



## Consolidated Financial Results for the Six Months Ended March 31, 2023 [Japanese GAAP]

May 15, 2023

Company name: Aucfan Co., Ltd.

Stock Exchange Listing:  
Tokyo Stock Exchange

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

Representative: Shuichi Takenaga

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, 2023

(October 1, 2022–March 31, 2023)

#### (1) Consolidated Operating Results

(Percentages represent year-on-year changes)

Term ended	Net sales		Operating profit		Recurring profit		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	2,665	(9.6)	221	290.1	227	306.0	27	(20.6)
March 31, 2022	2,949	(36.5)	56	(92.8)	55	(93.1)	34	(93.4)

(Note) Comprehensive income: Six Months ended March 31, 2023: 63 million (–% year on year)  
Six Months ended March 31, 2022: (414) million (–% year on year)

Term ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	2.60	2.60
March 31, 2022	3.31	3.30

#### (2) Consolidated Financial Position

Term ended	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
March 31, 2023	6,868	4,620	67.2
September 30, 2022	7,350	4,557	62.0

(Reference) Equity capital: As of March 31, 2023 : 4,618 million  
As of September 30, 2022: 4,554 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, 2022	—	0.00	—	0.00	0.00
September 30, 2023	—	0.00	—	—	—
September 30, 2023 (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, 2023

(October 1, 2022–September 30, 2023)

(Percentages represent year-on-year changes)

Full-year	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
	4,900	(21.7)	350	8.6	320	2.4	15	(73.5)	1.42

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 : Yes
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, 2023 : 10,813,700 shares  
September 30, 2022 : 10,813,700 shares
2. Number of treasury shares at the end of the period  
March 31, 2023 : 216,990 shares  
September 30, 2022 : 216,990 shares
3. Average number of shares outstanding during the period  
Term ended March 31, 2023 : 10,596,710 shares  
Term ended March 31, 2022 : 10,474,859 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.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheet

(Thousands of yen)

	As of September 30, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	3,833,053	3,075,063
Accounts receivable – trade	350,725	453,371
Operational investment securities	1,398,374	1,459,202
Merchandise	47,206	59,183
Work in process	240	–
Supplies	558	564
Accounts receivable – other	587,465	556,585
Other	274,508	236,861
Allowance for doubtful accounts	(48,205)	(43,807)
Total current assets	6,443,928	5,797,025
Non-current assets		
Property, plant and equipment		
Buildings, net	44,117	40,169
Tools, furniture and fixtures, net	13,686	10,615
Other, net	3,630	2,761
Total property, plant and equipment	61,434	53,546
Intangible assets		
Goodwill	85,729	35,144
Software	315,850	421,231
Software in progress	136,353	93,229
Other	2,006	1,815
Total intangible assets	539,940	551,421
Investments and other assets		
Long-term loans receivable	24,083	19,101
Deferred tax assets	106,026	89,797
Investments in capital of subsidiaries and associates	13,400	40,600
Distressed receivables	298,303	298,303
Long-term accounts receivable	378,647	363,647
Other	161,209	317,240
Allowance for doubtful accounts	(676,950)	(661,950)
Total investments and other assets	304,719	466,738
Total non-current assets	906,094	1,071,706
Total assets	7,350,023	6,868,732
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	130,722	122,036
Short-term borrowings	1,100,000	840,000
Current portion of long-term borrowings	211,753	118,368
Income taxes payable	167,081	20,805
Accounts payable – other	746,729	765,710
Contract liabilities	158,620	152,507
Provision for bonuses	3,240	3,000
Provision for shareholder benefit program	–	1,013
Provision for loss on litigation	1,350	–
Other	75,701	56,136
Total current liabilities	2,595,197	2,079,578
Non-current liabilities		
Long-term loans payable	166,680	116,682
Deferred tax liabilities	–	11,382
Other	31,059	40,095
Total non-current liabilities	197,739	168,160
Total liabilities	2,792,937	2,247,738

(Thousands of yen)

	As of September 30, 2022	As of March 31, 2023
<b>Net assets</b>		
Shareholders' equity		
Capital stock	973,683	973,683
Capital surplus	907,859	907,859
Retained earnings	2,364,516	2,392,017
Treasury shares	(203,380)	(203,380)
Total shareholders' equity	4,042,679	4,070,180
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	511,496	547,918
Total accumulated other comprehensive income	511,496	547,918
Share acquisition rights	2,909	2,894
Total net assets	4,557,085	4,620,993
Total liabilities and net assets	7,350,023	6,868,732

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

(Thousands of yen)

	Six Months ended March 31, 2022 (October 1, 2021–March 31, 2022)	Six Months ended March 31, 2023 (October 1, 2022–March 31, 2023)
Net sales	2,949,408	2,665,173
Cost of sales	1,686,835	1,312,252
Gross profit	1,262,572	1,352,920
Selling, general and administrative expenses	1,205,797	1,131,453
Operating profit	56,774	221,467
Non-operating income		
Interest income	325	260
Exchange gain	1,057	5,297
Subsidy income	665	—
Commission income	116	1,411
Other	1,774	2,636
Total non-operating income	3,938	9,605
Non-operating expenses		
Interest expenses	4,051	2,941
Non-deductible consumption tax, etc.	488	324
Other	245	730
Total non-operating expenses	4,784	3,996
Recurring profit	55,928	227,077
Extraordinary income		
Gain on reversal of share acquisition rights	3,676	14
Other	77	—
Total extraordinary income	3,753	14
Extraordinary losses		
Loss on retirement of non-current assets	20	248
Related to costs of special investigation committee and amendments to past financial years statements	—	193,976
Total extraordinary losses	20	194,225
Profit before income taxes	59,662	32,866
Income taxes - current	14,790	14,138
Income taxes - deferred	10,219	(8,772)
Total income taxes	25,010	5,365
Net profit	34,652	27,500
(Breakdown)		
Profit attributable to owners of parent	34,652	27,500
Other comprehensive income		
Valuation difference on available-for-sale securities	(449,105)	36,421
Total other comprehensive income	(449,105)	36,421
Comprehensive income	(414,452)	63,922
(Breakdown)		
Comprehensive income attributable to owners of parent	(414,452)	63,922

## (3) Consolidated Statement of Cash Flows

(Thousands of yen)

	Six Months ended March 31, 2022 (October 1, 2021–March 31, 2022)	Six Months ended March 31, 2023 (October 1, 2022–March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	59,662	32,866
Depreciation	79,869	92,474
Amortization of goodwill	50,584	50,584
Increase (decrease) in allowance for doubtful accounts	(3,941)	(19,397)
Increase (decrease) in provision for point card certificates	(12,748)	—
Increase (decrease) in provision for loss on litigation	—	(1,350)
Increase (decrease) in provision for shareholder benefit program	—	1,031
Interest and dividend income	(325)	(260)
Interest expenses	4,051	2,941
Decrease (increase) in trade receivables	212,157	(102,646)
Decrease (increase) in investment securities for Sale	(91,306)	11,978
Decrease (increase) in inventories	(88,399)	(11,743)
Increase (decrease) in long-term accounts receivable - other	—	15,000
Increase (decrease) in trade receivable	46,447	(1,639)
Increase (decrease) in accounts payable - other and accrued expenses	(104,821)	18,981
Loss on retirement of non-current assets	20	248
Related to costs of special investigation committee and amendments to past financial years statements	—	193,976
Other	(3,806)	19,081
Subtotal	147,443	302,110
Interest and dividends received	325	256
Interest expenses paid	(3,964)	(2,769)
Related to costs of special investigation committee and amendments to past financial years statements	—	(193,976)
Income taxes (paid) refund	53,045	(138,090)
Net cash provided by (used in) operating activities	196,850	(32,469)
<b>Cash flows from investing activities</b>		
Payments for investments in capital of subsidiaries and associates	—	(27,200)
Proceeds from collection of loans receivable	4,982	4,982
Purchase of securities	(4,168)	(831)
Purchase of intangible assets	(123,090)	(154,235)
Proceeds from collection of guarantee deposits	100	—
Payments for guarantee deposits	(1,800)	(158,662)
Guarantee deposits received	—	13,150
Refund of guarantee deposits received	—	(3,150)
Other	14,850	—
Net cash provided by (used in) investing activities	(109,125)	(325,945)

	(Thousands of yen)	
	Six Months ended March 31, 2022 (October 1, 2021–March 31, 2022)	Six Months ended March 31, 2023 (October 1, 2022–March 31, 2023)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	—	340,000
Repayments of short-term borrowings	—	(600,000)
Repayments of long-term borrowings	(159,988)	(143,383)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	178,818	—
Repayments of lease obligations	(901)	(932)
Net cash provided by (used in) financing activities	17,929	(404,315)
Effect of exchange rate change on cash and cash equivalents	(1,115)	4,740
Net increase (decrease) in cash and cash equivalents	104,539	(757,989)
Cash and cash equivalents at beginning of period	3,096,874	3,833,053
Cash and cash equivalents at end of period	3,201,413	3,075,063

3. Sales, profit (loss), assets, liabilities, and other items by reportable segment  
Six Months ended March 31, 2022 (October 1, 2021–March 31, 2022)

(Thousands of yen)

	Reportable segment				Adjustments (note i)	Amount recorded in consolidated financial statements (note ii)
	Inventory Management Solution	Merchandise Distribution Platform	Incubation	Total		
<b>Sales</b>						
Sales to external customers	1,056,334	1,677,598	215,475	2,949,408	—	2,949,408
Intersegmental sales and transfers	52,574	53,367	—	105,942	(105,942)	—
<b>Total</b>	<b>1,108,908</b>	<b>1,730,966</b>	<b>215,475</b>	<b>3,055,350</b>	<b>(105,942)</b>	<b>2,949,408</b>
<b>Segment profit</b>	<b>236,562</b>	<b>(75,303)</b>	<b>120,305</b>	<b>281,563</b>	<b>(224,788)</b>	<b>56,774</b>

Notes:

- i. The adjustment of ¥(224,788) 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, 2023 (October 1, 2022– March 31, 2023)

(Thousands of yen)

	Reportable segment				Adjustments (note 1)	Amount recorded in consolidated financial statements (note 2)
	Inventory Management Solution	Merchandise Distribution Platform	Incubation	Total		
<b>Sales</b>						
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)	—
<b>Total</b>	<b>1,426,642</b>	<b>1,138,566</b>	<b>222,313</b>	<b>2,787,523</b>	<b>(122,350)</b>	<b>2,665,173</b>
<b>Segment profit</b>	<b>310,001</b>	<b>(31,336)</b>	<b>144,948</b>	<b>423,613</b>	<b>(202,145)</b>	<b>221,467</b>

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.