

Financial Results

Q3 FY09/25

Aucfan Co., Ltd. <3674>
August 14, 2025



Q3 Financial Results: Executive Summary



<Consolidated Results>

- Compared to the same period last year, **net sales experienced a slight decline, and operating profit saw a notable decrease**
 - Net sales: 3,544 million yen (YoY 98%)
 - Operating profit: 29 million yen (YoY 10%)
- With medium- to long-term growth in view, we are **promoting a business shift from existing businesses to overseas businesses**, and making **upfront investments in overseas businesses** such as NETSEA MallLive*₁ and AP LAB*₂.



<Revision of Consolidated Earnings Forecast>

- **OEM private brand AP LAB**, utilizing goods procured from China, is **growing steadily** Sold through TikTok Shop, Amazon, etc., it is expected to become a **core business in fiscal year ending September 2026**
- Therefore, in fiscal year ending September 2025, **resources and costs will be allocated for upfront investment**

Based on the above factors, **the consolidated earnings forecast has been revised downward**



<Shareholder Returns>

- **Partial expansion of shareholder benefits**

*1 NETSEA MallLive: Live commerce-related service, see p. 19 for details

*2 AP LAB: Sales of OEM private brand products using Chinese goods, see p. 11 to 12 for details

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aucfan

1 Financial Highlights in Q3 FY09/25

Consolidated Results: Highlights

Solutions Business progressing steadily

Consolidated earnings declined in both sales and profit due to upfront investments in overseas business

(Millions of yen)	Cumulative Q3 results		
	FY09/24	FY09/25	YoY
Net sales	3,626	3,544	98%
-Solutions	1,929	2,176	113%
-Platform	1,270	1,215	96%
-Incubation	507	292	58%
-Administrative division, consolidated adjustments	▲80	▲140	-
Gross profit	2,037	1,728	85%
-Solutions	756	844	112%
-Platform	961	869	90%
-Incubation	461	154	33%
-Administrative division, consolidated adjustments	▲142	▲139	-
Operating profit	286	29	10%
-Solutions	378	481	127%
-Platform	83	▲0	-
-Incubation	132	▲153	-
-Administrative division, consolidated adjustments	▲308	▲297	-
Recurring profit	311	50	16%
Net income	210	▲31	-

【Factors behind YoY change】

■ Platform business

- NETSEA^{*1}: Although GMV decreased due to promotion cost optimization, cumulative Q3 results showed increased revenue and **secured operating profit** thanks to profitability improvement measures implemented in the previous year
- Meanwhile, **SG&A expenses increased** in the following two new businesses

(1) Live commerce service NETSEA MallLive

Integrated with TikTok Shop system, enabling automation of inventory updates and sales status.
Strong start

(2) OEM private brand AP LAB

Sales began in January, with a smooth launch generating revenue
Upfront investments incurred to establish sales of new products

■ Incubation Business

- Investment: **Continued holding stance for operational investment securities such as operational investments**, with sales proceeds below previous year

■ Other major factors of increase/decrease up to Q2

- Solutions business : The website "aucfan.com ^{*2}" recorded higher revenues due to the price revision implemented in July 2024.
- Solutions business : Within "aucfan marketing (advertising operations) ^{*3}" the company received favorable client evaluations for its proposal and operational capabilities, leading to an expansion of advertising placements for existing products. Advertising spend continued to reach record highs, and both revenue and operating income increased in aucfan marketing.
- Platform business : "NETSEA Auction ^{*4}" saw a significant downturn in revenue and profit, driven by a decrease in returned merchandise from major suppliers. The discontinued at the end of March 2025 as of the end of March 2025.
- In the "Overseas Business", a conservative accounting approach was applied during consolidation, resulting in the expensing of software assets held by an overseas subsidiary.

■ Net income

- Recorded net loss due to special losses from withdrawn businesses and corporate taxes

*1 NETSEA : One of Japan's largest B2B wholesale purchasing platforms (see P35)

*2 aucfan.com : Provides market price quotations for online shopping and auctions, as well as a statistical price comparison service (see P31)

*3 aucfan marketing : Marketing support services for EC businesses (see P33)

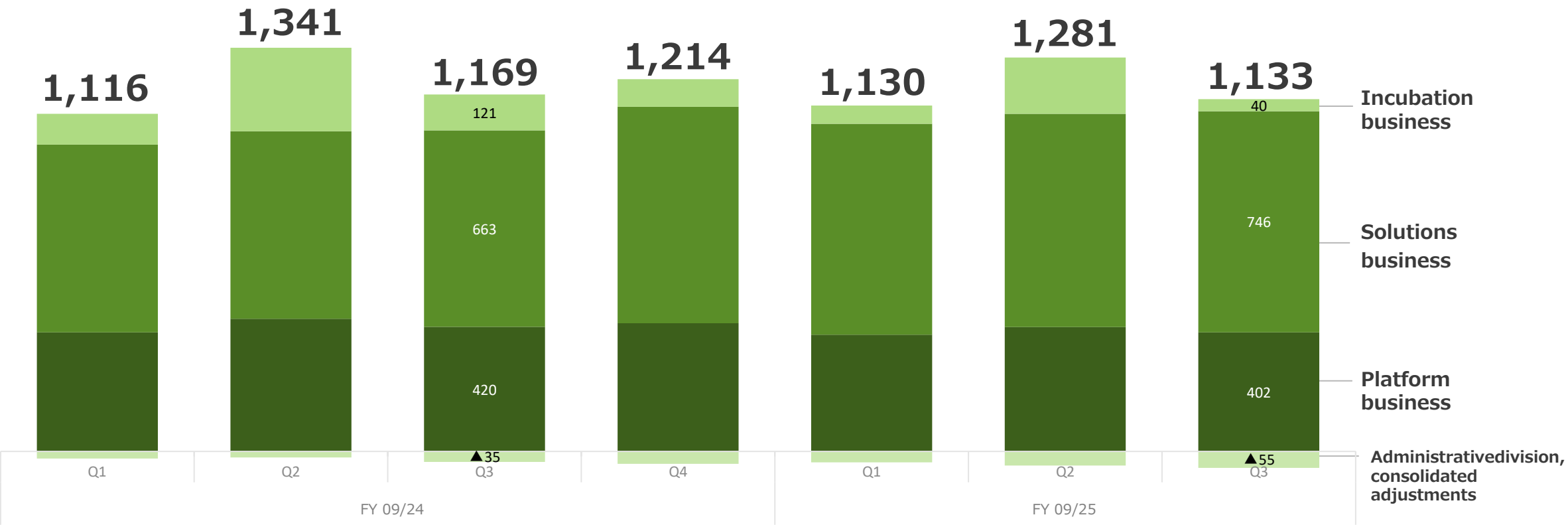
*4 NETSEA Auction : Inventory liquidation support service focused on returned or outdated items and slow-moving inventory, etc.

Net sales

While investment sales in the Incubation Business declined, the Solutions Business grew strongly, was largely flat in consolidated net sales.

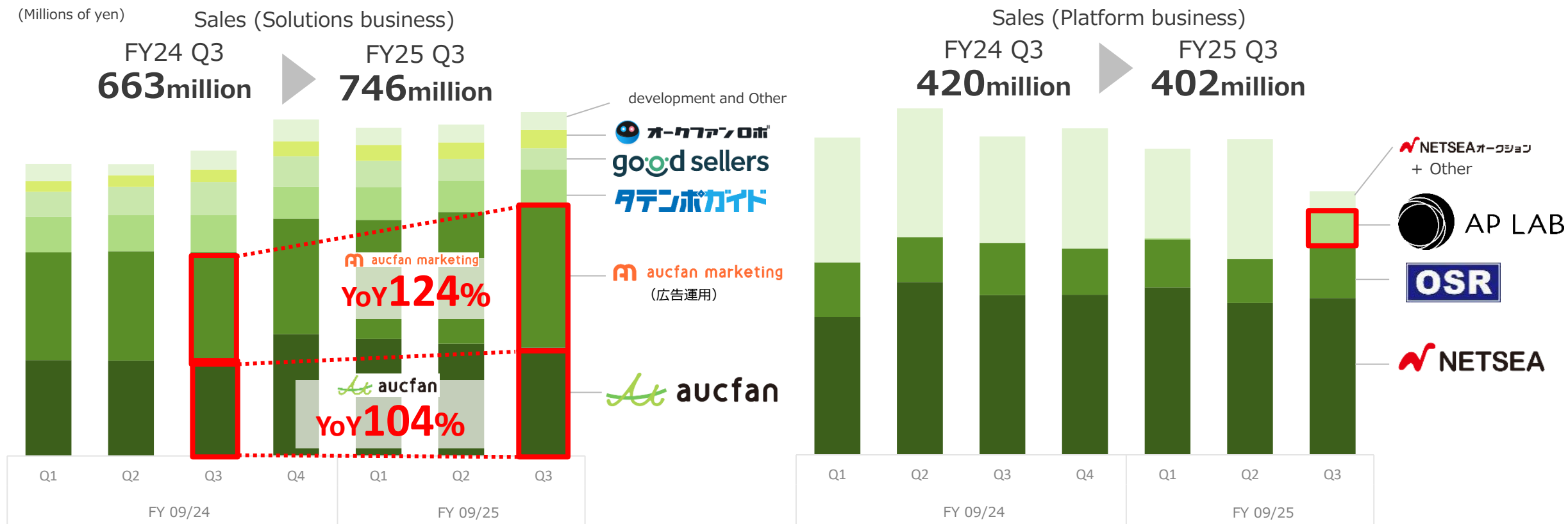
(Millions of yen)

Net sales



Net sales (Platform business, Solutions business)

Among major domestic services, **sales in the Solutions business increased** year-on-year.
In the Platform Business, overseas business **AP LAB** generated sales

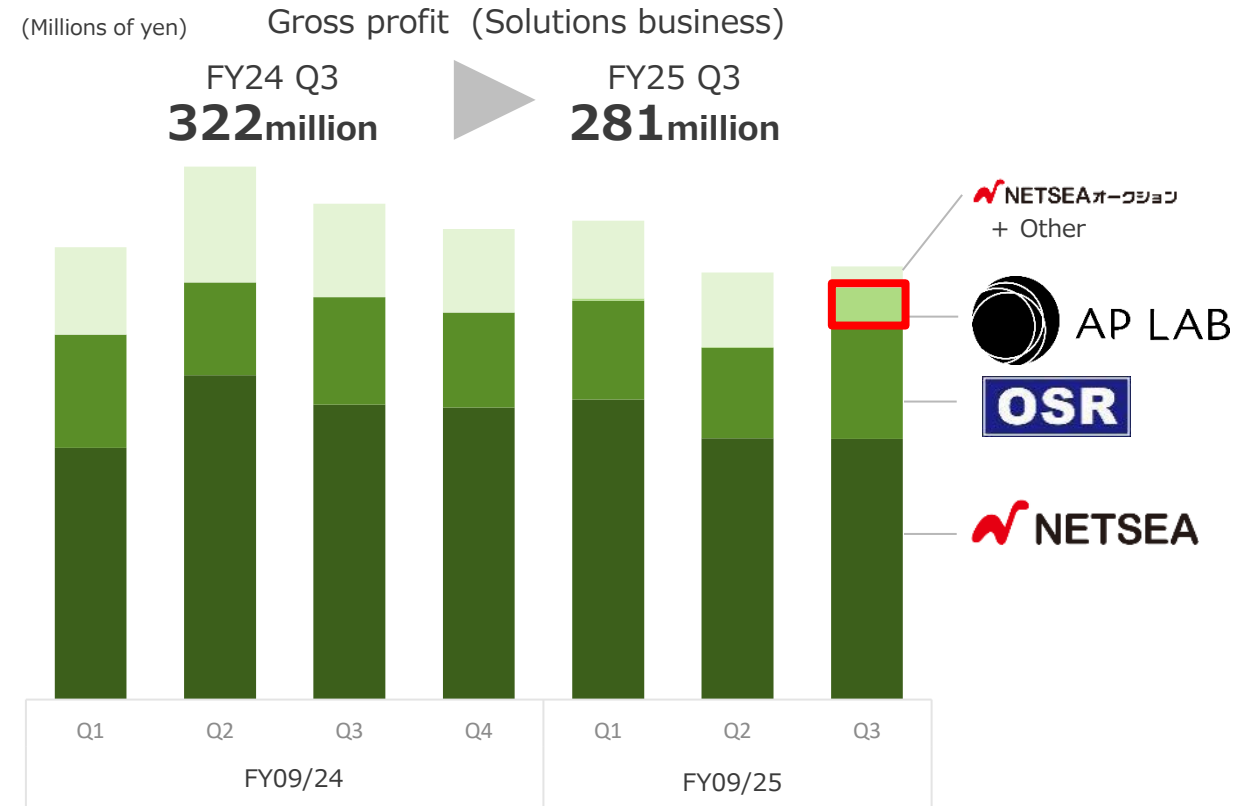
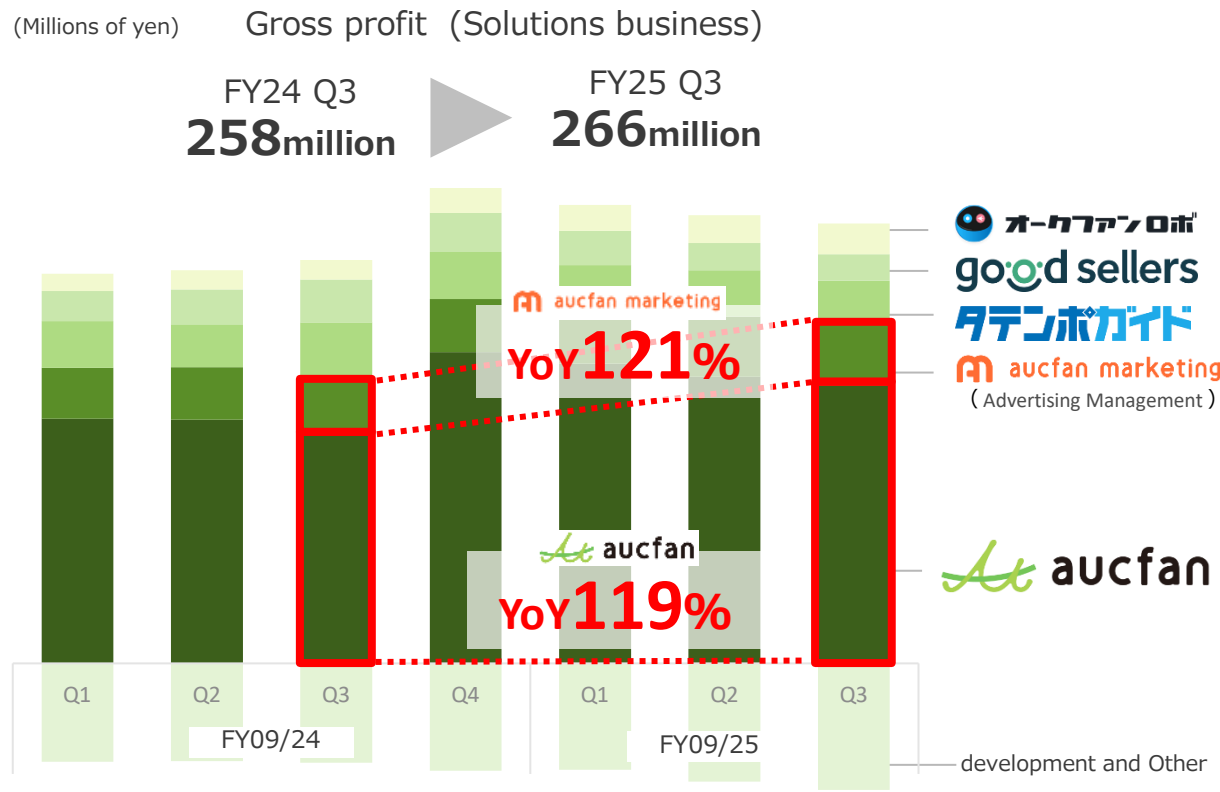


- Subscription revenue from aucfan.com saw an increase
- Advertising spend in aucfan marketing (advertising operations) reached a record high

- Sales declined in **NETSEA auction** due to a reduction in returned merchandise
- Overseas business **AP LAB** has started generating sales

Gross Profit is Linked to Net Sales

Compared to the same period last year, the Solution Business increased, and the overseas business AP LAB also generated gross profit



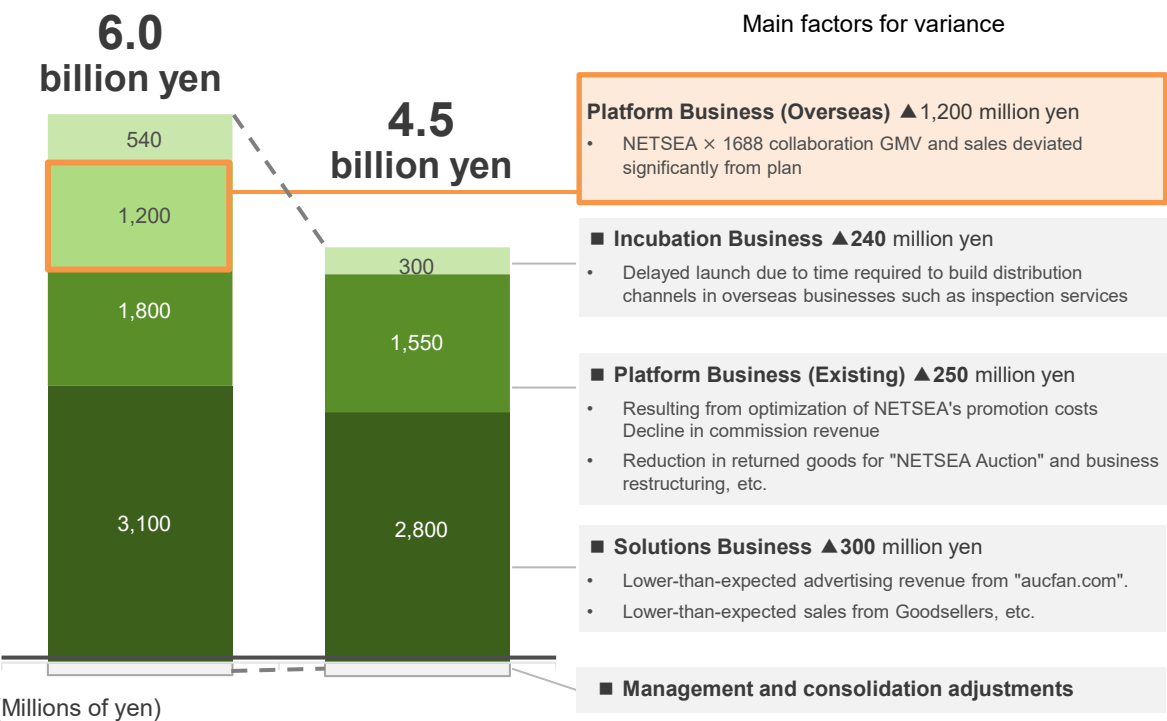


2 Revisions to Consolidated Earnings Forecast for Fiscal Year Ending September 2025

Overseas business launched smoothly, but discrepancies from the plan arose
Selection and concentration carried out in existing businesses

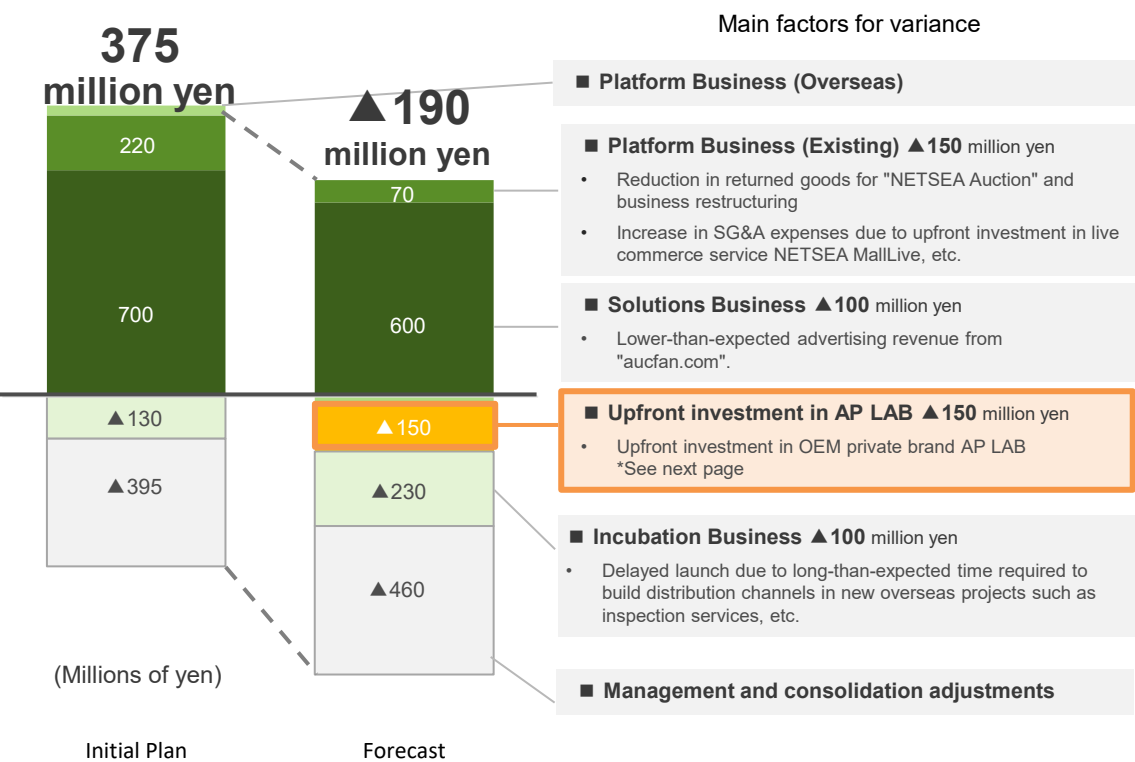
Net Sales

NETSEA × 1688 collaboration fell significantly short of plan



Operating Profit

Increase in upfront investments
for overseas businesses AP LAB and NETSEA MallLive

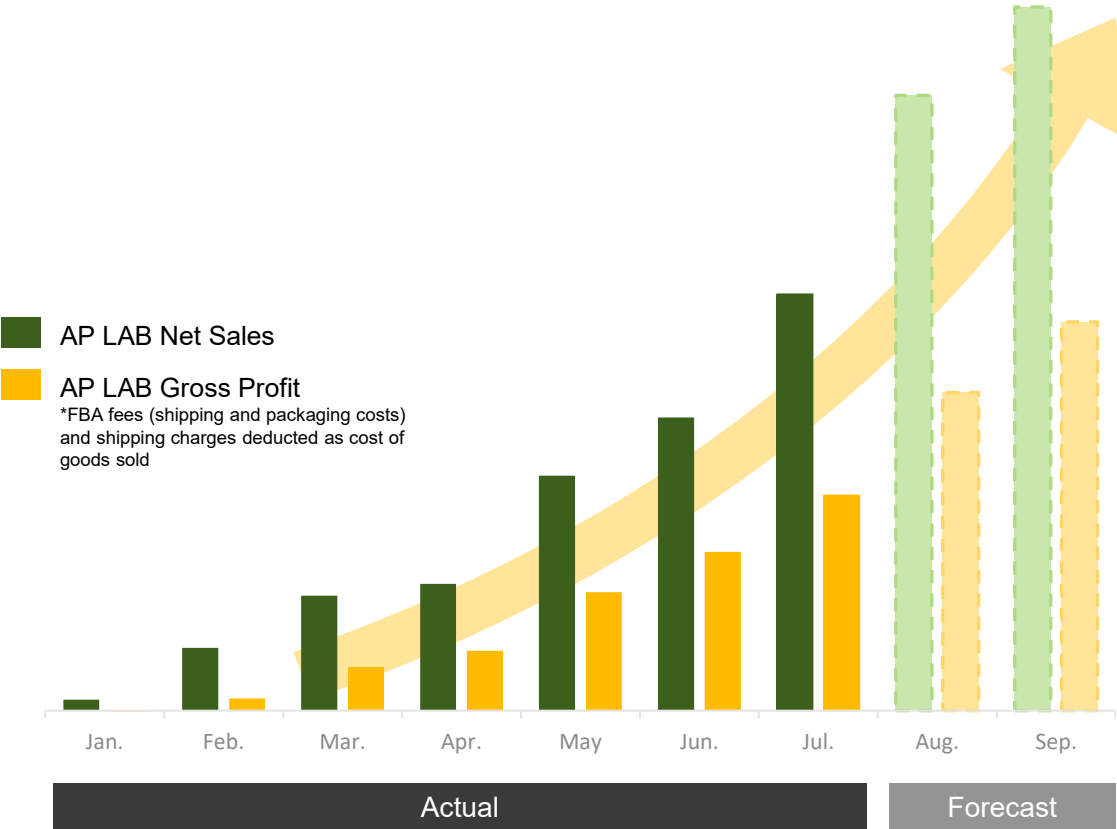


Initial Plan

Forecast

Intensive upfront investments conducted during the current fiscal year
to make AP LAB a core revenue service from the next fiscal year onward

AP LAB Net Sales and Gross Profit Trends



Upfront Investment Details Related To Product Launches

Research and product planning costs

Branding expenses

Sales promotion expenses

etc.



Reasons for Revisions to Consolidated Earnings Forecast for Fiscal year Ending September 30, 2025

About AP LAB

What is AP LAB

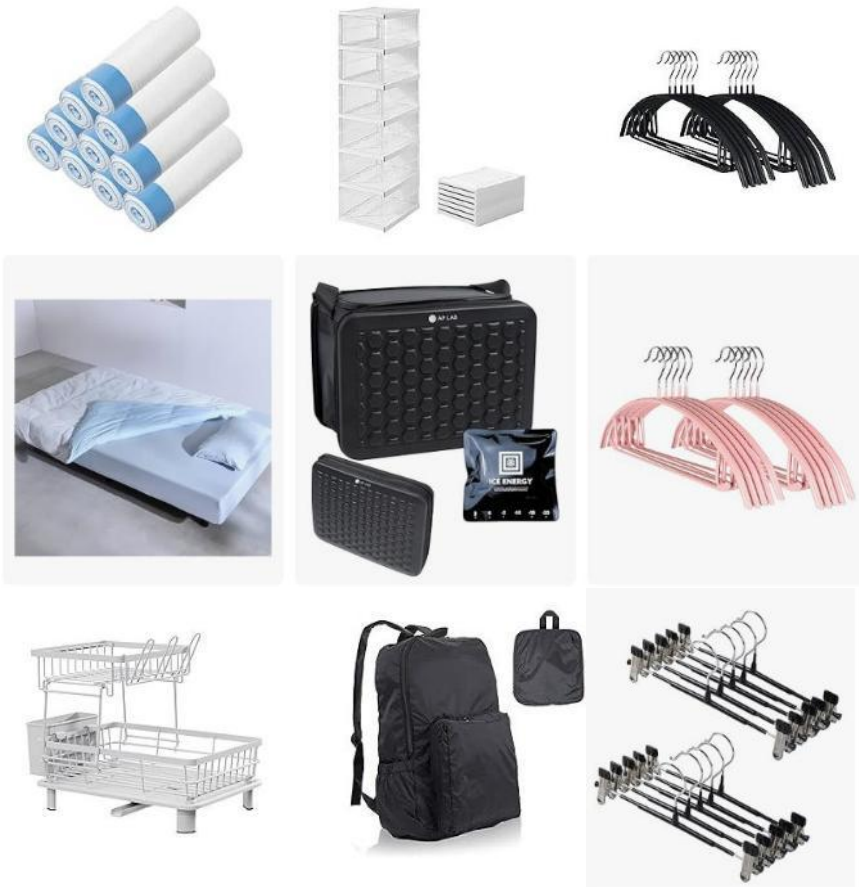


An in-house brand with the mission to rediscover the "essential value" of things and deliver it to our customers. By leveraging direct procurement from factories and OEM production, we plan to develop a wide range of original products that enrich lifestyles by realizing product development that eliminates waste.

[Features and brand vision]

- Efficient value distribution that seamlessly connects factories and consumers
- "Gratitude toward manufacturing" and the "promotion of a recycling-oriented society"
- Data-driven trend analysis and product development
- A diverse product lineup that offers "better options"
- The Future of AP LAB - "Enriching society through value recognition"

Example of Bestselling Products



Reasons for Revisions to Consolidated Earnings Forecast for Fiscal year Ending September 30, 2025

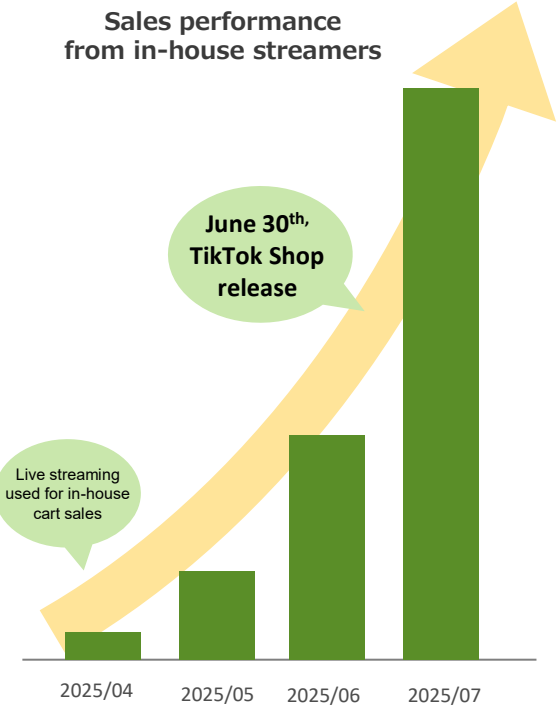
TikTok Shop released on June 30, full-scale live commerce business rollout from July
Live commerce GMV*₁ reached **10 million yen in the first month**

Live Commerce business : Overview



Sales performance and figures from in-house streamers*₂

Sales performance from in-house streamers



*1: GMV of products sold via live commerce and short videos, including own TikTok Shop (in-house streamer broadcasts) and OSR offline exhibitions with buyer live-stream sales
*2: In preparation for TikTok Shop release, employees conducted test marketing as streamers to gauge market sentiment and understand user needs

Reasons for Revisions to Consolidated Earnings Forecast for Fiscal year Ending September 30, 2025

Consolidated **net sales revised to 4.5 billion yen**, operating loss revised to **190 million yen**

Also revised to a **net loss of 360 million yen** due to **reversal of deferred tax assets of consolidated subsidiaries**, etc.

(Millions of yen)	Initial Forecast FY09/25	After Revision FY09/25	Increase/ decrease	rate of increase/ decrease
Net sales	6,000	4,500	▲1,500	75%
-Solutions	3,100	2,800	▲300	90%
-Platform	2,500	1,550	▲950	62%
-Incubation	540	300	▲240	56%
- Administrative division, consolidated adjustments	▲140	▲150	▲10	-
Gross profit	3,400	2,100	▲1,300	62%
-Solutions	1,300	1,100	▲200	85%
-Platform	1,800	1,100	▲700	61%
-Incubation	500	150	▲350	30%
-Administrative division, consolidated adjustments	▲200	▲250	▲50	-
Operating profit	375	▲190	▲565	-%
-Solutions	700	600	▲100	86%
-Platform	200	▲100	▲300	-
-Incubation	▲130	▲230	▲100	-
-Administrative division, consolidated adjustments	▲395	▲460	▲65	-
Recurring profit	360	▲170	▲530	-
Net income	190	▲360	▲550	-

- Recording of special losses associated with business withdrawal
- Additional tax expenses due to reassessment of recoverability of deferred tax assets of major consolidated subsidiaries



Expansion into Overseas BtoB Markets Based in Greater China

From JAPAN (1)Yiwu Market Japan Pavilion • NETSEA CHINA

Incubation Business

From Japan to China and the World

From China to Japan and the World

To JAPAN

Product offerings (2)Chinese product exhibition events TOPIC P18
「 Osaka Yiwu Market 」 「 Alibaba 1688 Selection」

(3)NETSEA × 1688collaboration

Sales Channel
Expansion

(4) Live Commerce TOPIC P19

(5)AP LAB(OEM In-House Brand Development)

Platform business

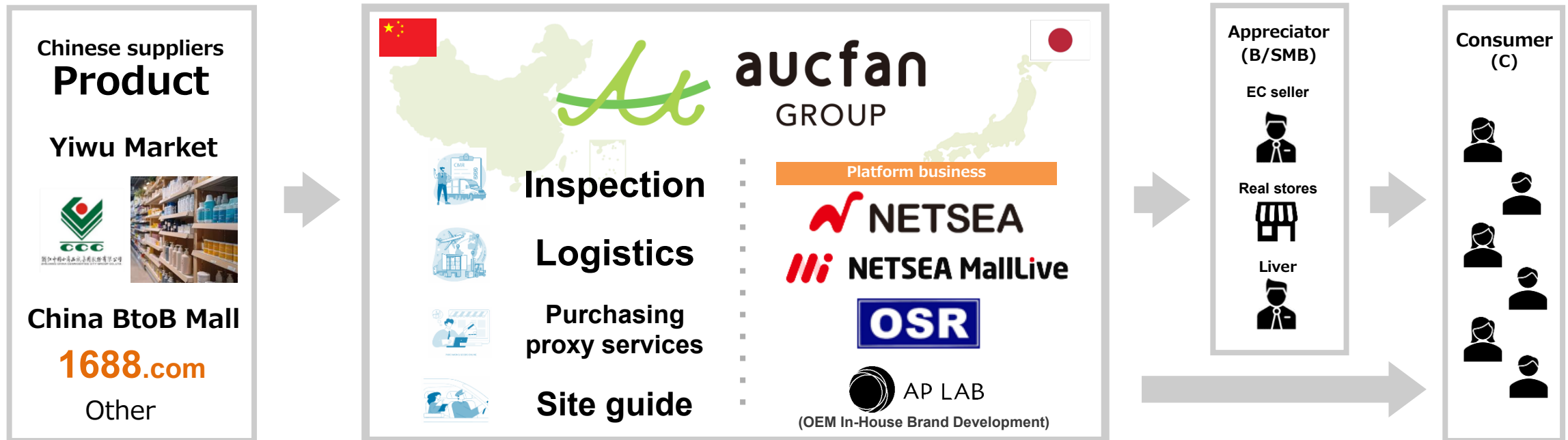
*1 Osaka Yiwu Market: Referred to as "Japan Yiwu Selection"
in "Supplementary Materials for Q2 Results for Fiscal 2025" published on May 15, 2025
Name changed during project progress.

*Because the Overseas Business is being undertaken as a new business, it is being promoted within the Incubation Business at the planning stage. However, once the services are launched and the commercial distribution is finalized, they will be developed under the platform business according to the attributes of the transactions.

A diverse range of Greater China products (Yiwu Market, Alibaba 1688, and others)
are **distributed domestically**
through **group services** (including NETSEA, OSR, and live commerce)

1. Product offerings

2. Sales Channel Expansion



Establishing the appreciator^{*1} network

^{*1} Appreciator: A term we use to define our customer segment (Small B: sole proprietors, side business operators, influencers, etc.) See p. 23 for details.

To JAPAN	Product offering	(2)Chinese product exhibition events 「Osaka Yiwu Market」 「Alibaba 1688 Selection」
	Sales Channel Expansion	(3)NETSEA × 1688collaboration (4) Live Commerce (5)AP LAB(OEM In-House Brand Development)

June 2025: Opened **“Osaka Yiwu Market”** and held opening ceremony

About 70 attendees including Deputy Mayor of Yiwu, China, government officials from Japan and China, related companies, and Group customers



Through active exchanges with Group customers, shared issues and expectations for future market expansion and distribution network building

Overseas Business: Topics2- (4) Live Commerce

Platform business

To JAPAN

Product offerings (2) Chinese product exhibition events
「Osaka Yiwu Market」 「Alibaba 1688 Selection」
(3) NETSEA × 1688 collaboration
(4) Live Commerce
(5) JAP LAB (OEM In-House Brand Development)

On June 30, 2025, coinciding with TikTok Shop launch Opened TikTok Shop store NETSEA MallLive

Live Commerce business : Overview



Live commerce GMV*1 reached 10 million yen in the first month

※1 : GMV of products sold via live commerce and short videos, including own TikTok Shop (in-house streamer broadcasts) and OSR offline exhibitions with buyer live-stream sales

TikTok Shop Store



To JAPAN	Product offerings	(2) Chinese product exhibition events [Osaka Yiwu Market] [Alibaba 1688 Selection]
		(3) NETSEA × 1688 collaboration
	Sales Channel Expansion	(4) Live Commerce
		(5) JAP LAB (OEM In-House Brand Development)

China-origin TikTok Shop analytics tool

Certified as official domestic distributor of **Kalodata**

Live Commerce business : Overview



Sold to manufacturers and streamers

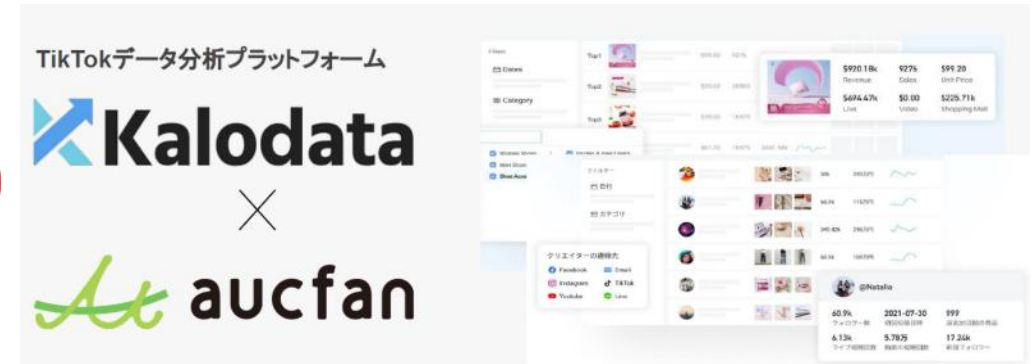
■ Operating company
Gaofan Polang Technology (Zhejiang) Co., Ltd.

■ Fees
 Starter Plan 8,499 yen/month
 Pro Plan 16,999 yen/month
 Enterprise Plan 71,999 yen/month

■ Inquiries and Free Trials

<https://go.aucfan.com/kalodata/request>

Kalodata



カテゴリー分析

商品カテゴリーごとの収益・成長率・競合状況を可視化し、今注目すべきブルーオーシャンや急成長分野の特定が可能です。

商品分析

全商品の売上ランキング、新商品の注目度、ポテンシャルの高いアイテムを可視化。"バズった"動画の視聴も可能で、成功したマーケティング戦略を分析できます。

ショップ分析

人気TikTok Shopアカウントの売上推移、取扱商品、連携クリエイターなどを一括把握。競合ショップの戦略研究にも活用できます。

クリエイター分析

売上上位・急成長中・新人クリエイターなどを軸に、関連する商品、収益、投稿動画、人気コンテンツなどを詳細に把握できます。



Shareholder benefits

Partially expanded shareholder benefit program, reinstated in fiscal 2024

Eligible
shareholders

Shareholders holding three units (300 shares) or more of the Company’s stock as recorded in the shareholder registry as of the record date of September 30 of each year

Overview of
shareholder benefits

The Company will gift a **QUO Card***1 equivalent to the amount listed below, in accordance with the number of shares held and the holding period, upon shareholders’ request.

Number of shares held	Held for less than one year	Held for one year or more
300 shares or more	1,000 yen	1,500 yen
500 shares or more	3,000 yen	5,000 yen
1,000 shares or more	7,500 yen	12,000 yen



*1: We plan to present it as a digital gift, “QUO Card Pay.”

Gift period

Scheduled for December each year

Dividends

We continue considering paying dividends, taking into account the market environment surrounding the Company and the global situation.



CORPORATE IDENTITY

We define our customers—including SmallB (sole proprietors), side-business owners, and influencers, as **Appreciator** and we are **expanding our target audience to include SNS live streamers** in addition to existing users of aucfan.com and NETSEA.

We Are
Appreciators!

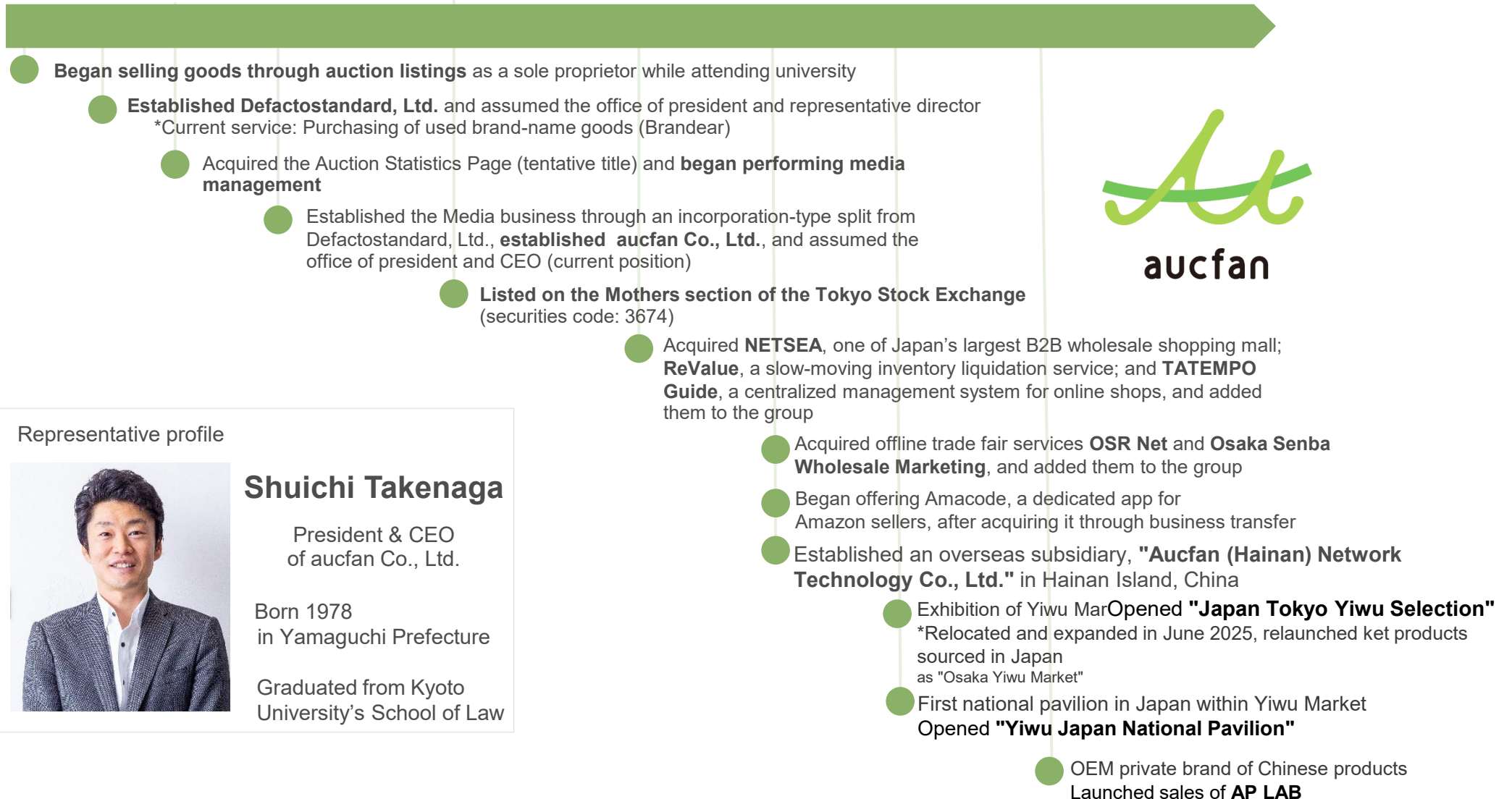
Re-Infra Company





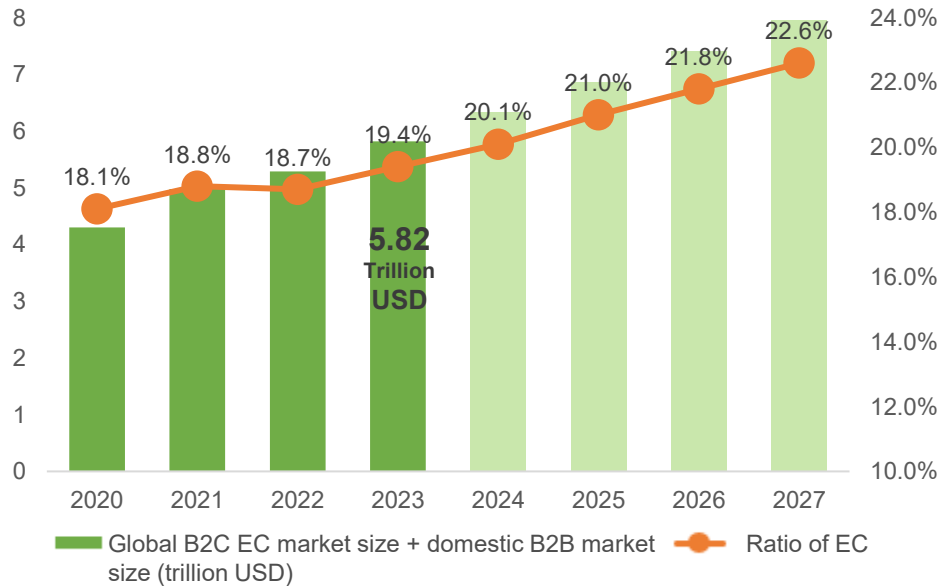
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Consistent business development from university startup to present

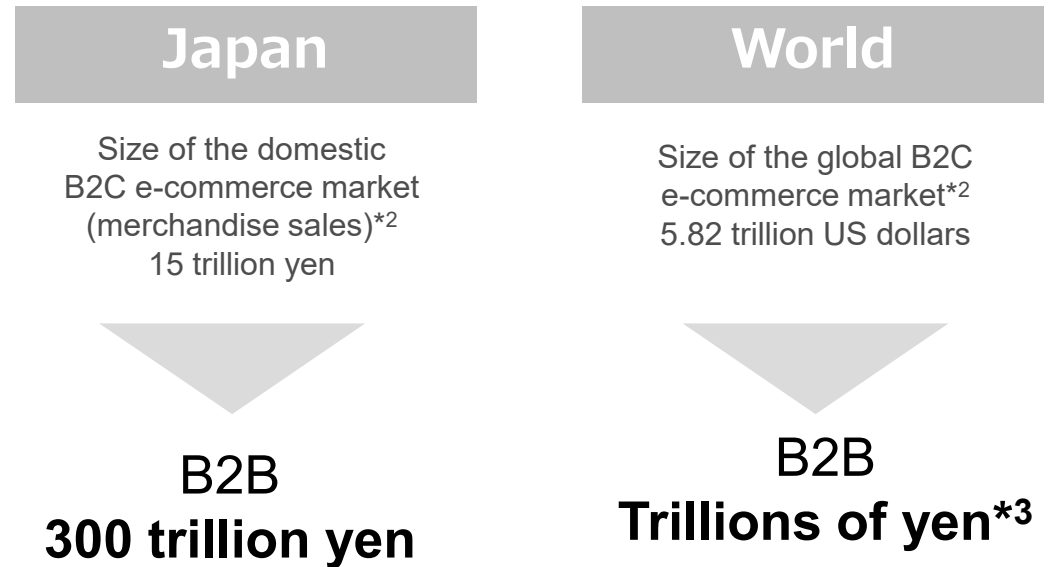


B2B wholesale market, including overseas markets, is worth 3,000 trillion yen

Global B2C market scale*1



Global B2B wholesale market scale



*1 From E-Commerce Market Survey (<https://www.meti.go.jp/press/2024/09/20240925001/20240925001-1.pdf>) conducted by the Ministry of Economy, Trade and Industry and released on September 25, 2024, p. 97, "Figure 7.4: Global B2C e-commerce market size (unit: trillion of US dollars)"

*2 Same as above, p. 31, "Figure 4.3: B2C e-commerce market size in merchandise sales"

*3 The Company estimated the global B2C market size, based on the size comparison of the domestic B2C e-commerce market and the domestic B2B wholesale market

Development of various services in the following three business segments

Solutions business



Provides market price quotations for online shopping and auctions, as well as a statistical price comparison service



Marketing support services for EC businesses



Centralized management system for online shops



Side job support service



No specialized knowledge required
RPA tool

Platform business



B2B wholesale purchasing platforms



Trade fair service operators based in Osaka Senba district



AP LAB

OEM brand development through procurement from China

Incubation business



Aucfan Incubate

Investment business
Other new business development

Hybrid earnings model of fees obtained through SaaS, fee income predicated on GMV, and sales revenue

Solutions

ARR^{*1}
(billing amount)

Number of accounts

×

Annual billing amount

Main target services



Platform

Fee income
Predicated on **GMV**

GMV

×

Take rate

Main target services



*1: Abbreviation for Annual Recurring Revenue.



Provides market price quotations for online shopping and auctions, as well as a statistical price comparison service

Usage fee: **No fee**
 Note: Premium service charges a monthly fee of 2,000 yen (excluding tax) *From July 2024

Functions provided: Bulk searching for online shopping and auctions, searching for previous successful bidding prices, auction listing support tools



Note: As of June 2025

Business model



The Company

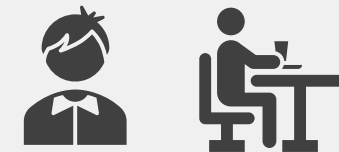


Provides cloud services



Pays monthly fees
 (for paid service use)

* See next page for paid service



Individual and SMB
 customers



Paid Services

aucfan Premium



Premium features to make better use of aucfan.com

Usage fees: 2,000 yen per month (excluding tax) *From July 2024

Functions provided: 10 years' worth of successful bids search, time frame summary search, bid reservation tool, My Bookmarks, search alerts, easy listing tool, listing template saving, etc.

aucfan Pro Plus



Market price search and data analysis tools for professionals

Usage fees: 10,000 yen per month (excluding tax)

Functions provided: Yahoo! shopping analysis, auction market price search and data analysis, Amazon research, global e-commerce site comparison, provision of other e-commerce support tools, etc.

aucfan Robo



RPA tools that even users without specialized knowledge can operate intuitively

Usage fees: From 120,000 yen per month (excluding tax)

Usage examples: Back-office operations including research concerning competitors, inventory ordering, order processing, shipping invoice preparation, and personnel- and labor-related operations, etc.



auctan marketing (auctan marketing)

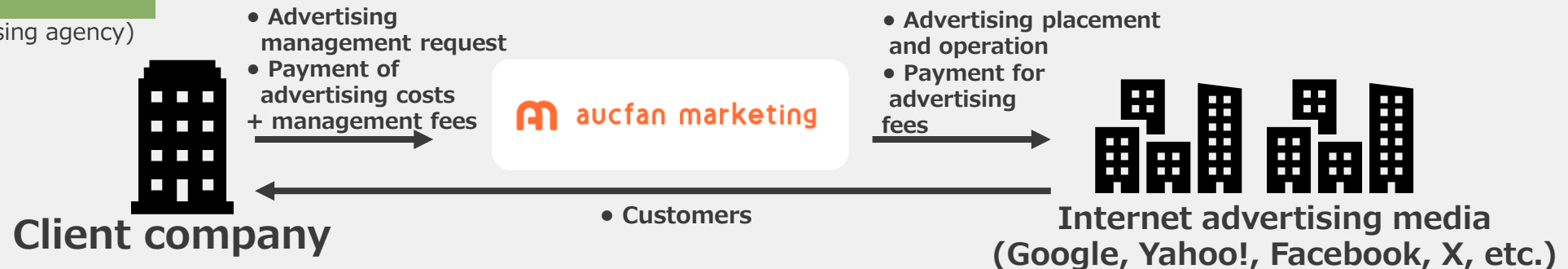
Marketing support services for EC businesses

- Price and commission: Individual estimation
- Support services: Advertising management, web analysis, creative production, SEO email newsletter writing, YouTube channel management, marketing strategy planning, LP improvement, branding, etc.
- Special features:
 - (1) Rapid and high-quality operation system that spares no resources.
 - (2) Achievement of goals through sales-committed KPI setting
 - (3) Creation of LPs and banners necessary to improve results in attracting EC customers
- Examples:
 - A major sports club listed on the First Section of the Stock Exchange (in operation for over 7 years)
 - A major cosmetics company (in operation for over 3 years)



Business model

(For advertising agency)



go:gd sellers (Goodsellers)

A side business support service that creates a place where people can continue to experience the essential fun of business transaction

Usage fee: Varies according to each individual service

Example: eBay cross-border e-commerce seller training program



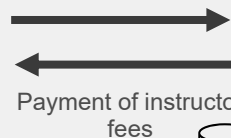
Information session content:

- Teaching materials for export businesses (registration)
- Teaching materials for export businesses (practical exercises)
- List of 15 products with price differences in export businesses
- Discount coupons for ReValue BtoB Mall



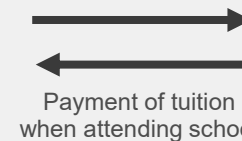
Business model

- Professional and practical expertise
- Proper tool use
- Advice



- Provides side-business expertise
- Provides a community
- Side-business support school

Note: for applicants only



SMBs

(side businesses and sole proprietors)



One of Japan's largest B2B wholesale purchasing platforms

Usage fee: Suppliers: 25,000 yen monthly (excluding tax) plus a contract commission of 8.5–10.5%

Buyers: **No fee***1

Features: About 500,000 registered buyer companies
Annual distribution value of about 10 billion yen

Note: As of June 2025



Business model



*1 The NETSEA Prime service charges fees



OSR Net and Osaka Senba Wholesale Marketing

Trade fair service operators based in Osaka Senba district

- Usage fee: Suppliers: 10,000 yen monthly (excluding tax)
Plus basic booth fees for permanent display:
15,000 yen monthly (excluding tax)
Plus commissions on receivables collection: 5%

* 50,000 yen deposit charged separately when commencing display (returned at contract termination)

Buyers: No fee

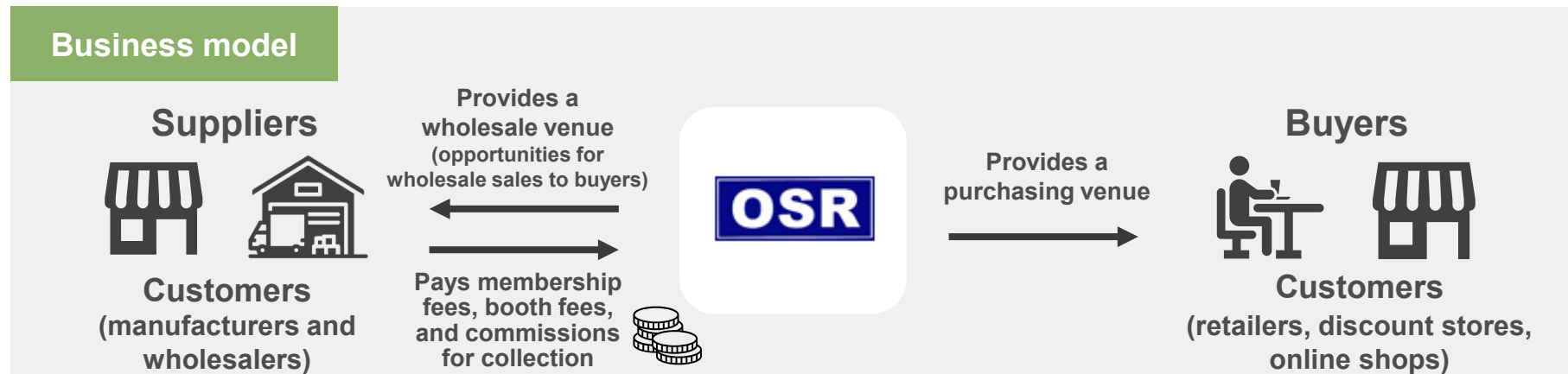
- Features: Holds trade fairs and provides opportunities for business negotiations on the first Sunday, Monday, and Tuesday, and the third Monday and Tuesday of each month

Annual GMV of approximately 3.0 billion yen

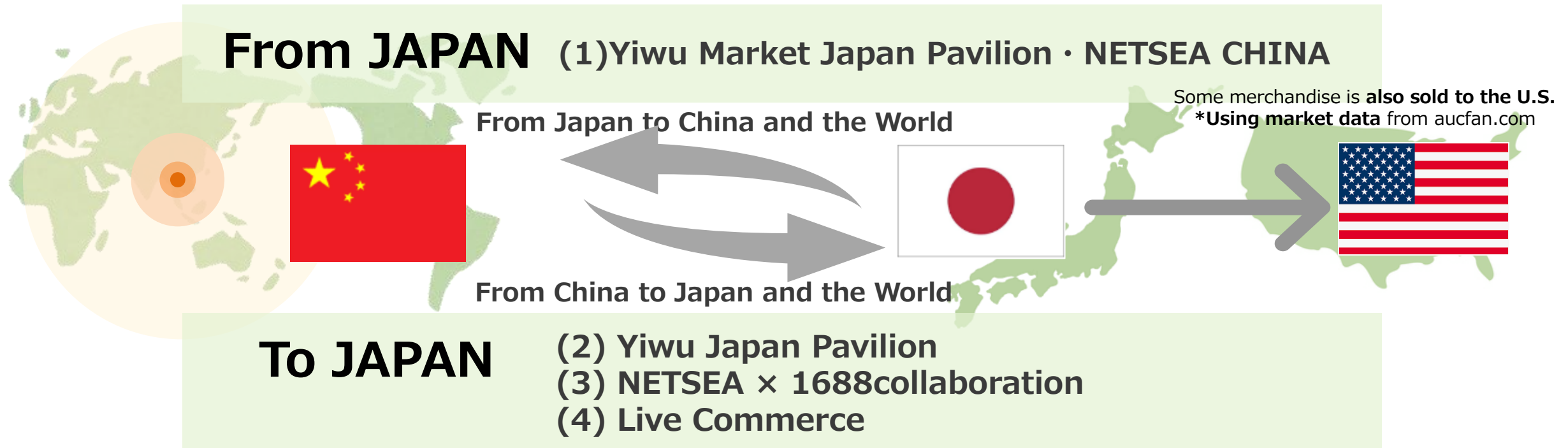
* Note: As of June 2025



Business model



Expansion into Overseas BtoB Markets Based in China



(1) Yiwu Market • NETSEA CHINA



Review of FY09/24



The “Yiwu Japan Pavilion,”
Japan’s first national pavilion in the Yiwu Market,
had a opening on August,2024

Orders linked to NETSEA CHINA

Creating a distribution channel that integrates offline and
online services

Initiatives for FY09/25



**Expansion of the number
of products listed**
Launch of "local products"
and
"subculture products" in
Japan



**Expansion of
exhibition sites**
• Utilization of Yiwu Market's
worldwide locations
*Image
(Yiwu Market in Dubai)



• Exhibitions in various parts
of China
*Image
(A stall at Shanghai exhibition)

(2) Yiwu Japan Pavilion



Review of FY09/24



March 2024: Japan Tokyo Yiwu Selection Opened in Bakurocho, Tokyo

June 2024: Japan Tokyo Yiwu Selection Held a top-level meeting with the Yiwu City Council and vice president of Yiwu Mall

Initiatives for FY09/25

Expansion
of bases and number
of products on display

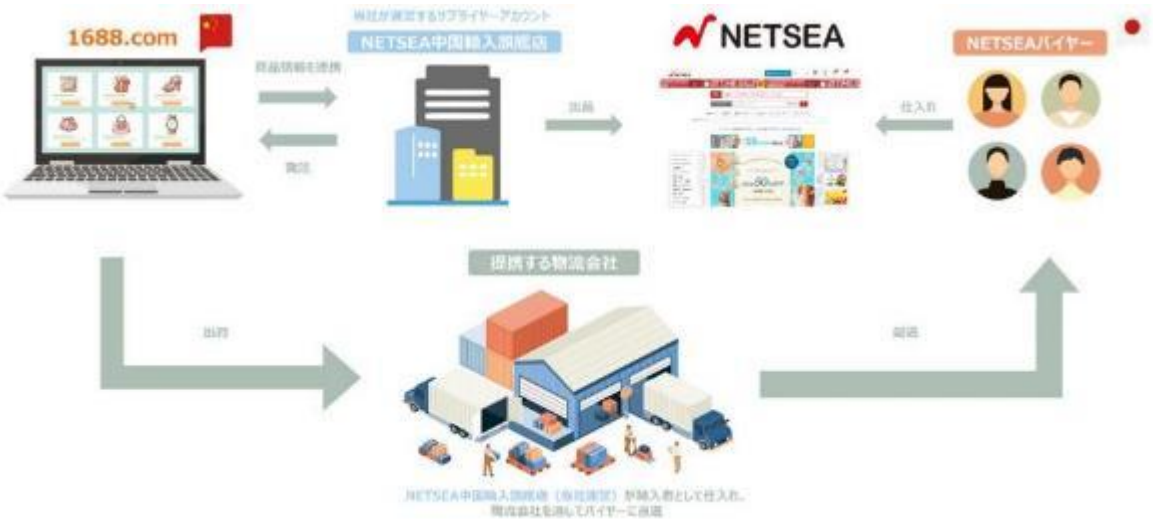


- Expansion of bases and number of products exhibited, such as Osaka
- Expansion of sales to customers of OSR and other group companies
- Establishment of a system to facilitate smooth procurement by Japanese buyers through **improvement of customs, logistics, settlement, etc.**
- **Support for PB and OEM** of Japanese manufacturers

(3) NETSEA×1688collaboration-1



Review of FY09/24



September2024:
API collaboration with 1688.com,
one of the largest B2B marketplaces in China,
enabling 1688.com procurements within
NETSEA

Initiatives for FY09/25

Hundreds

Hundreds of thousands

• Expansion of product listing



Translation

• Improved accuracy of translation of product information

• Provision of functions similar to procurement from Japanese suppliers, such as logistics/payment/supplier negotiations, etc.

Focus on expanding "translation accuracy" and "number of products listed" by utilizing the resources of group companies

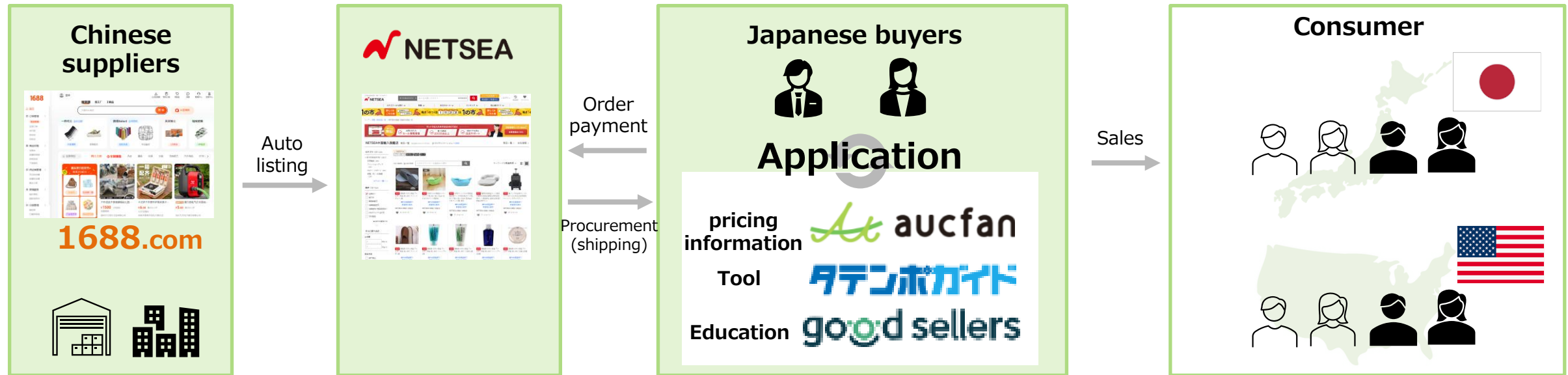


(3) NETSEA×1688collaboration-2



Initiatives for FY09/25

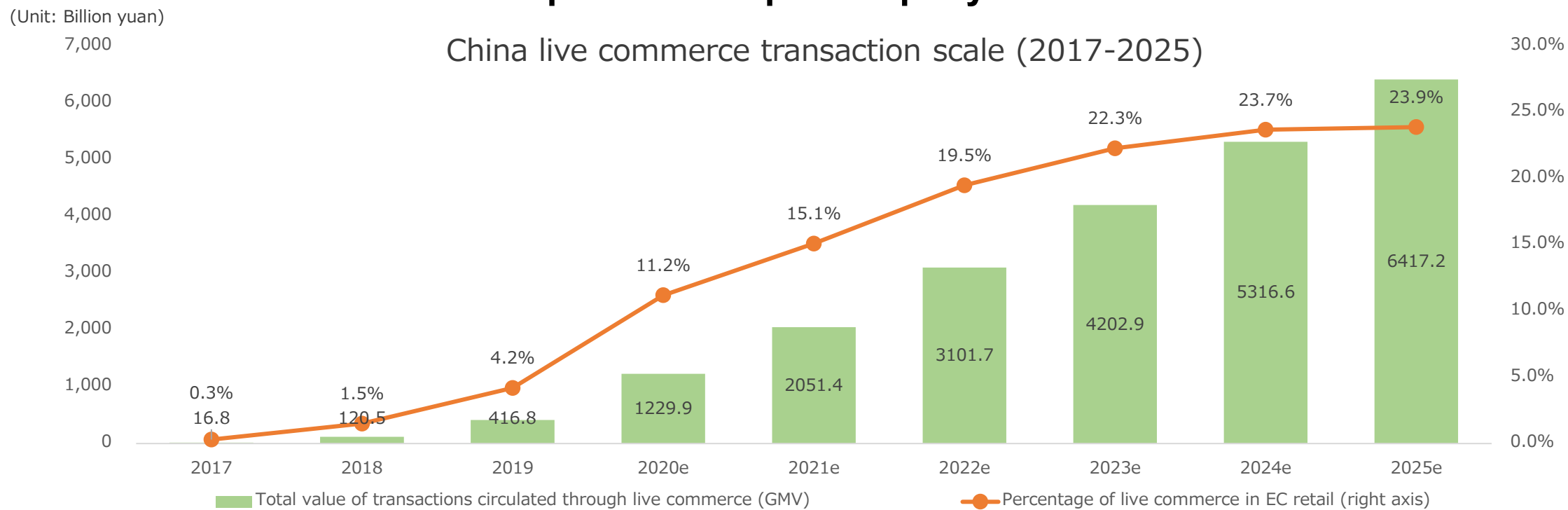
Expansion of a system that allows Japanese buyers to procure products from 1688.com through domestic transactions and **sell them to consumers in Japan and overseas using the group's services**



(4) Live commerce-1 Market size



China's live commerce market, which is at the forefront, is expected to grow to **approx. 137 trillion yen*1** in 2025, including China's largest live commerce company, ByteDance, and **the market in Japan is also expected to expand rapidly in 2025**



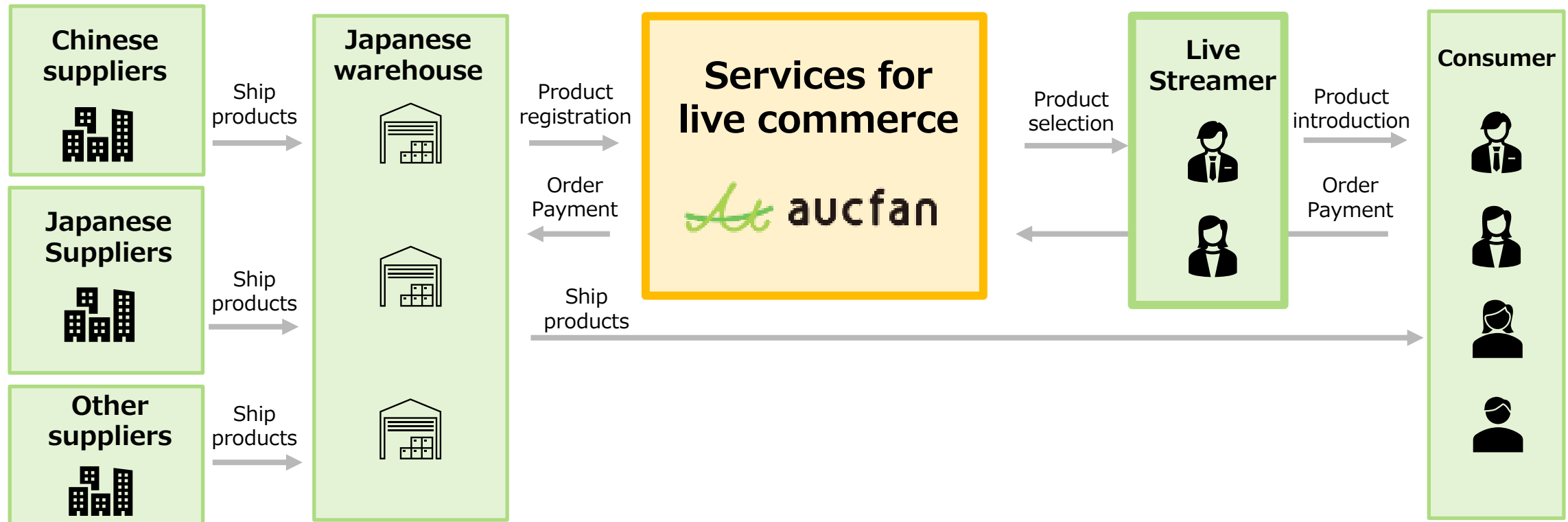
※1 : Adapted from JETRO "Live Commerce (China) - Increasing its Presence as a New EC Method" <https://www.jetro.go.jp/biz/areareports/2022/bca31f7ca5265e62.html>
 Calculated at the exchange rate on November 11, 2024, 1 yuan = 21.37 yen

(4) Live commerce-2 Scheme



Initiatives for FY09/25

Streaming plans to build a **one-stop distribution service for Chinese merchandise**



(4) Live commerce -3 Development of peripheral services



Initiatives for FY09/25

Direct in-house procurement and marketing from Yiwu and 1688



- In-house procurement of Chinese products that are difficult for Japanese buyers to handle
- Domestic marketplace sales

In-house brand development through OEM

AP LAB

Appreciate Product Lab

*Pending

An in-house brand with the mission to rediscover the "essential value" of things and deliver it to our customers. By leveraging direct procurement from factories and OEM production, we plan to develop a wide range of original products that enrich lifestyles by realizing product development that eliminates waste.

[Features and brand vision]

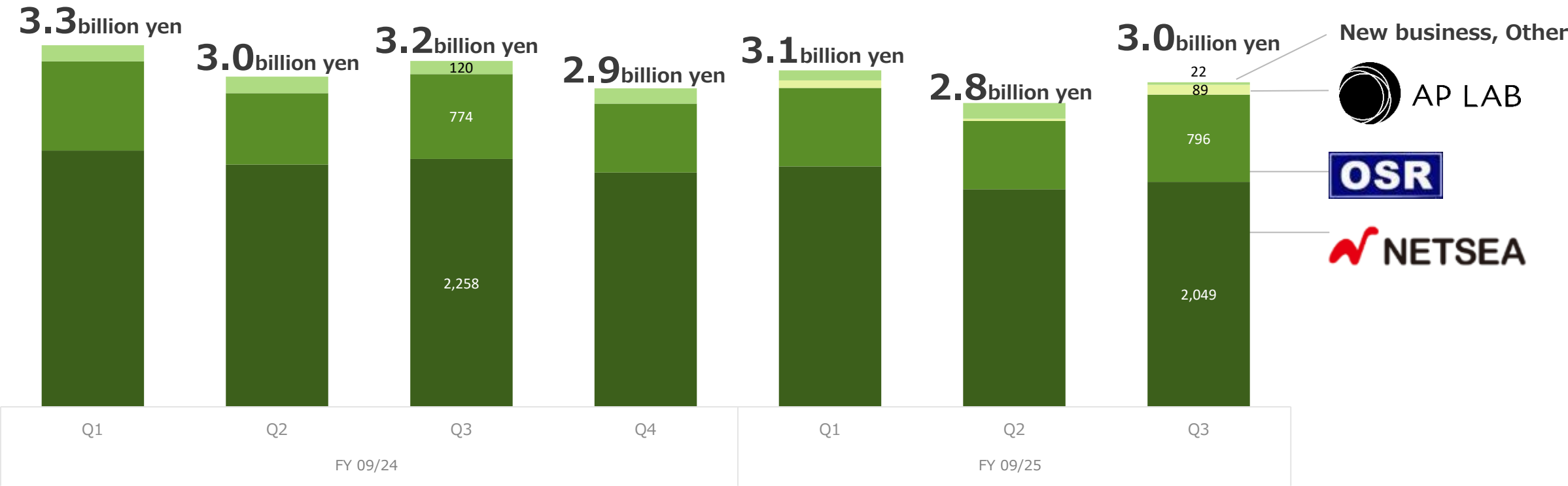
- Efficient value distribution that seamlessly connects factories and consumers
- "Gratitude toward manufacturing" and the "promotion of a recycling-oriented society"
- Data-driven trend analysis and product development
- A diverse product lineup that offers "better options"
- The Future of AP LAB - "Enriching society through value recognition"

Inspection services



- Establishment of an independent inspection system for Chinese merchandise
- Provision of external inspection services

Gross Merchandise Value (GMV)



Existing Business Topics

Solutions

At aucfan



TikTok Shop Related
Launched web media



Live Commerce News by Aucfan specialized in live commerce information



Released new feature for premium users AI automatically generated Yahoo! Auctions listing descriptions

go:good sellers



Opened a retail know-how school
using Mercari together with lecturers active in many media outlets



Launched a TikTok Shop School



Platform

NETSEA



"ViewEC Group" exhibited on NETSEA
with a network of local Taiwanese manufacturers



ViewEC Group

■ OEM Support



Suitcase Production
"ChromeLite" ranked No. 1
in new arrivals on Amazon



Cumulative orders for OEM support
surpassed 200 million yen

■ Partnerships with Partner Companies



Exhibited at the Osaka-Kansai Expo
co-hosting with Zhejiang China Small
Commodities City Group Co., Ltd.



Company Profile

Company name

Aucfan Co., Ltd.

Location

Sumitomo Fudosan Osaki Twin Bldg.East 7F
5-1-18 Kitashinagawa,Shinagawa-ku,
Tokyo 141-0001

Founded

June 2007

Capital

973.68 million yen
(as of September 30, 2024)

Employees

186* (as of September 30, 2024)

*Number of employees on a consolidated basis
(excl. part-time)

Head office

