



## Consolidated Financial Results for the Fiscal Year Ended September 30, 2022 [Japanese GAAP]

January 31, 2023

Company name: Aucfan Co., Ltd.

Stock Exchange Listing:  
Tokyo Stock Exchange

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

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Supplementary materials on financial results: Yes

Financial results briefing session: Yes

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Year Ended September 30, 2022 (October 1, 2021–September 30, 2022)

#### (1) Consolidated Operating Results (Percentages represent year-on-year changes)

Year ended	Net sales		Operating profit		Recurring profit		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2022	6,256	(25.4)	322	(44.3)	312	(49.7)	56	(68.2)
September 30, 2021	8,384	12.7	578	(25.8)	621	(22.7)	177	(58.0)

(Note) Comprehensive income: For the year ended September 30, 2022: (¥1,076) million (–% year on year)  
For the year ended September 30, 2021: (¥2,588) million (–% year on year)

Year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Recurring profit to total assets	Operating profit margin
	Yen	Yen	%	%	%
September 30, 2022	5.36	5.36	1.1	3.9	5.2
September 30, 2021	17.20	16.37	2.6	5.7	6.9

#### (2) Consolidated Financial Position

Year ended	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2022	7,350	4,557	62.0	429.77
September 30, 2021	8,487	5,458	64.2	528.08

(Reference) Equity capital: As of September 30, 2022: ¥4,554 million  
As of September 30, 2021: ¥5,451 million

#### (3) Consolidated Cash Flows

Year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
	Million yen	Million yen	Million yen	Million yen
September 30, 2022	1,079	(263)	(82)	3,833
September 30, 2021	1,125	(276)	(456)	3,096

### 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Year ended/ending	Yen	Yen	Yen	Yen	Yen			
September 30, 2021	—	0.00	—	0.00	0.00	—	—	—
September 30, 2022	—	0.00	—	0.00	0.00	—	—	—
September 30, 2023 (Forecast)	—	0.00	—	0.00	0.00		—	

### 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

(Note) we omit consolidated business forecast of 2nd quarter, because we manage operational control in annual basis.

\* Notes

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

(2) Changes in accounting policies and accounting estimates, and retrospective 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

(3) Number of issued shares (common stock)

1. Number of issued shares at the end of the period (including treasury stock)  
September 30, 2022: 10,813,700 shares  
September 30, 2021: 10,539,400 shares
2. Number of treasury shares at the end of the period  
September 30, 2022: 216,990 shares  
September 30, 2021: 216,990 shares
3. Average number of shares outstanding during the period  
Term ended September 30, 2022: 10,535,951 shares  
Term ended September 30, 2021: 10,322,423 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)

	Fiscal year ended of September 30, 2021	Fiscal year ended of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	3,096,874	3,833,053
Notes and accounts receivable – trade	708,737	–
Accounts receivable - trade	–	350,725
Operational investment securities	2,994,026	1,398,374
Merchandise	248,315	47,206
Work in process	–	240
Supplies	511	558
Accounts receivable – other	264,877	587,465
Other	611,890	274,508
Allowance for doubtful accounts	(287,050)	(48,205)
<b>Total current assets</b>	<b>7,638,182</b>	<b>6,443,928</b>
Non-current assets		
Property, plant and equipment		
Buildings, net	48,828	44,117
Tools, furniture and fixtures, net	19,421	13,686
Other, net	5,393	3,630
<b>Total property, plant and equipment</b>	<b>73,643</b>	<b>61,434</b>
Intangible assets		
Goodwill	186,897	85,729
Software	275,454	315,850
Software in progress	5,644	136,353
Other	1,509	2,006
<b>Total intangible assets</b>	<b>469,506</b>	<b>539,940</b>
Investments and other assets		
Long-term loans receivable	34,049	24,083
Deferred tax assets	139,341	106,026
Investments in capital of subsidiaries and associates	–	13,400
Distressed receivables	–	298,303
Long-term accounts receivable - other	–	378,647
Other	151,568	161,209
Allowance for doubtful accounts	(19,008)	(676,950)
<b>Total investments and other assets</b>	<b>305,952</b>	<b>304,719</b>
<b>Total non-current assets</b>	<b>849,102</b>	<b>906,094</b>
<b>Total assets</b>	<b>8,487,284</b>	<b>7,350,023</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	89,002	130,722
Short-term borrowings	1,000,000	1,100,000
Current portion of long-term borrowings	319,976	211,753
Income taxes payable	27,855	167,081
Accounts payable - other	531,798	746,729
Contract liabilities	–	158,620
Provision for point card certificates	12,748	–
Provision for bonuses	–	3,240
Provision for loss on litigation	–	1,350
Other	260,591	75,701
<b>Total current liabilities</b>	<b>2,241,972</b>	<b>2,595,197</b>
Non-current liabilities		
Long-term borrowings	378,433	166,680
Deferred tax liabilities	404,657	–
Other	4,179	31,059
<b>Total non-current liabilities</b>	<b>787,270</b>	<b>197,739</b>
<b>Total liabilities</b>	<b>3,029,243</b>	<b>2,792,937</b>

(Thousands of yen)

	Fiscal year ended of September 30, 2021	Fiscal year ended of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	884,082	973,683
Capital surplus	818,258	907,859
Retained earnings	2,308,014	2,364,516
Treasury shares	(203,380)	(203,380)
Total shareholders' equity	3,806,976	4,042,679
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,644,097	511,496
Total accumulated other comprehensive income	1,644,097	511,496
Share acquisition rights	6,968	2,909
Total net assets	5,458,041	4,557,085
Total liabilities and net assets	8,487,284	7,350,023

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

(Thousands of yen)

	Fiscal year ended September 30, 2021 (October 1, 2020–September 30, 2021)	Fiscal year ended September 30, 2022 (October 1, 2021–September 30, 2022)
Net sales	8,384,968	6,256,378
Cost of sales	4,855,329	3,013,887
Gross profit	3,529,639	3,242,490
Selling, general and administrative expenses	2,950,971	2,920,254
Operating profit	578,667	322,236
Non-operating income		
Interest income	767	628
Exchange gain	805	3,446
Subsidy income	570	665
Fees received	49,894	1,222
Other	8,478	3,023
Total non-operating income	60,515	8,987
Non-operating expenses		
Interest expenses	9,605	7,863
Non-deductible consumption tax, etc.	8,224	4,663
Provision of allowance for doubtful accounts	—	5,333
Other	126	969
Total non-operating expenses	17,956	18,829
Recurring profit	621,226	312,394
Extraordinary income		
Gain on sales of shares of subsidiaries	34,685	—
Gain on reversal of share acquisition rights	—	3,676
Gain on sale of non-current assets	—	2,079
Gain on bargain purchase	—	85,910
Other	—	878
Total extraordinary income	34,685	92,544
Extraordinary losses		
Impairment loss	275,657	—
Loss on retirement of non-current assets	0	1,679
Provision for loss on litigation	—	1,350
Other	20,841	—
Total extraordinary losses	296,499	3,029
Profit before income taxes	359,412	401,908
Income taxes - current	212,377	216,183
Income taxes - deferred	(31,032)	129,223
Total income taxes	181,345	345,407
Net income	178,066	56,501
(Breakdown)		
Profit attributable to owners of parent	177,553	56,501
Profit attributable to non-controlling interests	513	—
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,766,127)	(1,132,600)
Total other comprehensive income	(2,766,127)	(1,132,600)
Comprehensive income	(2,588,060)	(1,076,098)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(2,588,574)	(1,076,098)
Comprehensive income attributable to non-controlling interests	513	—

## (3) Consolidated Statement of Changes in Equity

Fiscal year ended September 30, 2021 (October 1, 2020–September 30, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	884,082	854,922	2,130,461	(203,171)	3,666,295
Changes during period					
Profit attributable to owners of parent			177,553		177,553
Purchase of treasury shares				(208)	(208)
Change in ownership interest of parent due to transactions with non-controlling interests		(36,663)			(36,663)
Net changes in items other than shareholders' equity					
Total changes during period	—	(36,663)	177,553	(208)	140,680
Balance at end of period	884,082	818,258	2,308,014	(203,380)	3,806,976

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	4,410,224	4,410,224	6,968	6,023	8,089,511
Changes during period					
Profit attributable to owners of parent					177,553
Purchase of treasury shares					(208)
Change in ownership interest of parent due to transactions with noncontrolling interests					(36,663)
Net changes in items other than shareholders' equity	(2,766,127)	(2,766,127)	—	(6,023)	(2,772,150)
Total changes during period	(2,766,127)	(2,766,127)	—	(6,023)	(2,631,469)
Balance at end of period	1,644,097	1,644,097	6,968	—	5,458,041

Fiscal year ended September 30, 2022 (October 1, 2021–September 30, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	884,082	818,258	2,308,014	(203,380)	3,806,976
Changes during period					
Issuance of new shares - exercise of share acquisition rights	89,600	89,600			179,201
Profit attributable to owners of parent			56,501		56,501
Net changes in items other than shareholders' equity					
Total changes during period	89,600	89,600	56,501	—	235,703
Balance at end of period	973,683	907,859	2,364,516	(203,380)	4,042,679

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	1,644,097	1,644,097	6,968	5,458,041
Changes during period				
Issuance of new shares - exercise of share acquisition rights				179,201
Profit attributable to owners of parent				56,501
Net changes in items other than shareholders' equity	(1,132,600)	(1,132,600)	(4,059)	(1,136,659)
Total changes during period	(1,132,600)	(1,132,600)	(4,059)	(900,956)
Balance at end of period	511,496	511,496	2,909	4,557,085

## (4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended September 30, 2021 (October 1, 2020–September 30, 2021)	Fiscal year ended September 30, 2022 (October 1, 2021– September 30, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	359,412	401,908
Depreciation	232,139	161,080
Amortization of goodwill	112,410	101,168
Impairment loss	275,657	—
Increase (decrease) in allowance for doubtful accounts	272,698	418,631
Increase (decrease) in provision for point card certificates	11,683	(12,748)
Increase (decrease) in provision for loss on litigation	—	1,350
Interest and dividend income	(767)	(628)
Commission income	(49,894)	—
Interest expenses	9,605	7,863
Loss (gain) on sales of shares of subsidiaries	(34,685)	—
Gain on bargain purchase	—	(85,910)
Loss on retirement of non-current assets	0	1,679
Loss (gain) on sale of non-current assets	—	(2,079)
Decrease (increase) in trade receivables	222,222	360,614
Decrease (increase) in investment securities for Sale	276,795	(28,798)
Increase (decrease) in long-term accounts payable - other	—	(378,647)
Decrease (increase) in inventories	(48,878)	201,881
Increase (decrease) in trade payables	(83,597)	32,208
Increase (decrease) in accounts payable - other	106,942	(88,952)
Other	72,606	29,418
Subtotal	1,734,352	1,120,040
Interest and dividends received	765	617
Interest paid	(9,570)	(7,563)
Income taxes (paid) refund	(599,726)	(34,040)
Net cash provided by (used in) operating activities	1,125,821	1,079,054
<b>Cash flows from investing activities</b>		
Payments for investments in capital of subsidiaries and associates	—	(13,400)
Purchase of property, plant and equipment	(7,557)	(8,242)
Proceeds from sale of property, plant and equipment	—	2,092
Purchase of intangible assets	(265,922)	(303,033)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	5,902	21,213
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(20,435)	—
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(19,969)	—
Proceeds from refund of guarantee deposits	900	100
Payments of guarantee deposits	(600)	(1,800)
Collection of loans receivable	11,125	9,965
Other	19,800	29,700
Net cash provided by (used in) investing activities	(276,757)	(263,404)



(Thousands of yen)

	Fiscal year ended September 30, 2021 (October 1, 2020–September 30, 2021)	Fiscal year ended September 30, 2022 (October 1, 2021– September 30, 2022)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	—	360,000
Repayments of short-term borrowings	(133,332)	(300,000)
Repayments of long-term borrowings	(327,786)	(319,976)
Purchase of treasury shares	(208)	—
Proceeds from issuance of shares resulting from exercise of share acquisition rights	—	178,818
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(43,200)	—
Repayments of lease obligations	(1,757)	(1,817)
Proceeds commission	49,894	—
Net cash provided by (used in) financing activities	(456,389)	(82,975)
Effect of exchange rate change on cash and cash equivalents	(795)	3,504
Net increase (decrease) in cash and cash equivalents	391,879	736,179
Cash and cash equivalents at beginning of period	2,704,994	3,096,874
Cash and cash equivalents at end of period	3,096,874	3,833,053

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

Fiscal year ended September 30, 2021 (October 1, 2020–September 30, 2021)

(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	2,189,950	4,498,219	1,696,797	8,384,968	—	8,384,968
Intersegmental sales and transfers	122,610	56,573	—	179,183	(179,183)	—
<b>Total</b>	<b>2,312,560</b>	<b>4,554,793</b>	<b>1,696,797</b>	<b>8,564,151</b>	<b>(179,183)</b>	<b>8,384,968</b>
<b>Segment profit (loss)</b>	<b>369,656</b>	<b>(287,423)</b>	<b>871,914</b>	<b>954,147</b>	<b>(375,480)</b>	<b>578,667</b>
<b>Segment assets</b>	<b>476,944</b>	<b>2,562,190</b>	<b>3,091,111</b>	<b>6,130,246</b>	<b>2,357,038</b>	<b>8,487,284</b>
<b>Other items</b>						
Depreciation	157,270	65,519	—	222,790	9,349	232,139
Goodwill amortization property, plant and equipment and intangible assets	2,652	109,427	—	112,079	331	112,410
	195,054	71,376	—	266,431	3,868	270,299

Notes:

1. "Adjustments" includes the following:

- i. The downward adjustment of (¥375,480) thousand in "segment profit (loss)" includes elimination of intersegment transactions and companywide costs not allocated to reportable segments.
- ii. The adjustment of ¥2,357,038 thousand in "segment assets" includes elimination of intersegment transactions and companywide assets not allocated to reportable segments (cash and deposits, administrative property, plant, and equipment, etc.).
- iii. The adjustment of ¥9,349 thousand in "depreciation" and the adjustment of ¥331 thousand in "amortization of goodwill" include elimination of intersegment transactions and companywide costs not allocated to reportable segments.
- iv. The adjustment of ¥3,868 thousand in "increase in property, plant and equipment and intangible assets" includes companywide assets not allocated to reportable segments (administrative property, plant, and equipment, etc.).

2. "Segment profit (loss)" is consistent with operating profit recorded on the corresponding consolidated statement of income and statement of comprehensive income.

Fiscal year ended September 30, 2022 (October 1, 2021–September 30, 2022)

(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	2,283,838	2,871,389	1,101,150	6,256,378	—	6,256,378
Intersegmental sales and transfers	86,562	81,831	—	168,393	(168,393)	—
Total	2,370,400	2,953,220	1,101,150	6,424,771	(168,393)	6,256,378
Segment profit	494,828	(521,320)	796,189	769,697	(447,460)	322,236
Segment assets	635,709	2,680,583	1,487,014	4,803,308	2,546,714	7,350,023
<b>Other items</b>						
Depreciation	104,449	45,704	—	150,154	10,926	161,080
Goodwill amortization	—	97,190	—	97,190	3,978	101,168
property, plant and equipment and intangible assets	212,686	98,672	—	311,358	9,280	320,638

Notes:

1. "Adjustments" includes the following:

- i. The downward adjustment of (¥447,460) thousand in "segment profit (loss)" includes elimination of intersegment transactions and companywide costs not allocated to reportable segments.
- ii. The adjustment of ¥2,546,714 thousand in "segment assets" includes elimination of intersegment transactions and companywide assets not allocated to reportable segments (cash and deposits, administrative property, plant, and equipment, etc.).
- iii. The adjustment of ¥10,926 thousand in "depreciation" and the adjustment of ¥3,978 thousand in "amortization of goodwill" include elimination of intersegment transactions and companywide costs not allocated to reportable segments.
- iv. The adjustment of ¥9,280 thousand in "increase in property, plant and equipment and intangible assets" includes companywide assets not allocated to reportable segments (administrative property, plant, and equipment, etc.).

2. "Segment profit (loss)" is consistent with operating profit recorded on the corresponding consolidated statement of income and statement of comprehensive income.