



Consolidated Financial Results for the Six Months Ended March 31, 2024 [Japanese GAAP]

May 15, 2024

Company name: Aucfan Co., Ltd.

Stock Exchange Listing:
Tokyo Stock Exchange

Securities code: 3674 URL: <https://aucfan.co.jp/en/>

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President and CEO

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Supplementary materials on financial results: Yes

Financial results briefing session: None

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended March 31, 2024

(October 1, 2023– March 31, 2024)

(1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Recurring profit		Net income attributable to owners of the parent	
Term ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	2,457	(7.8)	226	2.3	234	3.4	160	484.6
March 31, 2023	2,665	(9.6)	221	290.1	227	306.0	27	(20.6)

(Note) Comprehensive income: Six Months ended March 31, 2024: ¥66 million (4.6% year on year)

Six Months ended March 31, 2023: ¥63 million (–% year on year)

	Basic earnings per share	Diluted earnings per share
Term ended	Yen	Yen
March 31, 2024	15.58	—
March 31, 2023	2.60	2.60

(Note) Information on diluted earnings per share for the fiscal year ended March 31, 2024, is omitted since, although potential shares did exist, the recorded figure was a basic loss per share.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
Term ended	Million yen	Million yen	%
March 31, 2024	7,589	4,694	61.8
September 30, 2023	7,100	4,630	65.1

(Reference) Equity capital: As of March 31, 2024: ¥4,693 million

As of September 30, 2023: ¥4,625 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Year ended/ending	Yen	Yen	Yen	Yen	Yen
September 30, 2023	—	0.00	—	0.00	0.00
September 30, 2024	—	0.00	—	0.00	0.00
September 30, 2024 (Forecast)	—	—	—	0.00	0.00

Revisions to the most recently announced dividend forecast : None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2024

(October 1, 2023–September 30, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Recurring profit		Net income attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	5,330	3.6	350	15.0	345	1.0	200	—	19.38

Revisions to the most recently announced consolidated forecast : None

* Notes

(1) Changes in significant subsidiaries during the year (changes in specified subsidiaries accompanying changes in scope of consolidation) : None

(2) Application of special accounting methods for preparing quarterly financial statements : None

(3) Changes in accounting policies and accounting estimates, and restatements

1. Changes in accounting policies due to revisions made to accounting standards, etc.: None
2. Changes in accounting policies other than 1 above : None
3. Changes to accounting estimates : None
4. Restatements : None

(4) Number of issued shares (common stock)

1. Number of issued shares at the end of the period (including treasury stock)
March 31, 2024: 10,813,700 shares
September 30, 2023: 10,813,700 shares
2. Number of treasury shares at the end of the period
March 31, 2024: 491,990 shares
September 30, 2023: 491,990 shares
3. Average number of shares outstanding during the period
Three months ended March 31, 2024: 10,321,710 shares
Three months ended March 31, 2023: 10,596,710 shares

* The financial statements are not subject to audits performed by certified public accountants or auditing firms.

* Explanation of the proper use of financial results forecast and other notes

(Notice regarding forward-looking statements)

Forward-looking statements within this document, including earnings forecasts, are based on currently available information to the Company and certain assumptions which the Company has deemed reasonable. Accordingly, the Company does not guarantee their achievement or fulfillment. Actual results and other performance may vary significantly due to a variety of factors.

Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of September 30, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,280,940	3,994,453
Accounts receivable – trade	423,363	385,166
Operational investment securities	1,574,460	1,618,693
Merchandise	36,721	15,436
Work in process	15	3
Supplies	109	136
Accounts receivable – other	712,495	540,326
Other	201,501	190,280
Allowance for doubtful accounts	(58,969)	(63,955)
Total current assets	6,170,637	6,680,543
Non-current assets		
Property, plant and equipment		
Buildings, net	83,914	85,141
Tools, furniture and fixtures, net	48,086	43,924
Other	2,645	2,339
Total property, plant and equipment	134,646	131,405
Intangible assets		
Goodwill	8,950	6,961
Software	463,671	432,000
Software in progress	27,743	53,600
Other	1,623	1,444
Total intangible assets	501,988	494,007
Investments and other assets		
Long-term loans receivable	14,118	9,135
Deferred tax assets	90,754	85,156
Distressed receivables	298,532	298,532
Long-term accounts receivable	348,147	333,147
Other	187,978	188,699
Allowance for doubtful accounts	(646,565)	(631,565)
Total investments and other assets	292,966	283,106
Total non-current assets	929,601	908,519
Total assets	7,100,239	7,589,063
Liabilities		
Current liabilities		
Accounts payable - trade	83,684	82,767
Short-term borrowings	1,100,000	1,540,000
Current portion of long-term borrowings	103,330	103,350
Income taxes payable	19,583	65,445
Accounts payable - other	783,827	711,896
Contract liabilities	124,442	130,909
Provision for bonuses	3,600	3,600
Other	77,061	108,188
Total current liabilities	2,295,529	2,746,158
Non-current liabilities		
Long-term loans payable	63,350	13,332
Deferred tax liabilities	68,290	91,983
Other	42,249	43,210
Total non-current liabilities	173,889	148,525
Total liabilities	2,469,419	2,894,683

(Thousands of yen)

	As of September 30, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Capital stock	973,683	973,683
Capital surplus	907,859	888,220
Retained earnings	2,381,593	2,542,369
Treasury shares	(340,055)	(340,055)
Total shareholders' equity	3,923,081	4,064,218
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	702,871	630,475
Foreign currency translation adjustments	(581)	(1,214)
Total accumulated other comprehensive income	702,289	629,261
Share acquisition rights	2,894	—
Non-controlling interest	2,553	899
Total net assets	4,630,819	4,694,379
Total liabilities and net assets	7,100,239	7,589,063

(2) Consolidated Statement of Income and Statement of Comprehensive Income

(Thousands of yen)

	Six Months ended March 31, 2023 (October 1, 2022– March 31, 2023)	Six Months ended March 31, 2024 (October 1, 2023– March 31, 2024)
Net sales	2,665,173	2,457,622
Cost of sales	1,312,252	1,070,920
Gross profit	1,352,920	1,386,702
Selling, general and administrative expenses	1,131,453	1,160,086
Operating profit	221,467	226,616
Non-operating income		
Interest income	260	211
Exchange gain	5,297	3,248
Commission income	1,411	438
Reversal of allowance for doubtful accounts	—	4,685
Other	2,636	3,956
Total non-operating income	9,605	12,541
Non-operating expenses		
Interest expenses	2,941	3,193
Non-deductible consumption tax, etc.	324	—
Other	730	1,262
Total non-operating expenses	3,996	4,455
Recurring profit	227,077	234,702
Extraordinary income		
Gain on reversal of share acquisition rights	14	2,894
Insurance claim income	—	10,000
Total extraordinary income	14	12,894
Extraordinary losses		
Loss on retirement of non-current assets	248	230
Related to costs of special investigation committee and amendments to past financial years statements	193,976	—
Total extraordinary losses	194,225	230
Profit before income taxes	32,866	247,366
Income taxes – current	14,138	54,125
Income taxes - deferred	(8,772)	53,362
Total income taxes	5,365	107,487
Net income	27,500	139,878
(Breakdown)		
Profit attributable to owners of parent	27,500	160,776
Net income attributable to non-controlling interests	—	(20,897)
Other comprehensive income		
Valuation difference on available-for-sale securities	36,421	(72,395)
Foreign currency translation adjustment account	—	(633)
Total other comprehensive income	36,421	(73,028)
Comprehensive income	63,922	66,849
(Breakdown)		
Comprehensive income attributable to owners of the parent	63,922	87,747
Comprehensive income attributable to noncontrolling interests	—	(20,897)

(3) Consolidated Statement of Cash Flows

(Thousands of yen)

	Six Months ended March 31, 2023 (October 1, 2022–March 31, 2023)	Six Months ended March 31, 2024 (October 1, 2023–March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	32,866	247,366
Depreciation	92,474	114,281
Amortization of goodwill	50,584	1,989
Increase (decrease) in allowance for doubtful accounts	(19,397)	(10,014)
Increase (decrease) in provision for loss on litigation	(1,350)	—
Increase (decrease) in provision for shareholder benefit program	1,031	—
Interest and dividend income	(260)	(211)
Interest expenses	2,941	3,193
Insurance claim income	—	(10,000)
Loss on retirement of non-current assets	248	230
Related to costs of special investigation committee and amendments to past financial years statements	193,976	—
Decrease (increase) in trade receivables	(102,646)	38,196
Decrease (increase) in investment securities for Sale	11,978	(140,700)
Decrease (increase) in inventories	(11,743)	20,785
Increase (increase) in long-term accounts receivable - other	15,000	15,000
Increase (decrease) in trade receivable	(1,639)	(4,575)
Increase (decrease) in accounts payable - other and accrued expenses	18,981	(78,307)
Other	19,081	73,575
Subtotal	302,110	270,809
Interest and dividends received	256	191
Interest expenses paid	(2,769)	(3,419)
Related to costs of special investigation committee and amendments to past financial years statements	(193,976)	—
Amount of insurance money received	—	60,000
Income taxes (paid) refund	(138,090)	(87,045)
Net cash provided by (used in) operating activities	(32,469)	(414,626)
Cash flows from investing activities		
Payments for investments in capital of subsidiaries and associates	(27,200)	—
Proceeds from collection of loans receivable	4,982	4,982
Purchase of securities	(831)	(4,956)
Purchase of intangible assets	(154,235)	(89,868)
Payments for guarantee deposits	(158,662)	(4,096)
Guarantee deposits received	13,150	4,950
Refund of guarantee deposits received	(3,150)	(3,600)
Net cash provided by (used in) investing activities	(325,945)	(92,588)

	(Thousands of yen)	
	Six Months ended March 31, 2023 (October 1, 2022–March 31, 2023)	Six Months ended March 31, 2024 (October 1, 2023–March 31, 2024)
Cash flows from financing activities		
Proceeds from short-term borrowings	340,000	1,133,000
Repayments of short-term borrowings	(600,000)	(693,000)
Repayments of long-term borrowings	(143,383)	(49,998)
Repayments of lease obligations	(932)	(373)
Net cash provided by (used in) financing activities	(404,315)	389,628
Effect of exchange rate change on cash and cash equivalents	4,740	1,847
Net increase (decrease) in cash and cash equivalents	(757,989)	(713,513)
Cash and cash equivalents at beginning of period	3,833,053	3,280,940
Cash and cash equivalents at end of period	3,075,063	3,994,453

Sales, profit (loss), assets, liabilities, and other items by reportable segment

Six Months ended March 31, 2023 (October 1, 2022– March 31, 2023)

(Thousands of yen)

	Reportable segment				Adjustments (note i)	Amount recorded in consolidated financial statements (note ii)
	Solution	Platform	Incubation	Total		
Sales						
Sales to external customers	1,317,514	1,125,344	222,313	2,665,173	—	2,665,173
Intersegmental sales and transfers	109,128	13,221	—	122,350	(122,350)	—
Total	1,426,642	1,138,566	222,313	2,787,523	(122,350)	2,665,173
Segment profit (loss)	310,001	(31,336)	144,948	423,613	(202,145)	221,467

Notes:

- i. The adjustment of ¥(202,145) thousand in “segment profit (loss)” includes elimination of intersegment transactions and companywide costs not allocated to reportable segments.
- ii. “Segment profit (loss)” is consistent with operating profit recorded on the corresponding consolidated statement of income and statement of comprehensive income.

Six Months ended March 31, 2024 (October 1, 2023– March 31, 2024)

(Thousands of yen)

	Reportable segment				Adjustments (note i)	Amount recorded in consolidated financial statements (note ii)
	Solution	Platform	Incubation	Total		
Sales						
Sales to external customers	1,241,337	830,130	386,155	2,457,622	—	2,457,622
Intersegmental sales and transfers	25,340	19,848	—	45,189	(45,189)	—
Total	1,266,677	849,978	386,155	2,502,812	(45,189)	2,457,622
Segment profit (loss)	251,085	52,416	125,188	428,690	(202,074)	226,616

Notes:

- i. The adjustment of ¥(202,074) thousand in “segment profit (loss)” includes elimination of intersegment transactions and companywide costs not allocated to reportable segments.
- ii. “Segment profit (loss)” is consistent with operating profit recorded on the corresponding consolidated statement of income and statement of comprehensive income.