



Consolidated Financial Results for the Nine Months Ended June 30, 2023 [Japanese GAAP]

August 14, 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: None

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended June 30, 2023 (October 1, 2022–June 30, 2023)

(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	%
June 30, 2023	4,048	(10.6)	358	—	383	—	51	—
June 30, 2022	4,530	(29.2)	9	(98.5)	6	(99.0)	(65)	—

(Note) Comprehensive income: Nine Months ended June 30, 2023: ¥303 million (—% year on year)

Nine Months ended June 30, 2022: ¥(932) million (—% year on year)

Term ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
June 30, 2023	4.84	4.84
June 30, 2022	(6.25)	—

(Note) Information on diluted earnings per share for the fiscal year ended June 30, 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	%
June 30, 2023	7,386	4,860	65.8
September 30, 2022	7,350	4,557	62.0

(Reference) Equity capital: As of June 30, 2023: ¥4,857 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	—	0.00	—		
September 30, 2023 (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, 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)
June 30, 2023: 10,813,700 shares
September 30, 2022: 10,813,700 shares
2. Number of treasury shares at the end of the period
June 30, 2023: 216,990 shares
September 30, 2022: 216,990 shares
3. Average number of shares outstanding during the period
Nine months ended June 30, 2023: 10,596,710 shares
Nine months ended June 30, 2022: 10,515,476 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 June 30, 2023
Assets		
Current assets		
Cash and deposits	3,833,053	3,179,832
Accounts receivable – trade	350,725	539,921
Operational investment securities	1,398,374	1,734,194
Merchandise	47,206	49,476
Work in process	240	45
Supplies	558	568
Accounts receivable – other	587,465	696,211
Other	274,508	231,644
Allowance for doubtful accounts	(48,205)	(44,222)
Total current assets	6,443,928	6,387,670
Non-current assets		
Property, plant and equipment		
Buildings, net	44,117	86,061
Tools, furniture and fixtures, net	13,686	45,568
Other, net	3,630	4,593
Total property, plant and equipment	61,434	136,223
Intangible assets		
Goodwill	85,729	9,945
Software	315,850	431,869
Software in progress	136,353	93,400
Other	2,006	1,719
Total intangible assets	539,940	536,934
Investments and other assets		
Long-term loans receivable	24,083	16,609
Deferred tax assets	106,026	79,721
Investments in capital of subsidiaries and associates	13,400	40,600
Distressed receivables	298,303	298,303
Long-term accounts receivable	378,647	356,147
Other	161,209	189,099
Allowance for doubtful accounts	(676,950)	(654,450)
Total investments and other assets	304,719	326,030
Total non-current assets	906,094	999,189
Total assets	7,350,023	7,386,859
Liabilities		
Current liabilities		
Accounts payable - trade	130,722	119,659
Short-term borrowings	1,100,000	1,140,000
Current portion of long-term borrowings	211,753	96,662
Income taxes payable	167,081	9,980
Accounts payable - other	746,729	762,430
Contract liabilities	158,620	123,060
Provision for bonuses	3,240	900
Provision for loss on litigation	1,350	–
Other	75,701	43,928
Total current liabilities	2,595,197	2,296,622
Non-current liabilities		
Long-term loans payable	166,680	91,683
Deferred tax liabilities	–	94,080
Other	31,059	43,775
Total non-current liabilities	197,739	229,538
Total liabilities	2,792,937	2,526,160

(Thousands of yen)

	As of September 30, 2022	As of June 30, 2023
Net assets		
Shareholders' equity		
Capital stock	973,683	973,683
Capital surplus	907,859	907,859
Retained earnings	2,364,516	2,415,808
Treasury shares	(203,380)	(203,380)
Total shareholders' equity	4,042,679	4,093,972
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	511,496	763,832
Total accumulated other comprehensive income	511,496	763,832
Share acquisition rights	2,909	2,894
Non-controlling interests	4,557,085	4,860,698
Total liabilities and net assets	7,350,023	7,386,859

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

(Thousands of yen)

	Nine Months ended June 30, 2022 (October 1, 2021–June 30, 2022)	Nine Months ended June 30, 2023 (October 1, 2022–June 30, 2023)
Net sales	4,530,566	4,048,321
Cost of sales	2,247,534	1,992,833
Gross profit	2,283,032	2,055,488
Selling, general and administrative expenses	2,273,050	1,696,633
Operating profit	9,981	358,854
Non-operating income		
Interest income	476	368
Exchange gain	2,550	25,037
Subsidy income	665	—
Commission income	404	1,467
Other	2,288	3,567
Total non-operating income	6,384	30,440
Non-operating expenses		
Interest expenses	5,963	4,423
Non-deductible consumption tax, etc.	2,561	1,053
Other	968	266
Total non-operating expenses	9,493	5,742
Recurring profit	6,873	383,552
Extraordinary income		
Gain on reversal of share acquisition rights	3,676	14
Gain on sale of non-current assets	2,079	—
Gain on bargain purchase	85,910	—
Other	277	162
Total extraordinary income	91,943	176
Extraordinary losses		
Loss on retirement of non-current assets	1,679	248
Related to costs of special investigation committee and amendments to past financial years statements	—	196,744
Structural reform expenses	—	121,289
Total extraordinary losses	1,679	318,283
Profit before income taxes	97,136	65,445
Income taxes - current	138,825	20,383
Income taxes - deferred	24,046	(6,229)
Total income taxes	162,872	14,153
Net income	(65,735)	51,292
(Breakdown)		
Profit attributable to owners of parent	(65,735)	51,292
Other comprehensive income		
Valuation difference on available-for-sale securities	(866,769)	252,335
Total other comprehensive income	(866,769)	252,335
Comprehensive income	(932,504)	303,627
(Breakdown)		
Comprehensive income attributable to owners of the parent	(932,504)	303,627

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

Nine Months ended June 30, 2022 (October 1, 2021–June 30, 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	1,651,349	2,207,611	671,605	4,530,566	—	4,530,566
Intersegmental sales and transfers	64,938	73,297	—	138,235	(138,235)	—
Total	1,716,287	2,280,909	671,605	4,668,802	(138,235)	4,530,566
Segment profit	340,549	(502,405)	522,949	361,093	(351,111)	9,981

Notes:

- i. The adjustment of ¥(351,111) 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.

Nine Months ended June 30, 2023 (October 1, 2022– June 30, 2023)

(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	1,977,165	1,633,730	437,425	4,048,321	—	4,048,321
Intersegmental sales and transfers	116,444	19,467	—	135,912	(135,912)	—
Total	2,093,609	1,653,198	437,425	4,184,234	(135,912)	4,048,321
Segment profit	459,266	(44,914)	257,045	671,396	(312,542)	358,854

Notes:

- i. The adjustment of ¥(312,542) 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.