



Consolidated Financial Results for the Three Months Ended December 31, 2023 [Japanese GAAP]

February 14, 2024

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: Shinjiro Sugiyama

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 Three Months Ended December 31, 2023

(October 1, 2023– December 31, 2023)

(1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Recurring profit		Net income attributable to owners of the parent	
Term ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2023	1,116	(5.3)	45	961.6	30	736.7	26	—
December 31, 2022	1,179	(29.6)	4	(93.4)	3	(94.3)	(168)	—

(Note) Comprehensive income: Three Months ended December 31, 2023: ¥(142) million (—% year on year)

Three Months ended December 31, 2022: ¥(176) million (—% year on year)

	Basic earnings per share	Diluted earnings per share
Term ended	Yen	Yen
December 31, 2023	2.55	—
December 31, 2022	(15.93)	—

(Note) Information on diluted earnings per share for the fiscal year ended December 31, 2022, is omitted since, although potential shares did exist, the recorded figure was a basic loss per share.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
Term ended	Million yen	Million yen	%
December 31, 2023	6,894	4,484	64.9
September 30, 2022	7,100	4,630	65.1

(Reference) Equity capital: As of December 31, 2023: ¥4,474 million

As of September 30, 2023: ¥4,625 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, 2023	—	0.00	—	0.00	0.00
September 30, 2024	—				
September 30, 2024 (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, 2024

(October 1, 2023–September 30, 2024)

(Percentages represent year-on-year changes)

	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
Full-year	5,330	(3.6)	350	15.0	345	1.0	200	—	19.38

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.: None
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)
December 31, 2023: 10,813,700 shares
September 30, 2023: 10,813,700 shares
2. Number of treasury shares at the end of the period
December 31, 2023: 491,990 shares
September 30, 2023: 491,990 shares
3. Average number of shares outstanding during the period
Three months ended December 31, 2023: 10,321,710 shares
Three months ended December 31, 2022: 10,596,710 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	3,280,940	3,349,916
Accounts receivable – trade	423,363	345,413
Operational investment securities	1,574,460	1,470,674
Merchandise	36,721	20,404
Work in process	15	14
Supplies	109	163
Accounts receivable – other	712,495	650,234
Other	201,501	211,086
Allowance for doubtful accounts	(58,969)	(62,421)
Total current assets	6,170,637	5,985,484
Non-current assets		
Property, plant and equipment		
Buildings, net	83,914	81,768
Tools, furniture and fixtures, net	48,086	45,322
Other, net	2,645	2,492
Total property, plant and equipment	134,646	129,582
Intangible assets		
Goodwill	8,950	7,956
Software	463,671	457,866
Software in progress	27,743	27,374
Other	1,623	1,532
Total intangible assets	501,988	494,729
Investments and other assets		
Long-term loans receivable	14,118	11,626
Deferred tax assets	90,754	86,927
Distressed receivables	298,532	298,532
Long-term accounts receivable	348,147	340,647
Other	187,978	186,493
Allowance for doubtful accounts	(646,565)	(639,065)
Total investments and other assets	292,966	285,161
Total non-current assets	929,601	909,473
Total assets	7,100,239	6,894,958
Liabilities		
Current liabilities		
Accounts payable - trade	83,684	67,341
Short-term borrowings	1,100,000	1,030,000
Current portion of long-term borrowings	103,330	99,996
Income taxes payable	19,583	11,013
Accounts payable - other	783,827	800,022
Contract liabilities	124,442	102,757
Provision for bonuses	3,600	900
Other	77,061	104,041
Total current liabilities	2,295,529	2,216,071
Non-current liabilities		
Long-term loans payable	63,350	41,685
Deferred tax liabilities	68,290	110,324
Other	42,249	41,905
Total non-current liabilities	173,889	193,915
Total liabilities	2,469,419	2,409,987

(Thousands of yen)

	As of September 30, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Capital stock	973,683	973,683
Capital surplus	907,859	897,009
Retained earnings	2,381,593	2,407,934
Treasury shares	(340,055)	(340,055)
Total shareholders' equity	3,923,081	3,938,572
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	702,871	536,161
Foreign currency translation adjustments	(581)	209
Total accumulated other comprehensive income	702,289	536,371
Share acquisition rights	2,894	—
Non-controlling interest	2,553	10,027
Total net assets	4,630,819	4,484,971
Total liabilities and net assets	7,100,239	6,894,958

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

(Thousands of yen)

	Three Months ended December 31, 2022 (October 1, 2022– December 31, 2022)	Three Months ended December 31, 2023 (October 1, 2023– December 31, 2023)
Net sales	1,179,934	1,116,820
Cost of sales	600,151	540,313
Gross profit	579,782	576,507
Selling, general and administrative expenses	575,503	531,083
Operating profit	4,279	45,424
Non-operating income		
Interest income	126	88
Commission income	810	—
Other	1,999	1,562
Total non-operating income	2,936	1,650
Non-operating expenses		
Interest expenses	1,595	1,548
Foreign exchange losses	1,281	13,634
Non-deductible consumption tax, etc.	0	254
Other	703	1,230
Total non-operating expenses	3,581	16,667
Recurring profit	3,634	30,407
Extraordinary income		
Gain on reversal of share acquisition rights	14	2,894
Insurance claim income	—	10,000
Total extraordinary income	14	12,894
Extraordinary losses		
Loss on retirement of non-current assets	—	230
Related to costs of special investigation committee and amendments to past financial years statements	153,166	—
Total extraordinary losses	153,166	230
Profit before income taxes	(149,517)	43,071
Income taxes - current	7,088	6,845
Income taxes - deferred	12,166	13,082
Total income taxes	19,255	19,928
Net income	(168,773)	23,143
(Breakdown)		
Profit attributable to owners of parent	(168,773)	26,341
Net income attributable to non-controlling interests	—	(3,197)
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,251)	(166,709)
Foreign currency translation adjustment account	—	791
Total other comprehensive income	(7,251)	(165,918)
Comprehensive income	(176,024)	(142,774)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(176,024)	(139,577)
Comprehensive income attributable to noncontrolling interests	—	(3,197)

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

Three Months ended December 31, 2022 (October 1, 2022– December 31, 2022)

(Thousands of yen)

	Reportable segment				Adjustments (note i)	Amount recorded in consolidated financial statements (note ii)
	Solution	Platform	Incubation	Total		
Sales						
Sales to external customers	662,881	515,897	1,155	1,179,934	—	1,179,934
Intersegmental sales and transfers	44,684	7,076	—	51,760	(51,760)	—
Total	707,566	522,973	1,155	1,231,695	(51,760)	1,179,934
Segment profit (loss)	157,126	(10,008)	(31,706)	115,411	(111,131)	4,279

Notes:

- i. The adjustment of ¥(111,131) 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.

Three Months ended December 31, 2023 (October 1, 2023– December 31, 2023)

(Thousands of yen)

	Reportable segment				Adjustments (note i)	Amount recorded in consolidated financial statements (note ii)
	Solution	Platform	Incubation	Total		
Sales						
Sales to external customers	617,930	393,945	104,945	1,116,820	—	1,116,820
Intersegmental sales and transfers	15,632	8,837	—	24,469	(24,469)	—
Total	633,562	402,782	104,945	1,141,290	(24,469)	1,116,820
Segment profit (loss)	122,337	22,133	8,764	153,235	(107,810)	45,424

Notes:

- i. The adjustment of ¥(107,810) 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.