



Consolidated Financial Results for the Three Months Ended December 31, 2021 [Japanese GAAP]

February 14, 2022

Company name: Aucfan Co., Ltd.

Stock Exchange Listing:
Tokyo Stock Exchange

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

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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, 2021

(October 1, 2021–December 31, 2021)

(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, 2021	1,682	(43.2)	69	(94.3)	68	(94.4)	33	(96.3)
December 31, 2020	2,963	88.4	1,224	—	1,215	—	918	—

(Note) Comprehensive income (millions of yen) Three Months ended December 31, 2021: (693) (–%)
Three Months ended December 31, 2020: (1,290) (–%)

Term ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2021	3.25	3.24
December 31, 2020	89.00	84.40

(2) Consolidated Financial Position

Term ended	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
December 31, 2021	7,607	4,940	64.9
September 30, 2021	8,487	5,458	64.2

(Reference) Equity capital (millions of yen) As of December 31, 2021 : 4,937
As of September 30, 2021: 5,451

2. Dividends

Year ended/ending	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
September 30, 2021	—	0.00	—	0.00	0.00
September 30, 2022	—	—	—	—	—
September 30, 2022 (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, 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)	4.83

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

(3) Number of issued shares (common stock)

1. Number of issued shares at the end of the period (including treasury stock)
December 31, 2021: 10,813,700 shares
September 30, 2021: 10,539,400 shares
2. Number of treasury shares at the end of the period
December 31, 2021: 216,990 shares
September 30, 2021: 216,990 shares
3. Average number of shares outstanding during the period
Term ended December 31, 2021: 10,355,657 shares
Term ended December 31, 2020: 10,322,457 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 December 31, 2021
Assets		
Current assets		
Cash and deposits	3,096,874	3,174,940
Notes and accounts receivable – trade	708,737	672,488
Operational investment securities	2,994,026	2,022,113
Merchandise	248,315	342,954
Supplies	511	509
Accounts receivable – other	264,877	278,253
Other	611,890	261,791
Allowance for doubtful accounts	(287,050)	(4,371)
Total current assets	7,638,182	6,748,680
Non-current assets		
Property, plant and equipment		
Buildings, net	48,828	46,904
Tools, furniture and fixtures, net	19,421	18,656
Other, net	5,393	6,691
Total property, plant and equipment	73,643	72,252
Intangible assets		
Goodwill	186,897	161,605
Software	275,454	256,498
Software in progress	5,644	49,152
Other	1,509	1,434
Total intangible assets	469,506	468,690
Investments and other assets		
Long-term loans receivable	34,049	31,558
Deferred tax assets	139,341	132,801
Bankruptcy rehabilitation claims	–	298,135
Other	151,568	153,566
Allowance for doubtful accounts	(19,008)	(298,135)
Total investments and other assets	305,952	317,926
Total non-current assets	849,102	858,869
Total assets	8,487,284	7,607,550
Liabilities		
Current liabilities		
Accounts payable - trade	89,002	163,095
Short-term borrowings	1,000,000	1,000,000
Current portion of long-term borrowings	319,976	319,997
Income taxes payable	27,855	31,235
Accounts payable - other	531,798	495,085
Provision for point card certificates	12,748	–
Provision for shareholder benefit program	–	12,455
Other	260,591	233,511
Total current liabilities	2,241,972	2,255,380
Non-current liabilities		
Long-term borrowings	378,433	305,085
Deferred tax liabilities	404,657	103,186
Other	4,179	3,715
Total non-current liabilities	787,270	411,987
Total liabilities	3,029,243	2,667,367

(Thousands of yen)

	As of September 30, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	884,082	973,683
Capital surplus	818,258	907,859
Retained earnings	2,308,014	2,341,693
Treasury shares	(203,380)	(203,380)
Total shareholders' equity	3,806,976	4,019,856
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,644,097	917,417
Total accumulated other comprehensive income	1,644,097	917,417
Share acquisition rights	6,968	2,909
Total net assets	5,458,041	4,940,182
Total liabilities and net assets	8,487,284	7,607,550

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

(Thousands of yen)

	Three Months ended December 31, 2020 (October 1, 2020–December 31, 2020)	Three Months ended December 31, 2021 (October 1, 2021–December 31, 2021)
Net sales	2,963,675	1,682,415
Cost of sales	1,079,078	957,246
Gross profit	1,884,597	725,168
Selling, general and administrative expenses	660,291	655,750
Operating profit	1,224,305	69,418
Non-operating income		
Interest income	196	160
Exchange gain	—	330
Subsidy income	—	332
Other	670	555
Total non-operating income	866	1,378
Non-operating expenses		
Interest expenses	2,709	2,115
Non-deductible consumption tax, etc.	6,828	440
Other	461	0
Total non-operating expenses	9,999	2,556
Recurring profit	1,215,172	68,240
Extraordinary income		
Gain on sales of shares of subsidiaries	34,685	—
Gain on return of stock acquisition rights	—	3,676
Other	—	27
Total extraordinary income	34,685	3,703
Extraordinary losses		
Other	0	20
Total extraordinary losses	0	20
Profit before income taxes	1,249,857	71,923
Income taxes - current	291,510	25,571
Income taxes - deferred	40,097	12,673
Total income taxes	331,608	38,245
Net income	918,248	33,678
(Breakdown)		
Net income attributable to owners of the parent	918,689	33,678
Net income attributable to non-controlling interests	(440)	—
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,208,645)	(726,680)
Total other comprehensive income	(2,208,645)	(726,680)
Comprehensive income	(1,290,396)	(693,001)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(1,289,955)	(693,001)
Comprehensive income attributable to non-controlling interests	(440)	—

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

Three Months ended December 31, 2020 (October 1, 2020–December 31, 2020)

(Thousands of yen)

	Reportable segment				Adjustments	Amount recorded in consolidated financial statements
	Inventory Management Solution	Merchandise Distribution Platform	Incubation	Total		
Sales						
Sales to external customers	548,548	1,117,309	1,297,817	2,963,675	—	2,963,675
Intersegmental sales and transfers	37,087	413	—	37,500	(37,500)	—
Total	585,635	1,117,722	1,297,817	3,001,176	(37,500)	2,963,675
Segment profit	93,790	67,826	1,151,941	1,313,559	(89,253)	1,224,305

Notes:

1. The downward adjustment of ¥89,253 thousand in “segment loss” includes elimination of intersegment transactions and companywide costs not allocated to reportable segments.
2. “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, 2021 (October 1, 2021– December 31, 2021)

(Thousands of yen)

	Reportable segment				Adjustments	Amount recorded in consolidated financial statements
	Inventory Management Solution	Merchandise Distribution Platform	Incubation	Total		
Sales						
Sales to external customers	546,740	941,965	193,709	1,682,415	—	1,682,415
Intersegmental sales and transfers	28,195	17,799	—	45,994	(45,994)	—
Total	574,936	959,765	193,709	1,728,410	(45,994)	1,682,415
Segment profit	121,267	(64,746)	140,896	197,418	(128,000)	69,418

Notes:

1. The downward adjustment of ¥128,000 thousand in “segment loss” includes elimination of intersegment transactions and companywide costs not allocated to reportable segments.
2. “Segment profit (loss)” is consistent with operating profit recorded on the corresponding consolidated statement of income and statement of comprehensive income.