



## Consolidated Financial Results for the Three Months Ended December 31, 2022 [Japanese GAAP]

February 14, 2023

Stock Exchange Listing:  
Tokyo Stock Exchange

Company name: Aucfan Co., Ltd.

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 Three Months Ended December 31, 2022 (October 1, 2022–December 31, 2022)

(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	%
December 31, 2022	1,179	(29.6)	4	(93.4)	3	(94.3)	(168)	—
December 31, 2021	1,676	(43.3)	64	(94.7)	63	(94.8)	29	(96.9)

(Note) Comprehensive income: Three Months ended December 31, 2022: ¥(176) million (—% year on year)  
Three Months ended December 31, 2021: ¥(697) million (—% year on year)

Term ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2022	(15.93)	—
December 31, 2021	2.81	2.80

(Note) Information on diluted earnings per share for the fiscal year ended December 31, 2022, is omitted since, although potential shares did exist, the recorded figure was a basic loss per share.

### (2) Consolidated Financial Position

Term ended	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
December 31, 2022	6,811	4,381	64.3
September 30, 2022	7,350	4,557	62.0

(Reference) Equity capital: As of December 31, 2022 : ¥4,378 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	—	—	—	—	—
September 30, 2023 (Forecast)	—	0.00	—	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)  
December 31, 2022: 10,813,700 shares  
September 30, 2022: 10,813,700 shares
2. Number of treasury shares at the end of the period  
December 31, 2022: 216,990 shares  
September 30, 2022: 216,990 shares
3. Average number of shares outstanding during the period  
Three months ended December 31, 2022: 10,596,710 shares  
Three months ended December 31, 2021: 10,355,657 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, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	3,833,053	3,256,169
Accounts receivable – trade	350,725	375,025
Operational investment securities	1,398,374	1,398,220
Merchandise	47,206	46,831
Work in process	240	20
Supplies	558	528
Accounts receivable – other	587,465	615,386
Other	274,508	251,044
Allowance for doubtful accounts	(48,205)	(40,012)
Total current assets	6,443,928	5,903,215
Non-current assets		
Property, plant and equipment		
Buildings, net	44,117	42,143
Tools, furniture and fixtures, net	13,686	12,252
Other, net	3,630	3,210
Total property, plant and equipment	61,434	57,606
Intangible assets		
Goodwill	85,729	60,436
Software	315,850	377,901
Software in progress	136,353	121,077
Other	2,006	1,911
Total intangible assets	539,940	561,327
Investments and other assets		
Long-term loans receivable	24,083	21,592
Deferred tax assets	106,026	94,278
Investments in capital of subsidiaries and associates	13,400	13,400
Distressed receivables	298,303	298,303
Long-term accounts receivable	378,647	371,147
Other	161,209	160,060
Allowance for doubtful accounts	(676,950)	(669,450)
Total investments and other assets	304,719	289,330
Total non-current assets	906,094	908,265
Total assets	7,350,023	6,811,480
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	130,722	108,239
Short-term borrowings	1,100,000	840,000
Current portion of long-term borrowings	211,753	166,738
Income taxes payable	167,081	8,504
Accounts payable - other	746,729	884,999
Contract liabilities	158,620	129,766
Provision for bonuses	3,240	750
Provision for shareholder benefit program	–	12,733
Provision for loss on litigation	1,350	–
Other	75,701	85,516
Total current liabilities	2,595,197	2,237,246
Non-current liabilities		
Long-term loans payable	166,680	141,681
Deferred tax liabilities	–	13,576
Other	31,059	37,929
Total non-current liabilities	197,739	193,187
Total liabilities	2,792,937	2,430,434

(Thousands of yen)

	As of September 30, 2022	As of December 31, 2022
<b>Net assets</b>		
Shareholders' equity		
Capital stock	973,683	973,683
Capital surplus	907,859	907,859
Retained earnings	2,364,516	2,195,743
Treasury shares	(203,380)	(203,380)
Total shareholders' equity	4,042,679	3,873,906
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	511,496	504,245
Total accumulated other comprehensive income	511,496	504,245
Share acquisition rights	2,909	2,894
Non-controlling interests	4,557,085	4,381,046
<b>Total liabilities and net assets</b>	<b>7,350,023</b>	<b>6,811,480</b>

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

(Thousands of yen)

	Three Months ended December 31, 2021 (October 1, 2021–December 31, 2021)	Three Months ended December 31, 2022 (October 1, 2022–December 31, 2022)
Net sales	1,676,615	1,179,934
Cost of sales	957,246	600,151
Gross profit	719,368	579,782
Selling, general and administrative expenses	654,550	575,503
Operating profit	64,818	4,279
Non-operating income		
Interest income	160	126
Exchange gain	330	—
Subsidy income	332	—
Commission income	—	810
Other	555	1,999
Total non-operating income	1,378	2,936
Non-operating expenses		
Interest expenses	2,115	1,595
Non-deductible consumption tax, etc.	—	1,281
Foreign exchange losses	440	0
Other	0	703
Total non-operating expenses	2,556	3,581
Recurring profit	63,640	3,634
Extraordinary income		
Gain on reversal of share acquisition rights	3,676	14
Other	27	—
Total extraordinary income	3,703	14
Extraordinary losses		
Related to costs of special investigation committee and amendments to past financial years statements	—	153,166
Other	20	—
Total extraordinary losses	20	153,166
Profit before income taxes	67,323	(149,517)
Income taxes - current	25,571	7,088
Income taxes - deferred	12,673	12,166
Total income taxes	38,245	19,255
Net income	29,078	(168,773)
(Breakdown)		
Net income attributable to owners of the parent	29,078	(168,773)
Other comprehensive income		
Valuation difference on available-for-sale securities	(726,680)	(7,251)
Total other comprehensive income	(726,680)	(7,251)
Comprehensive income	(697,601)	(176,024)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(697,601)	(176,024)

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

Three Months ended December 31, 2021 (October 1, 2021–December 31, 2021)

(Thousands of yen)

	Reportable segment				Adjustments (note i)	Amount recorded in consolidated financial statements (note ii)
	Inventory Management Solution	Merchandise Distribution Platform	Incubation	Total		
Sales						
Sales to external customers	540,940	941,965	193,709	1,676,615	—	1,676,615
Intersegmental sales and transfers	28,195	17,799	—	45,994	(45,994)	—
Total	569,136	959,765	193,709	1,722,610	(45,994)	1,676,615
Segment profit (loss)	116,667	(64,746)	140,896	192,818	(128,000)	64,818

Notes:

- i. The adjustment of ¥128,000 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.

Three Months ended December 31, 2022 (October 1, 2022– December 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		
Sales						
Sales to external customers	662,881	515,897	1,155	1,179,934	—	1,179,934
Intersegmental sales and transfers	44,684	7,076	—	51,760	(51,760)	—
Total	707,766	522,973	1,155	1,231,695	(51,760)	1,179,934
Segment profit (loss)	157,126	(10,008)	(31,706)	115,411	(111,131)	4,279

Notes:

- i. The adjustment of ¥(111,131) 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.