



## Consolidated Financial Results for the Six Months Ended March 31, 2022 [Japanese GAAP]

May 13, 2022

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

Contact for enquiries: Junji Hamada

Executive Officer,  
Administration Department

TEL: +81-03-6809-0951

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, 2022

(October 1, 2021–March 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	%
March 31, 2022	2,952	(36.5)	56	(92.8)	56	(92.8)	34	(93.1)
March 31, 2021	4,647	55.7	791	868.6	784	952.0	502	—

(Note) Comprehensive income: Six Months ended March 31, 2022: (414) million (–% year on year)  
Six Months ended March 31, 2021: (1,623) million (–% year on year)

Term ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	3.33	3.32
March 31, 2021	48.64	45.98

#### (2) Consolidated Financial Position

Term ended	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
March 31, 2022	7,806	5,218	66.8
September 30, 2021	8,487	5,458	64.2

(Reference) Equity capital: As of March 31, 2022 : 5,216 million  
As of September 30, 2021: 5,451 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, 2021	—	0.00	—	0.00	0.00
September 30, 2022	—	0.00	—	—	—
September 30, 2022 (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, 2022

(October 1, 2021–September 30, 2022)

(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
	5,200	(37.7)	100	(82.9)	80	(86.6)	50	(67.0)	4.77

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 the preparation of the consolidated quarterly financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
2. Changes in accounting policies due to other reasons: None
3. Changes to accounting estimates: None
4. Restatement: None

(4) Number of issued shares (common stock)

1. Number of issued shares at the end of the period (including treasury stock)  
March 31, 2022: 10,813,700 shares  
September 30, 2021: 10,539,400 shares
2. Number of treasury shares at the end of the period  
March 31, 2022: 216,990 shares  
September 30, 2021: 216,990 shares
3. Average number of shares outstanding during the period  
Term ended March 31, 2022: 10,474,859 shares  
Term ended March 31, 2021: 10,322,437 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, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	3,096,874	3,201,413
Accounts receivable – trade	708,737	499,712
Operational investment securities	2,994,026	2,452,559
Merchandise	248,315	335,880
Work in process	–	847
Supplies	511	490
Accounts receivable – other	264,877	187,078
Other	611,890	272,945
Allowance for doubtful accounts	(287,050)	(3,813)
Total current assets	7,638,182	6,947,114
Non-current assets		
Property, plant and equipment		
Buildings, net	48,828	44,980
Tools, furniture and fixtures, net	19,421	16,684
Other, net	5,393	5,632
Total property, plant and equipment	73,643	67,297
Intangible assets		
Goodwill	186,897	136,313
Software	275,454	284,163
Software in progress	5,644	44,366
Other	1,509	1,360
Total intangible assets	469,506	466,202
Investments and other assets		
Long-term loans receivable	34,049	29,066
Deferred tax assets	139,341	144,667
Bankruptcy rehabilitation claims	–	298,303
Other	151,568	151,972
Allowance for doubtful accounts	(19,008)	(298,303)
Total investments and other assets	305,952	325,706
Total non-current assets	849,102	859,207
Total assets	8,487,284	7,806,321
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	89,002	129,966
Short-term loans payable	1,000,000	1,000,000
Current portion of long-term loans payable	319,976	303,371
Income taxes payable	27,855	30,180
Accounts payable - other	531,798	429,107
Provision for point card certificates	12,748	–
Other	260,591	219,931
Total current liabilities	2,241,972	2,112,556
Non-current liabilities		
Long-term loans payable	378,433	235,050
Deferred tax liabilities	404,657	236,535
Other	4,179	3,247
Total non-current liabilities	787,270	474,833
Total liabilities	3,029,243	2,587,390

(Thousands of yen)

	As of September 30, 2021	As of March 31, 2022
<b>Net assets</b>		
Shareholders' equity		
Capital stock	884,082	973,683
Capital surplus	818,258	907,859
Retained earnings	2,308,014	2,342,867
Treasury shares	(203,380)	(203,380)
Total shareholders' equity	3,806,976	4,021,030
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,644,097	1,194,991
Total accumulated other comprehensive income	1,644,097	1,994,991
Share acquisition rights	6,968	2,909
Total net assets	5,458,041	5,218,931
Total liabilities and net assets	8,487,284	7,806,321

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

(Thousands of yen)

	Six Months ended March 31, 2021 (October 1, 2020–March 31, 2021)	Six Months ended March 31, 2022 (October 1, 2021–March 31, 2022)
Net sales	4,647,524	2,952,408
Cost of sales	2,482,160	1,686,835
Gross profit	2,165,364	1,265,572
Selling, general and administrative expenses	1,374,254	1,208,597
Operating profit	791,110	56,974
Non-operating income		
Interest income	404	325
Exchange gain	778	1,057
Subsidy income	570	665
Commission fee	—	116
Other	3,584	1,774
Total non-operating income	5,337	3,938
Non-operating expenses		
Interest expenses	5,201	4,051
Non-deductible consumption tax, etc.	7,086	488
Other	125	245
Total non-operating expenses	12,413	4,784
Recurring profit	784,034	56,128
Extraordinary income		
Gain on sales of shares of subsidiaries	34,685	—
Gain on reversal of share acquisition rights	—	3,676
Other	—	77
Total extraordinary income	34,685	3,753
Extraordinary losses		
Impairment loss	107,619	—
Other	0	20
Total extraordinary losses	107,619	20
Profit before income taxes	711,099	59,862
Income taxes - current	294,120	14,790
Income taxes - deferred	(85,597)	10,219
Total income taxes	208,522	25,010
Net profit	502,576	34,852
(Breakdown)		
Profit attributable to owners of parent	502,063	34,852
Profit attributable to non-controlling interests	513	—
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,126,046)	(449,105)
Total other comprehensive income	(2,126,046)	(449,105)
Comprehensive income	(1,623,469)	(414,252)
(Breakdown)		
Comprehensive income attributable to owners of parent	(1,623,983)	(414,252)
Comprehensive income attributable to non-controlling interests	513	—

## (3) Consolidated Statement of Cash Flows

(Thousands of yen)

	Six Months ended March 31, 2021 (October 1, 2020–March 31, 2021)	Six Months ended March 31, 2022 (October 1, 2021–March 31, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	711,099	59,862
Depreciation	125,297	79,869
Amortization of goodwill	59,650	50,584
Impairment loss	107,619	—
Increase (decrease) in allowance for doubtful accounts	63,989	(3,941)
Increase (decrease) in provision for point card certificates	5,976	(12,748)
Interest and dividend income	(404)	(325)
Interest expenses	5,201	4,051
Loss (gain) on sales of shares of subsidiaries	(34,685)	—
Decrease (increase) in notes and accounts receivable - trade	819,254	208,857
Decrease (increase) in investment securities for Sale	452,666	(91,306)
Decrease (increase) in inventories	(250,075)	(88,399)
Increase (decrease) in notes and accounts payable - trade	(264,299)	46,447
Increase (decrease) in accounts payable - other and accrued expenses	64,370	(101,741)
Other	(175,542)	(3,766)
Subtotal	1,690,119	147,443
Interest and dividends received	402	325
Interest expenses paid	(5,105)	(3,964)
Income taxes (paid) refund	(379,891)	53,045
Net cash provided by (used in) operating activities	1,305,524	196,850
<b>Cash flows from investing activities</b>		
Purchase of securities	(818)	(4,168)
Purchase of intangible assets	(167,714)	(123,090)
Proceeds from collection of guarantee deposits	200	100
Payments for guarantee deposits	(600)	(1,800)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	5,902	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(20,435)	—
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(19,969)	—
Collection of loans receivable	6,142	4,982
Other	—	14,850
Net cash provided by (used in) investing activities	(197,292)	(109,125)

	(Thousands of yen)	
	Six Months ended March 31, 2021 (October 1, 2020–March 31, 2021)	Six Months ended March 31, 2022 (October 1, 2021–March 31, 2022)
<b>Cash flows from financing activities</b>		
Decrease in short-term loans payable	(100,002)	–
Repayments of long-term loans payable	(167,798)	(159,988)
Purchase of treasury shares	(208)	–
Proceeds from issuance of shares resulting from exercise of share acquisition rights	–	178,818
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(43,200)	–
Repayments of lease obligations	(871)	(901)
Net cash provided by (used in) financing activities	(312,080)	17,929
Effect of exchange rate change on cash and cash equivalents	(768)	(1,115)
Net increase (decrease) in cash and cash equivalents	795,382	104,539
Cash and cash equivalents at beginning of period	2,704,994	3,096,874
Cash and cash equivalents at end of period	3,500,377	3,201,413

3. Sales, profit (loss), assets, liabilities, and other items by reportable segment  
Six Months ended March 31, 2021 (October 1, 2020–March 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		
<b>Sales</b>						
Sales to external customers	1,089,894	2,179,113	1,378,516	4,647,524	—	4,647,524
Intersegmental sales and transfers	62,564	23,829	—	86,394	(86,394)	—
<b>Total</b>	<b>1,152,459</b>	<b>2,202,942</b>	<b>1,378,516</b>	<b>4,733,919</b>	<b>(86,394)</b>	<b>4,647,524</b>
<b>Segment profit</b>	<b>178,880</b>	<b>19,744</b>	<b>777,806</b>	<b>976,431</b>	<b>(185,321)</b>	<b>791,110</b>

Notes:

- i. The downward adjustment of (185,321) 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, 2022 (October 1, 2021– March 31, 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	1,059,334	1,677,598	215,475	2,952,408	—	2,952,408
Intersegmental sales and transfers	52,574	53,367	—	105,942	(105,942)	—
<b>Total</b>	<b>1,111,908</b>	<b>1,730,966</b>	<b>215,475</b>	<b>3,058,350</b>	<b>(105,942)</b>	<b>2,952,408</b>
<b>Segment profit</b>	<b>236,762</b>	<b>(75,303)</b>	<b>120,305</b>	<b>281,763</b>	<b>(224,788)</b>	<b>56,974</b>

Notes:

- i. The downward 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.