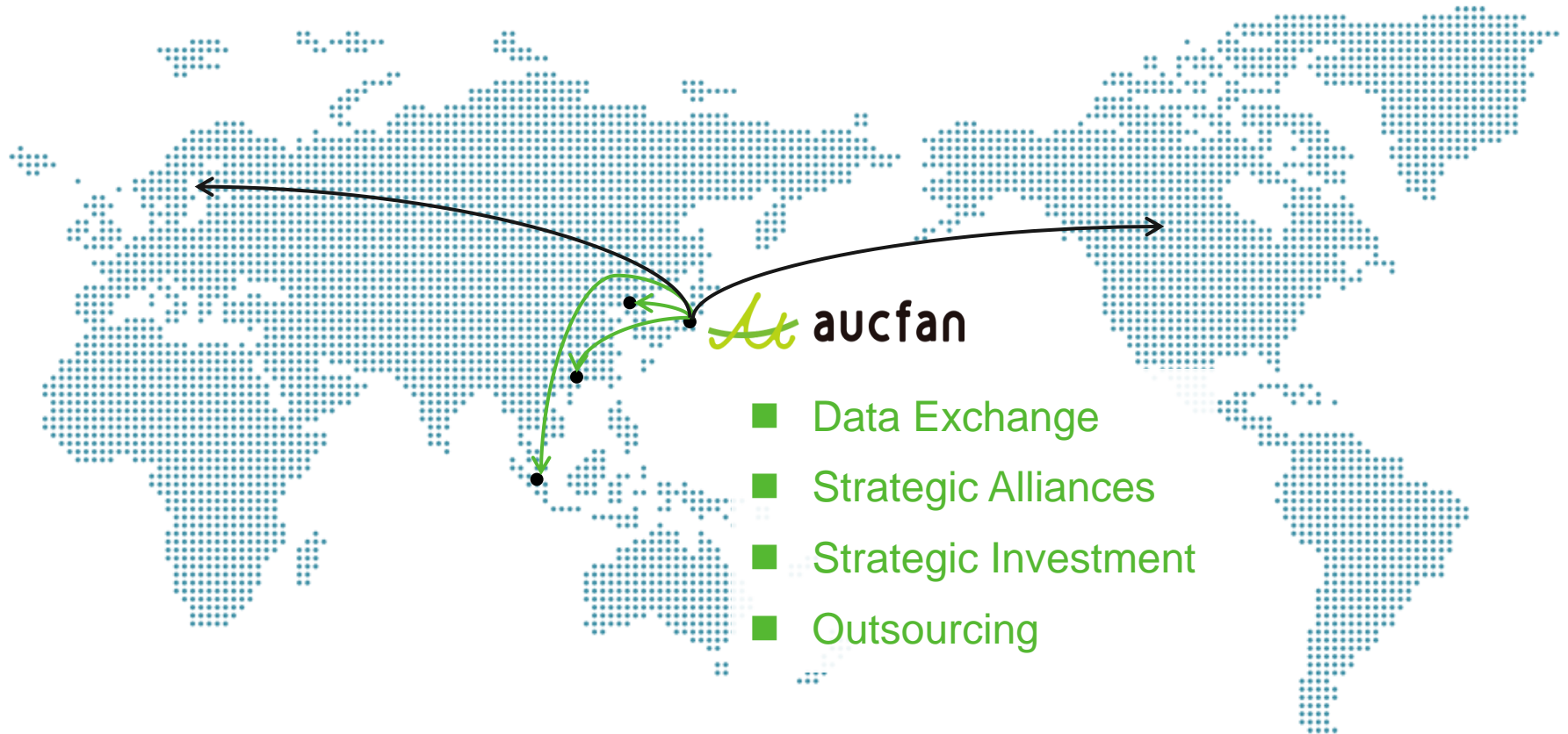
# Strategy Centered on Data Infrastructure



# Global Expansion

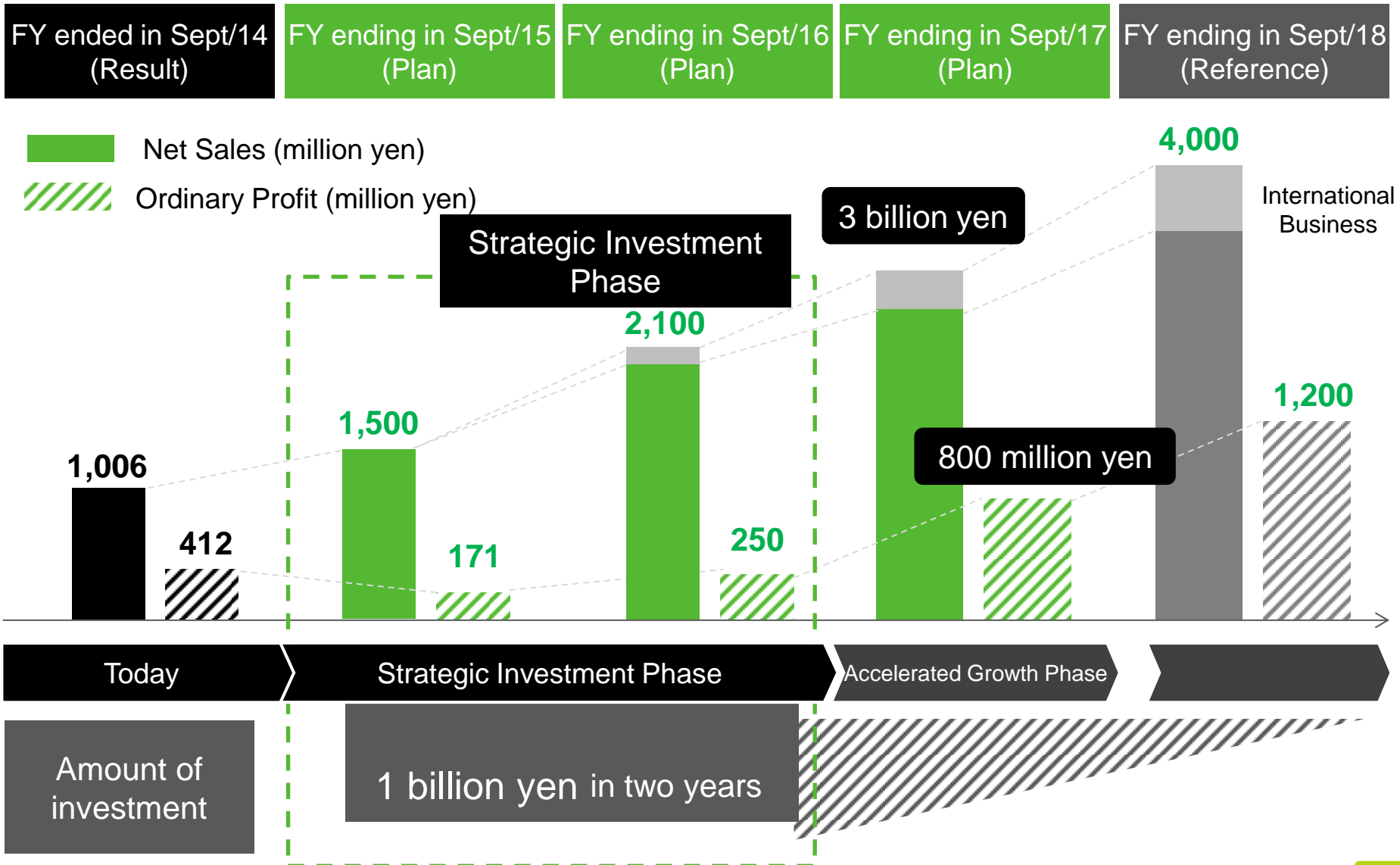


Alliances in market places worldwide  
Accelerating expansion from bases in South East Asia





# Aucfan Medium-term Management Plan (Repeat)





Trade is NO BORDER!





## [Appendix] Aucfan Co., Ltd. Company Overview

## Company Name

Aucfan Co., Ltd.

## Address

Humax Shibuya Bldg. 6F, 1-14-6 Dogenzaka  
Shibuya-ku, Tokyo 150-0043

## Founded

June, 2007

<http://aucfan.com/>

## Capital

655.77 million yen (as of September 30, 2014)

## Number of Employees

52 (as of September 30, 2014)

## HQ



# Company History

2008	April	The headquarters is moved to Hiroo, Shibuya-ku, Tokyo
	May	Paying members' service Aucfan Premium is launched as a pay-per-use service business
	Dec.	Aucfan School, a auction class is launched
2009	May	Aucdata, a consumer trend analysis tool is launched
2010	Jan.	Aucfan Seminar, an auction correspondence course is launched
	July	The headquarters is moved to Dogenzaka, Shibuya-ku, Tokyo
	August	aucfan touch, a site for smartphones is launched
2011	Sept.	PrivacyMark by Japan Institute for Promotion of Digital Economy and Community (JIPDEC) is obtained
	Oct.	Mono Cheki, a smartphone app is launched
	Nov.	Aucfan Pro integrated analysis tool is launched
2012	May	Cloudshop system, an SaaS multi-store compatible online purchase comprehensive management service, is obtained from Cloudoc K.K.
	July	auc-checker, a new service that detects unauthorized auction items, is launched
	August	Aucfan Town, a search service for second-hand buyers and auction agency shops, is launched
	Sept.	auc4G mobile internet subscription service is launched
	Dec.	Global Aucfan, a comprehensive global ecommerce search site, is launched
2013	April	Listed on Mothers Section of the Tokyo Stock Exchange
	June	Aucfan Shiire Mall, an exclusive platform that allows company and individual trading, is launched
	Sept.	Rakuichi Rakuza, one of Japan's largest flea market business, is acquired from Marketenterprise Co., Ltd.
	Nov.	New corporate logo is unveiled
2014	Feb.	Auction Listing University/Academy, a service to train Yahoo! Japan online auction sellers, is launched in partnership with Yahoo! Japan
	May	Auc-checker (beta), a detection and monitoring service for items traded on online auctions, is launched Aucfan Points reward points program is launched

## Board Members and Full-time Auditor



### Shuichi Takenaga

#### Representative Director

Graduate of Kyoto University Faculty of Law

2000 Launched small auction business as a sole proprietorship while still enrolled in university

2004 Founded Defactostandard, Ltd. and became its Representative Director

2007/6 Founded Aucfan Co., Ltd. in incorporation-type company split  
Appointed Representative Director of Aucfan Co., Ltd. (current position)



### Kosuke Ueyama

#### External Director

Obtained Master's Degree at the Graduate School of Information Science and Technology, The University of Tokyo

2003 Founded TriAx Corp, appointed its Representative Director

2011/12 Appointed Director of Aucfan Co., Ltd. (current position)



### Junji Hamada

#### Director, Manager of Business Administration Department

Completed Master's Degree Program at Teikyo University Graduate School of Economics

1992 Joined IDO Corporation (now KDDI)

2002 Joined E3 Networks Corp. (now Mitsui Bussan Secure Directions, Inc.)

2005 Appointed director of Produce Association, Co., Ltd.

2006 Appointed director of Fitech Laboratories, Inc.

2012 Joined Aucfan Co., Ltd. and became manager of Business Administration Department

2012/12 Appointed Director of Aucfan Co., Ltd. (current position)



### Hiroshi Shingu

#### Full-time Corporate Auditor

1990 Joined Nomura Securities Co., Ltd.

2003 Joined Netprice Ltd.,

2004 Appointed Director and Executive Officer, Senior General Manager of Netprice Ltd.

2007 Joined Aruze Corp. (now Universal Entertainment Corporation)

2010 Joined Coach A Co., Ltd.

2013/12 Appointed Full-time Corporate Auditor of Aucfan Co., Ltd. (current position)



### Kenichiro Waide

#### External Director

Graduate of Keio University Faculty of Economics

1982 Founded General Solutions, Inc.

Appointed its Representative Director

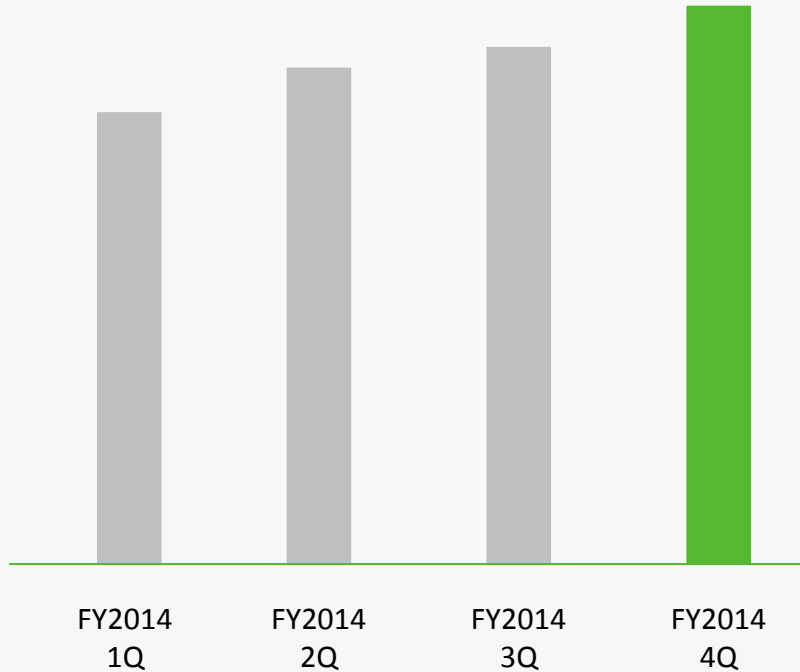
2006 Founded Zaihon, Inc. Appointed its Representative Director

2010/12 Appointed Director of Aucfan Co., Ltd. (current position)

# Trend in User Numbers at Aucfan

Trend in the Number of UVs (Unique Visitors)

12 mil. UVs

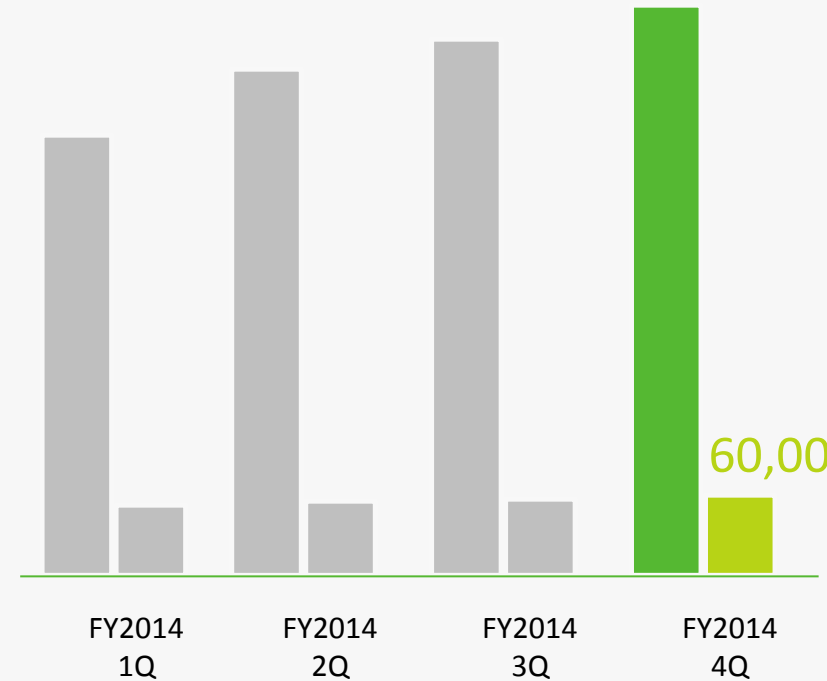


Trend in the Number of General Members/Fee-paying Members

General Members  
Fee-paying Members

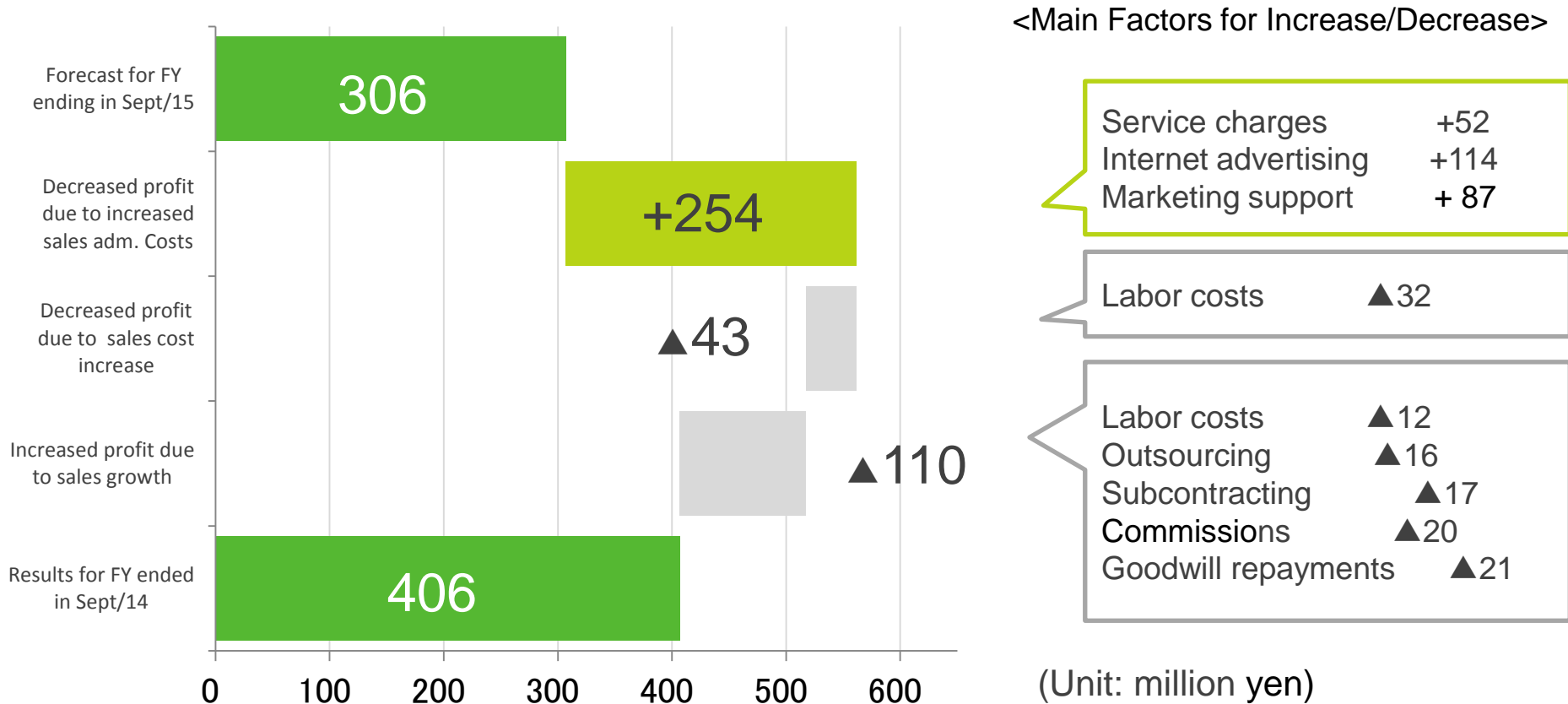
450,000

60,000



# Analysis of Increase/Decrease of Sales and Operating Profit 1: Current FY

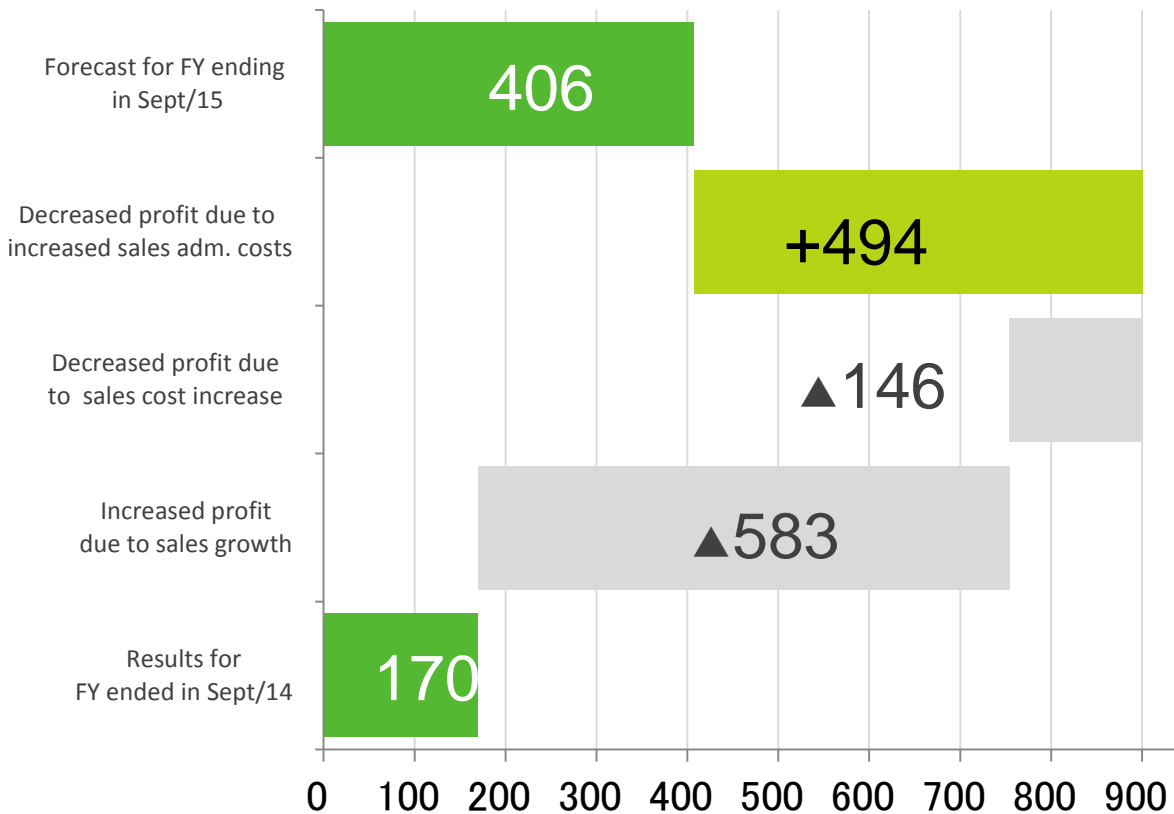
Sales for service charges and marketing support grew steadily while sales for Internet advertising increased dramatically.



\*"+" denotes an increase in profit while "▲" denotes a decrease.

# Analysis of Increase/Decrease of Sales and Operating Profit 2: Next FY

For FY2015 ending in September, we are forecasting 1.5 billion yen in sales and 170 million yen in operating profit.



## <Main Factors for Increase/Decrease>

Service charges +218  
Internet advertising +144  
Marketing support +130

Labor costs ▲57  
Depreciation ▲18  
Travel expenses ▲65  
Communication ▲15

R&D ▲93  
Labor costs ▲142  
(including hiring costs)  
Outsourcing ▲121  
Advertising ▲113  
Goodwill repayments ▲27

(Unit: million yen)

\*"+" denotes an increase in profit while "▲" denotes a decrease.

# Major Acquisitions/Investments

## Acquisitions and Investment during the past year

Jan. 2014	BUKALAPAK.COM	Managing marketplace (Indonesia)	Aug. 2014	E-Classis Commerce, Co., Ltd.	E-commerce site building services for BtoB
Feb. 2014	RealWorld, Inc. (TSE Mothers)	Cloud sourcing	Sept. 2014	Market Enterprise Co., Ltd.	Managing the Internet-specific reuse shop etc.
July 2014	Cloud Payment, Inc. (Formerly J-Payment, Inc.)	Internet payment services	Oct. 2014	Grand Design Co., Ltd.	Omni-channel platform services
July 2014	FLASH PARK Co., Ltd.	Managing e-commerce site dedicated to gifts	Oct. 2014	Eterment Co., Ltd.	Services and tools for one-stop management of Internet-based shops
July 2014	Blue, Inc.	Mobile payment applications	Nov. 2014	7-bites Co., Ltd.	Development/Management of flea market applications specific for anime and anime fans



# Major Awards 1

Selected as one of the Best 200 Asian Companies by Forbes Asia

Ateam  
**Aucfan Co.**  
 COLOPL  
 euglena  
 F@N communications  
 Fisco  
 Jibannet  
 Jin Co.  
 Kitanotatujin  
 Livesense  
 M3  
 Mobile Create  
 Money Square Japan  
 Nihon M&A Center  
 NISSO Pronity

PR Times, September 26, 2014.

米フォーブスのアジア版が発表するアジア企業ベスト200に選出

株式会社オークファン

2014年9月26日 15時10分

いいね! ツイート 81 0 その他のシェア

国内最大級のショッピング・オークション一括検索・比較サイト「オークファン (aucfan.com)」を運営する株式会社オークファン（本社：東京都渋谷区、代表取締役：武永修一、以下、「オークファン」）は、米国の経済誌「フォーブス」のアジア版が発表する、アジア太平洋地域の売上高10億ドル以下の優良企業を対象とした「FORBES ASIA'S200BEST UNDER A BILLION」に選出されました。



売るときにも、買うときにもオークファン

■日本国内から15社が選出「FORBES ASIA'S200BEST UNDER A BILLION」

この度オークファンは、アメリカの経済誌「FORBES」のアジア版である「FORBES ASIA」が毎年選出する、「FORBES ASIA'S200BEST UNDER A BILLION」に選出されました。今年度はベスト200社の内、当社を含め下記の15社の日本企業が選出されました。

- ・エイチーム (Ateam)
- ・オークファン (Aucfan Co.)
- ・コロプラ (COLOPL)
- ・ユーグレナ (euglena)
- ・ファンコミュニケーションズ (F@N communications)

## Awarded “2014 Red Herring Asia Top 100 Winners”

On August 25, 2014, in Hong Kong, Aucfan gave a presentation to be considered for final selection at Red Herring’s three-day “Red Herring Top 100 Asia Award.” Judged based on financial performance, level of technical innovation, executive ability, and business strategies, we were then selected as one of the best 100 companies owning potentialities of growth, capability and innovation, and awarded “2014 Red Herring Asia Top 100 Winners.”

### ■ What is Red Herring?

Red Herring publishes prestigious magazines and online news targeting investors, business owners, and engineers and constantly introduces the world to the latest information and new technological trends that have the potential to change the shape of the economy. Its influence on the world’s technological innovation, therefore, is considerable. Hosted annually by Red Herring, “Red Herring Top 100 Asia Award” is a prestigious event. The 100 most promising and cutting-edge companies in Asia that possess innovative systems and technologies are recognized. Past winners of “Red Herring Top 100 Global Award” include Google, Yahoo, Salesforce.com, YouTube, eBay, and Twitter, and the award is now considered as an authoritative rite of passage for any venture business.

Excerpt from our press release dated September 1, 2014

### NEWS RELEASE



2014年 9月 1日 (月)  
株式会社オークファン

報道関係各位

### 「2014 Red Herring Asia Top 100 Winners」受賞のお知らせ

国内最大級のショッピング・オークション一括検索・比較サイト「オークファン(aucfan.com)」を運営する株式会社オークファン（本社：東京都渋谷区、代表取締役：武永修一、以下、「オークファン」）は、アメリカ合衆国の Red Herring(レッドヘリング)社より、アジアで最も革新的なテクノロジーベンチャー企業 100 社に贈られる「2014 Red Herring Asia Top 100 Winners」を受賞したことをお知らせいたします。

2014年 8月 25日 (月) より 3 日間に渡って香港にて開催された Red Herring 社の「Red Herring Top 100 Asia Award」にて最終選考のプレゼンテーションを行った結果、財政遂行能力、技術革新度、経営能力、事業戦略などを基準に、成長の可能性と潜在力、革新性が最も高い上位 100 社に贈られる「2014 Red Herring Asia Top 100 Winners」を受賞いたしました。

#### ■ Red Herring とは

Red Herring 社は、投資家や経営者、技術者において権威ある雑誌・オンラインニュースを提供、経済全体を変化させる可能性のある技術トレンドや最新情報を随時紹介し、世界の技術革新に影響を与えています。同社が毎年主催する「Red Herring Top 100 Asia Award」は画期的な仕組みやテクノロジーをもち、アジアを牽引し得る革新的な有望企業上位 100 社に贈られる名誉ある賞です。また、「Red Herring Top 100 Global Award」の過去の受賞企業には、Google、Yahoo、Salesforce.com、YouTube、eBay、twitter などもあり、現在ではベンチャー企業の権威ある登壇的ポジションとして注目されています。



#### ■ オークファンについて

国内外のオークション・ショッピングサイトを一括で検索することが可能な「aucfan.com」を始め、「オークファン仕入れモール」や「楽市楽座」の運営を中心とするインターネットメディア事業を行っており、オンラインとオフラインの垣根を越えた流通を生み出すことで、循環型消費社会の提案をしています。

会社名：株式会社オークファン  
代表者：代表取締役 武永 修一  
創業：2007年6月  
資本金：6億4,947万円 ※2014年3月末現在  
従業員：42名（インターン含む） ※2014年3月末現在

# About This Document

We are providing this material not for soliciting investment but, rather, for helping you better understand our company.

Any predictions and forecasts presented here in this document have been based on the information we have at this time.

As predictions and forecasts inherently include many unpredictable elements within, the actual future results may differ.



Trade is NO BORDER!