AUCNET INC. Investors' Notes

Interim Report for the 19th Business Term

(January 1, 2026 – June 30, 2026)

Securities Code:3964

Message from President & CEO

Second-quarter financial results exceeded forecasts, delivering growth in both net sales and profit.

For the second quarter of the consolidated financial results in FY2026, net sales were ¥37,983 million, operating profit was ¥7,082 million, ordinary profit was ¥7,154 million, and profit attributable to owners of parent was ¥4,820 million, achieving year-on-year growth in both sales and profit. Both the Lifestyle Products and Mobility & Energy segments performed favorably, exceeding our expectations. In the Digital Product Business, an increase in the sales units driven by enforcing development of new sourcing channels, including devices from the GIGA School Program, contributed to the performance. In the Fashion Resale Business, both B2B business and services targeting consumers maintained steady performance, supported by sustained inbound demand from a weaker yen and solid domestic demand driven by high share prices. In the Automobile Business, total number of vehicles sold and bought, and the number of vehicles inspected grew against the backdrop of rising demand for used vehicles.

Upward revision of consolidated financial forecasts and dividend forecasts, and implementation of special shareholder benefit program

As both the Lifestyle Products and Mobility & Energy segments performed better than expected, we incorporated the strong results achieved through the second quarter to make upward revisions to our consolidated financial forecasts and dividend forecasts. Furthermore, in light of the progress of M&A initiatives outlined in our medium-term management plan, Blue Print 2027, we decided to pay a special dividend funded by 3.5 billion yen—equivalent to half of our investment plan budget. As a result, combined with the dividend increase from the revised earnings forecast, the year-end dividend forecast is expected to be 61 yen per share. Together with the interim dividend of 21 yen, the annual total dividend is projected to be 82 yen per share (an increase of 53 yen compared to the previous fiscal year).
In addition, to express our gratitude for our shareholders' ongoing support, enhance the investment attractiveness of our share, and further reinforce shareholder returns, we will implement a special shareholder benefit program for shareholders registered as of September 2, 2026. For details, please visit our company website.

Key factors for strengthening our competitive advantage

Since our founding, based on our philosophy of "Authenticism," Aucnet has refined its four core competencies (optimal systems, information reliability, operational expertise, and membership-based network) to ensure our customers can transact with peace of mind. We deliver value to both buyers and sellers by assigning accurate product data through rigorous inspections and grading, and providing a seamless trading environment including logistics and payment settlement. Crucial to this process is identifying our customers' "true needs" that they themselves may not yet be aware of.
We believe that we can demonstrate our competitive advantage by meticulously identifying friction points in transactions and evaluating what added value would enable smoother circulation, and then by thoroughly refining and strengthening our solutions.

Steady execution of Blue Print 2027 and upward revisions

To realize our vision, "Working with partners worldwide to shape the future of the circular economy," Aucnet has honed its four core competencies and established a solid business foundation that meets our customers' "true needs." As a result of this strong foundation and execution of our strategies, we now expect to achieve the quantitative targets set forth in our medium-term management plan, Blue Print 2027, two years ahead of schedule. Consequently, in February 2026, we revised our targets upward, increasing our EBITDA target from \10.0 billion to \13.5 billion and elevating our target dividend payout ratio from 40% or higher to 50% or higher. Moving forward, by integrating big data and AI with our existing competitive advantages, we will continue to deliver services that exceed expectations even amidst changing market environments, striving to further enhance our corporate value.
Going beyond a mere secondary market platform, Aucnet will continue to evolve into a company that designs circular markets with our partners around the world and delivers new value to society. Moving forward, we will remain dedicated to expanding our business, improving profitability, and enhancing shareholder returns to share long-term growth with our shareholders. We sincerely ask for your continued unwavering and support.

▶▶Please see the Special Article: Medium-term Management Plan, Blue Print 2027, for details on the special shareholder benefit program and medium-term management plan.

Special Article
New Medium-term Management Plan
Blue Print 2027

We have achieved our medium-term management plan two years ahead of schedule and revised our medium-term quantitative targets upward. We will further enhance our investment attractiveness and shareholder returns through share splits and the expansion of our shareholder benefit program.

We achieved all medium-term quantitative targets (EBITDA, ROE and dividend payout ratio) set in the medium-term management plan, Blue Print 2027 formulated in February 2025, in the fiscal year ended December 31, 2025 two years ahead of schedule. In light of this, in February 2026, we partially revised our targets upward while working to further enhance shareholder returns through share splits and the expansion of our shareholder benefit program.

Q What are you aiming for under the Blue Print 2027?

A A We have revised our medium-term quantitative targets upward to achieve further growth, taking another step toward shaping the future of the circular economy.

A We have revised our medium-term quantitative targets upward to achieve further growth, taking another step toward shaping the future of the circular economy.
Our vision remains unchanged: aiming for a society where every single valuable things are circulated, and actively creating the future of the circular economy with partners around the world. As a key indicator of this vision, we will continue to pursue our long-term target of ¥1 trillion in GCV[*1]. Meanwhile, because medium-term quantitative targets such as EBITDA[*2] and ROE were achieved two years ahead of schedule, we have revised them upward. We will continue to drive initiatives aimed at further business growth.

*1: Gross Circulation Value (GCV): Aucnet's proprietary indicator showing in monetary terms the impact of business activities on the economy and the environment.
*2: EBITDA = Operating Profit + Depreciation + Amortization of goodwill + Profit (loss) of equity-method affiliates (before goodwill anirtization)

Aucnet's Vision

Working with partners worldwide to shape the future of the circular economy.

Long-term Target

Gross Circulation Valu (GCV) ¥ **1** trillion

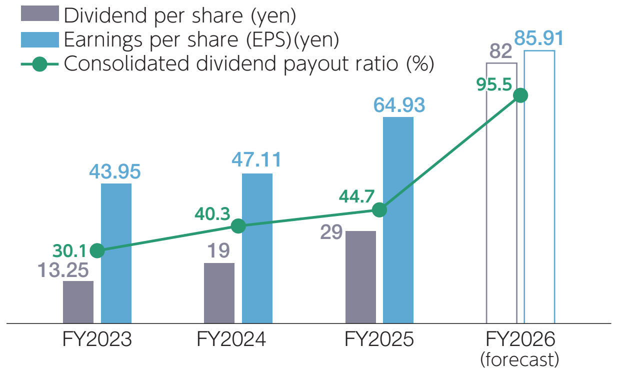
Medium-term Quantitative Targets (2027)

EBITDA	ROE	Dividend Payout Ratio
¥10 billion ↓ **¥13.5 billion**	**15～20 %**	40%or higher ↓ **50%or higher**

Q What is your shareholder return policy?

A We have changed our consolidated dividend payout ratio target from "40% or higher" to "50% or higher."

While continuing to maintain sufficient internal reserves on hand to fund future business development, enhance management structure and fund capital investment, we will maintain a stable dividend. To further enhance shareholder returns, we have raised our consolidated dividend payout ratio policy from "40% or higher"to"50% or higher. "Furthermore, for the fiscal year ending December 31, 2026, considering the progress of M&A investments planned in our medium-term management plan, we will pay a special dividend funded by \3.5 billion, equivalent to half of our investment plan budget.



*Dividend per share and dividend payout ratio are presented reflecting the 2-for-1 share split executed on April 1, 2026.

Q What is the purpose of the share split?

A To increase the liquidity of our company's shares and further expand the investor base.

To lower the investment unit price and create a more accessible investment environment for individual investors and all stakeholders, we executed a 2-for-1 share split of our common shares with an effective date of April 1, 2026.

Record date March 31, 2026		Effective date April 1, 2026
Total number of issued and outstanding shares **48,026,400 shares**	Split at the ratio of 2 shares for 1 share →	Total number of issued and outstanding shares **96,052,800 shares**

Q Is there any change on the shareholder benefit program?

A We expanded our shareholder benefit program and increasing the points for select tiers.

Regarding the "AUCNET Premium Shareholder Benefit Club," introduced for shareholders on record as of December 31, 2025, benefit points will continue to be awarded starting from 3 trading units (300 shares) even after the share split, with points increased for select shareholding tiers. In addition, digital gift options (such as Amazon Gift Cards) have been added, allowing shareholders to choose from over 5,000 items (applicable to shareholders on record as of December 31, 2026). Furthermore, we will implement a Special Shareholder Benefit Program for shareholders on record as of September 2, 2026.

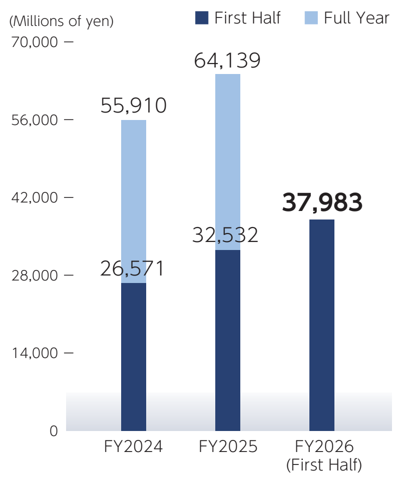
Annual shareholder benefit point table for 2026 (special shareholder benefits plus regular shareholder benefits)

Number of shares held	Special shareholder benefits (September 2, 2026)	Regular shareholder benefits (December 31, 2026)	Annual total for 2026
100 shares to 299 shares	1,000 points	—	**1,000 points**
300 shares to 499 shares	2,000 points	2,000 points	**4,000 points**
500 shares to 699 shares	4,000 points	4,000 points	**8,000 points**
700 shares to 1,399 shares	8,000 points	8,000 points	**16,000 points**
1,400 shares to 1,799 shares	17,000 points	17,000 points	**34,000 points**
1,800 shares to 2,999 shares	20,000 points	20,000 points	**40,000 points**
3,000 shares or more	40,000 points	40,000 points	**80,000 points**

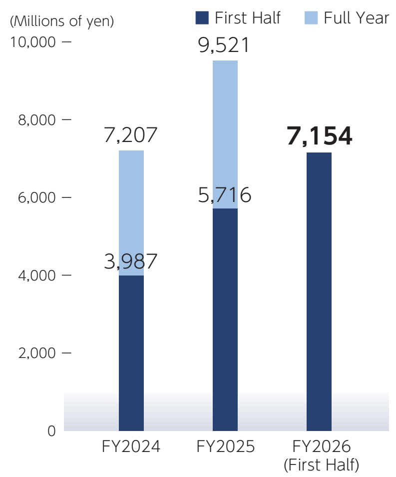
(1 point is approximately equivalent to 1 yen)

Consolidated Financial Highlights

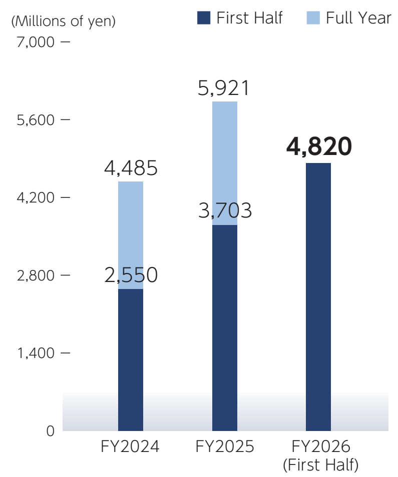
Net Sales



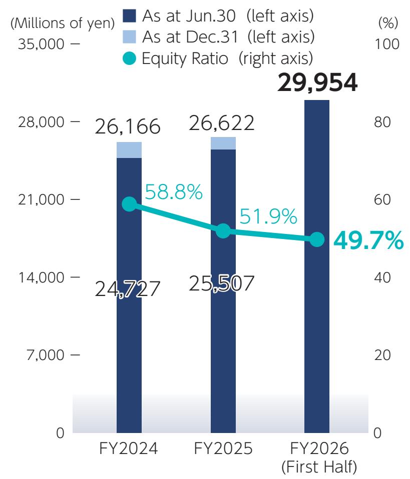
Ordinary Profit



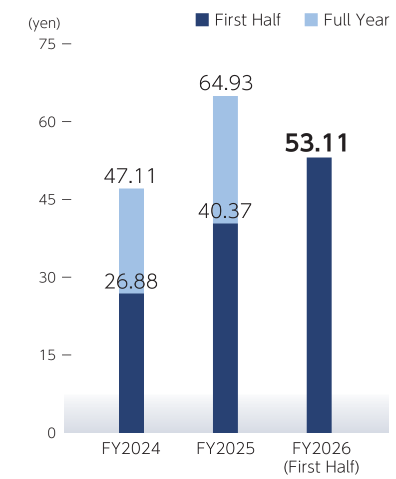
Profit Attributable to Owners of Parer



Net Assets／Equity Ratio



Basic Earnings per Share

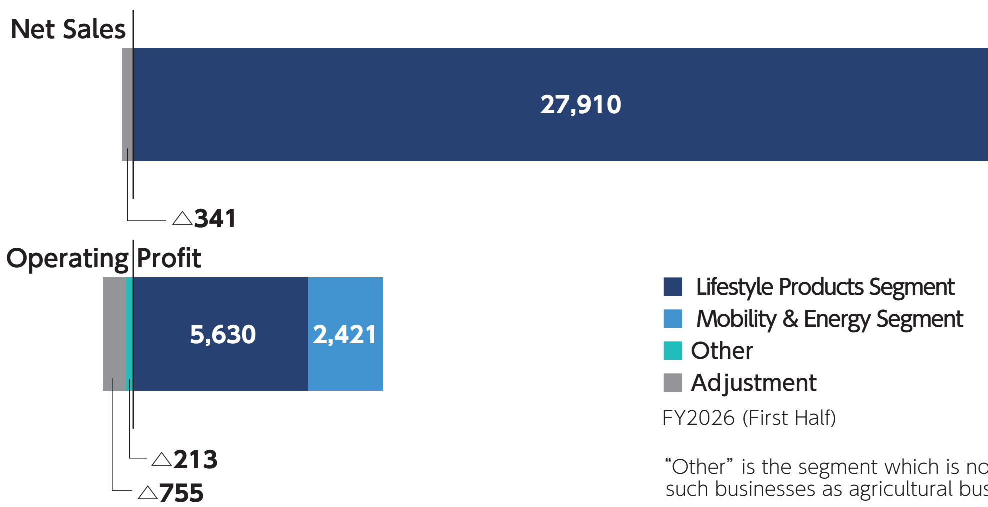


Note:The Company conducted a share split at a ratio of 2 shares for each common share of the Company on April 1, 2025 and April 1 2026. Basic earnings per share for the period prior to the split date are also calculated and stated after adjustment for the share split.

A Note Concerning Shareholder Returns

At Aucnet, we view the return of profits to shareholders as one of management's highest priorities. While continuing to maintain sufficient internal reserves on hand to fund future business development, enhance management structure and fund capital investment, our basic policy is to maintain a stable dividend and aim for a consolidated payout ratio of 50% or higher.

Information by Business Segment (Millions of yen)



"Other" is the segment which is not included in reportable segments, including such businesses as agricultural business and circular commerce business.

Information

Company Overview (As of June 30,2026)

Name	AUCNET INC.
Esatablishment	June 29, 1985
Capital	¥1,807 million
Number of employees (consolidated)	1,196
Listing	Tokyo Stock Exchange, Prime Market
Head office	Aoyama OM Square, 5-8 Kita-Aoyama 2-chome,Minato-ku, Tokyo
Tel. (switchboard)	TEL：＋81-3-6440-2500

Executive Officers (As of June 30,2026)

Chairperson, Director	Kiyotaka Fujisaki
Representative Director, President & CEO	Shinichiro Fujisaki
Director, Senior Managing Executive Officer	Katsuhiko Ichii
Director, Senior Managing Executive Officer & CFO	Hiroki Taniguchi
Outside Director	Seiichiro Umeno
Outside Director	Toshio Maki
Outside Director	Megumi Tsukamoto
Director (Audit & Supervisory Committee member)	Shunji Sato
Outside Director (Audit & Supervisory Committee member)	Michi Handa (Michi Sasano)
Outside Director (Audit & Supervisory Committee member)	Mikito Nagai

Stock Information (As of June 30,2026)

Total number of shares authorized to be issued	220,000,000 shares
Total number of shares outstanding	96,052,800 shares
Number of shareholders	5,575

Major shareholders (As of June 30,2026)

Shareholder name	Shareholding ratio
FLEX CORPORATION	40.7%
Blue Peak, Inc.	10.5%
GOLDMAN SACHS & CO. REG	5.2%
The Master Trust Bank of Japan,Ltd.(Trust Account)	3.8%
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	3.4%
GOLDMAN SACHS INTERNATIONAL	3.2%
NAMAI ASSET MANAGEMENT INC	3.0%
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	2.0%
Custody Bank of Japan, Ltd. (Trust account)	1.9%
Orient Corporation	1.8%

Shareholding ratio is calculated after deducting treasury shares (4,036,042 shares).

Shareholder Memo (As of June 30, 2026)

Financial year	January 1 to December 31
Annual shareholders' meeting	Within three months after end of each financial year
Record date for dividends from surplus	Year-end dividends-Dec. 31 Interim dividends - June 30
Number of shares per unit	100shares
Method of public notice	AUCNET INC. publishes its information in electronic public notices. However, in the event that electronic public notices cannot be provided due to accidents or other unavoid-able circumstances,the public notices shall be posted in the Nihon Keizai Shinbun(Nikkei).
URL for public notice	https://ir.aucnet.co.jp/ja/announcement.html
Administrator of shareholder registry	4-5, Marunouchi 1-Chome,Chiyoda-ku, Tokyo, Japan Mitsubishi UFJ Trust and Banking Corporation
Office of shareholder registry administrator	4-5, Marunouchi 1-Chome,Chiyoda-ku, Tokyo, Japan Stock Transfer Agency Mitsubishi UFJ Trust and Banking Corporation

Integrated Report 2025 Has Been Issued

We publish Integrated Reports to help all of our stakeholders gain a deeper understanding of Aucnet.

In Integrated Report 2025, we have created two versions to meet the diverse needs of our readers：a "Condensed edition" that concisely outlines Aucnet's business overview and core philosophy, and a "Full edition" that provides detailed coverage ranging from management and strategy to financial and non-financial information. We have further enriched the content by providing updates on the progress of our medium-term management plan, "Blue Print 2027," our value creation initiatives as a Circular Market Designing Company, and the growth strategies of each business segment. We look forward to using this report as a catalyst to foster even more constructive dialogue with all our stakeholders.

You can check the Integrated Report 2025 on our company website.

URL https://ir.aucnet.co.jp/en/ir/library/library4153815516175422438.html

AUCNET

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https://www.aucnet.co.jp/en/