



## Consolidated Financial Results for the Fiscal Year Ended September 30, 2021 [Japanese GAAP]

November 12, 2021

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 (a corresponding video posted on the Company's website)

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Year Ended September 30, 2021 (October 1, 2020–September 30, 2021)

#### (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, 2021	8,344	6.0	583	(28.9)	595	(26.4)	151	(64.7)
September 30, 2020	7,874	18.7	820	20.8	808	20.4	428	31.0

(Note) Comprehensive income: For the year ended September 30, 2021: (¥2,614) million (–% year on year)  
For the year ended September 30, 2020: ¥4,847 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, 2021	14.67	13.96	2.2	5.4	7.0
September 30, 2020	41.81	41.14	7.6	8.6	10.4

#### (2) Consolidated Financial Position

Year ended	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2021	8,487	5,458	64.2	528.08
September 30, 2020	13,382	8,115	60.5	784.95

(Reference) Equity capital: As of September 30, 2021 : ¥5,451 million  
As of September 30, 2020: ¥8,102 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, 2021	1,175	(276)	(506)	3,096
September 30, 2020	824	(287)	813	2,704

### 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, 2020	—	0.00	—	0.00	0.00	—	—	—
September 30, 2021	—	0.00	—	0.00	0.00	—	—	—
September 30, 2021 (Forecast)	—	0.00	—	0.00	0.00		—	

### 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)	4.84

(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.: None
2. Changes in accounting policies other than 1 above: None
3. Changes to accounting estimates: None
4. Retrospective 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, 2021: 10,539,400 shares  
September 30, 2020: 10,539,400 shares
2. Number of treasury shares at the end of the period  
September 30, 2021: 216,990 shares  
September 30, 2020: 216,933 shares
3. Average number of shares outstanding during the period  
Term ended September 30, 2021: 10,322,423 shares  
Term ended September 30, 2020: 10,252,911 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, 2020	Fiscal year ended of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	2,704,994	3,096,874
Notes and accounts receivable – trade	1,529,069	708,737
Operational investment securities	7,292,436	2,994,026
Merchandise	261,439	248,315
Work in process	314	–
Supplies	536	511
Accounts receivable – other	203,662	264,877
Other	210,806	611,890
Allowance for doubtful accounts	(33,359)	(287,050)
Total current assets	12,169,900	7,638,182
Non-current assets		
Property, plant and equipment		
Buildings, net	50,358	48,828
Tools, furniture and fixtures, net	27,774	19,421
Other, net	6,041	5,393
Total property, plant and equipment	84,173	73,643
Intangible assets		
Goodwill	276,154	186,897
Software	465,271	275,454
Software in progress	19,740	5,644
Other	1,810	1,509
Total intangible assets	762,976	469,506
Investments and other assets		
Long-term loans receivable	44,175	34,049
Deferred tax assets	163,619	139,341
Other	158,099	151,568
Allowance for doubtful accounts	–	(19,008)
Total investments and other assets	365,894	305,952
Total non-current assets	1,213,044	849,102
Total assets	13,382,944	8,487,284
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	404,799	89,002
Short-term borrowings	1,133,332	1,000,000
Current portion of long-term borrowings	337,108	319,976
Income taxes payable	396,748	27,855
Accounts payable - other	405,191	531,798
Provision for point card certificates	1,065	12,748
Other	199,196	260,591
Total current liabilities	2,877,441	2,241,972
Non-current liabilities		
Long-term borrowings	698,409	378,433
Deferred tax liabilities	1,685,454	404,657
Other	5,997	4,179
Total non-current liabilities	2,389,861	787,270
Total liabilities	5,267,303	3,029,243

(Thousands of yen)

	Fiscal year ended of September 30, 2020	Fiscal year ended of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	884,082	884,082
Capital surplus	854,922	818,258
Retained earnings	2,156,591	2,308,014
Treasury shares	(203,171)	(203,380)
Total shareholders' equity	3,692,425	3,806,976
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,410,224	1,644,097
Total accumulated other comprehensive income	4,410,224	1,644,097
Share acquisition rights	6,968	6,968
Non-controlling interests	6,023	—
Total net assets	8,115,641	5,458,041
Total liabilities and net assets	13,382,944	8,487,284

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

(Thousands of yen)

	Fiscal year ended September 30, 2020 (October 1, 2019–September 30, 2020)	Fiscal year ended September 30, 2021 (October 1, 2020–September 30, 2021)
Net sales	7,874,480	8,344,795
Cost of sales	4,748,255	4,806,695
Gross profit	3,126,224	3,538,099
Selling, general and administrative expenses	2,305,339	2,954,666
Operating profit	820,884	583,433
Non-operating income		
Interest income	904	767
Exchange gain	—	805
Subsidy income	665	570
Fees received	—	18,998
Other	5,159	8,478
Total non-operating income	6,729	29,619
Non-operating expenses		
Interest expenses	8,809	9,605
Loss on cancellation of leases	4,202	—
Non-deductible consumption tax, etc.	2,214	8,224
Other	3,400	126
Total non-operating expenses	18,627	17,956
Recurring profit	808,986	595,095
Extraordinary income		
Gain on sales of shares of subsidiaries	—	34,685
Gain on return of stock acquisition rights	92	—
Total extraordinary income	92	34,685
Extraordinary losses		
Impairment loss	77,156	275,657
Loss on sale of fixed assets	859	—
Loss on cancellation of rental contracts	14,699	—
Loss on liquidation of subsidiaries and associates	1,463	—
Other	0	20,841
Total extraordinary losses	94,178	296,499
Profit before income taxes	714,900	333,282
Income taxes - current	435,454	212,377
Income taxes - deferred	(148,859)	(31,032)
Total income taxes	286,595	181,345
Net income	428,304	151,936
(Breakdown)		
Net income attributable to owners of the parent	428,692	151,423
Net income attributable to non-controlling interests	(387)	513
Other comprehensive income		
Valuation difference on available-for-sale securities	4,419,610	(2,766,127)
Total other comprehensive income	4,419,610	(2,766,127)
Comprehensive income	4,847,914	(2,614,190)
(Breakdown)		
Comprehensive income attributable to owners of the parent	4,848,302	(2,614,704)
Comprehensive income attributable to non-controlling interests	(387)	513

## (3) Consolidated Statement of Changes in Equity

Fiscal year ended September 30, 2020 (October 1, 2019–September 30, 2020)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	861,157	831,997	1,727,899	(203,171)	3,217,883
Changes during period					
Issuance of new shares - exercise of share acquisition rights	22,925	22,925			45,850
Net income attributable to owners of the parent			428,692		428,692
Net changes in items other than shareholders' equity					
Total changes during period	22,925	22,925	428,692	—	474,542
Balance at end of period	884,082	854,922	2,156,591	(203,171)	3,692,425

	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	(9,385)	(9,385)	7,130	6,410	3,222,038
Changes during period					
Issuance of new shares - exercise of share acquisition rights					45,850
Net income attributable to owners of the parent					428,692
Net changes in items other than shareholders' equity	4,419,610	4,419,610	(162)	(387)	4,419,060
Total changes during period	4,419,610	4,419,610	(162)	(387)	4,893,602
Balance at end of period	4,410,224	4,410,224	6,968	6,023	8,115,641

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	2,156,591	(203,171)	3,692,425
Changes during period					
Net income attributable to owners of the parent			151,423		151,423
Purchase of treasury shares				(208)	(208)
Change in ownership interest of parent due to transactions with noncontrolling interests		(36,663)			(36,663)
Net changes in items other than shareholders' equity					
Total changes during period	—	(36,663)	151,423	(208)	114,550
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	8,115,641
Changes during period					
Net income attributable to owners of the parent					151,423
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)	(2,657,599)
Balance at end of period	1,644,097	1,644,097	6,968	—	5,458,041

## (4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended September 30, 2020 (October 1, 2019–September 30, 2020)	Fiscal year ended September 30, 2021 (October 1, 2020– September 30, 2021)
<b>Cash flows from operating activities</b>		
Profit before income taxes	714,900	333,282
Depreciation	242,021	232,139
Amortization of goodwill	115,135	112,410
Impairment loss	77,156	275,657
Increase (decrease) in allowance for doubtful accounts	(24,344)	272,698
Increase (decrease) in provision for point card certificates	(2,797)	11,683
Interest and dividend income	(904)	(767)
Interest expenses	8,809	9,605
Loss (gain) on sales of shares of subsidiaries	—	(34,685)
Loss on sales of non-current assets	859	—
Loss on cancellation of rental contracts	14,699	—
Decrease (increase) in trade receivables	(516,810)	827,693
Decrease (increase) in investment securities for Sale	354,199	276,795
Decrease (increase) in inventories	(136,960)	(96,638)
Increase (decrease) in trade payables	150,000	(312,086)
Increase (decrease) in accounts payable - other	72,303	109,692
Other	(73,371)	(233,234)
Subtotal	994,895	1,784,246
Interest and dividends received	904	765
Interest paid	(9,019)	(9,570)
Payments associated with rental contract Cancellations	(14,699)	—
Income taxes (paid) refund	(148,072)	(599,726)
Net cash provided by (used in) operating activities	824,009	1,175,715
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(7,519)	(7,557)
Purchase of intangible assets	(300,842)	(265,922)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	5,902
Payments for 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)
Proceeds from refund of guarantee deposits	13,893	900
Payments of guarantee deposits	(100)	(600)
Collection of loans receivable	10,185	11,125
Other	(3,027)	19,800
Net cash provided by (used in) investing activities	(287,410)	(276,757)



(Thousands of yen)

	Fiscal year ended September 30, 2020 (October 1, 2019–September 30, 2020)	Fiscal year ended September 30, 2021 (October 1, 2020– September 30, 2021)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	1,700,000	–
Repayments of short-term borrowings	(866,668)	(133,332)
Proceeds from long-term borrowings	500,000	–
Repayments of long-term borrowings	(435,652)	(327,786)
Redemption of bonds	(125,000)	–
Purchase of treasury shares	–	(208)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	45,780	–
Payments for purchase of shares of subsidiaries resulting in no change in scope of consolidation	–	(43,200)
Repayments of lease obligations	(2,682)	(1,757)
Other	(2,416)	–
Net cash provided by (used in) financing activities	813,361	(506,284)
Effect of exchange rate change on cash and cash equivalents	537	(795)
Net increase (decrease) in cash and cash equivalents	1,350,498	391,879
Cash and cash equivalents at beginning of period	1,354,496	2,704,994
Cash and cash equivalents at end of period	2,704,994	3,096,874

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

Fiscal year ended September 30, 2020 (October 1, 2019–September 30, 2020)

(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	1,789,412	4,814,983	1,270,084	7,874,480	—	7,874,480
Intersegmental sales and transfers	142,899	6,214	—	149,113	(149,113)	—
<b>Total</b>	<b>1,932,311</b>	<b>4,821,198</b>	<b>1,270,084</b>	<b>8,023,594</b>	<b>(149,113)</b>	<b>7,874,480</b>
<b>Segment profit</b>	<b>367,824</b>	<b>324,252</b>	<b>503,625</b>	<b>1,195,702</b>	<b>(374,817)</b>	<b>820,884</b>
<b>Segment assets</b>	<b>674,895</b>	<b>2,824,584</b>	<b>7,331,581</b>	<b>10,831,060</b>	<b>2,551,884</b>	<b>13,382,944</b>
<b>Other items</b>						
Depreciation	151,058	81,158	—	232,217	9,803	242,021
Goodwill amortization property, plant and equipment and intangible assets	—	115,135	—	115,135	0	115,135
	234,576	76,618	—	311,194	6,485	317,679

Notes:

1. "Adjustments" includes the following:

- i. The downward adjustment of ¥374,817 thousand in "segment profit (loss)" includes elimination of intersegment transactions and companywide costs not allocated to reportable segments.
- ii. The adjustment of ¥2,551,884 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 ¥9,803 thousand in "depreciation" and the adjustment of ¥0 thousand in "amortization of goodwill" include elimination of intersegment transactions and companywide costs not allocated to reportable segments.
- iv. The adjustment of ¥6,485 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, 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	1,699,839	4,942,411	1,702,543	8,344,795	—	8,344,795
Intersegmental sales and transfers	120,430	56,357	5,915	182,702	(182,702)	—
Total	1,820,269	4,998,768	1,708,458	8,527,497	(182,702)	8,344,795
Segment profit	342,864	(258,825)	874,969	959,008	(375,575)	583,433
Segment assets	418,063	2,619,790	3,091,111	6,128,964	2,358,320	8,487,284
<b>Other items</b>						
Depreciation	154,645	68,144	—	222,790	9,349	232,139
Goodwill amortization	—	109,427	2,652	112,079	331	112,410
property, plant and equipment and intangible assets	192,927	73,503	—	266,431	3,868	270,299

Notes:

1. "Adjustments" includes the following:

- i. The downward adjustment of ¥375,575 thousand in "segment profit (loss)" includes elimination of intersegment transactions and companywide costs not allocated to reportable segments.
- ii. The adjustment of ¥2,358,320 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.