

FY2024 Third Quarter Results Briefing

November 12th, 2024
AUCNET INC.
(TSE Prime Market : 3964)



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FY2024 Third Quarter Cumulative Results Consolidated Financial Results

- Both sales and profit increased year on year with favorable performance of the Lifestyle Product Segment and Mobility & Energy Segment.
- Costs for M&A and company-wide investments in new businesses creation and business expansion increased.

(million yen)	FY2023 3Q	FY2024 3Q	YoY	FY2024 Revised Forecast (Aug 8, 2024)	Rate of Progress
Net Sales	32,242	40,443	+25.4%	58,000	69.7%
Operating profit	5,423	5,610	+3.4%	7,000	80.1%
Operating profit margin	16.8%	13.9%	-2.9pt	12.1%	
EBITDA	5,986	6,200	+3.6%	-	-
Ordinary profit	5,521	5,700	+3.3%	7,090	80.4%
Profit attributable to owners of parent	3,512	3,594	+2.3%	4,508	79.7%

FY2024 Third Quarter Highlights (Non-Cumulative 3 Month Results)

Net Sales

13,872 million yen

YoY **+34.5%**

Operating Profit

1,755 million yen

YoY **+23.9 %**

Ordinary Profit

1,712 million yen

YoY **+20.1 %**

Profit Attributable to Owners of Parent

1,043 million yen

YoY **+16.9 %**

Lifestyle Product Segment

Net Sales **9,630** million yen (+52.6%)

Segment Income **1,287** million yen (+20.6%)

See p.11 for more details

See p.26-28 for the service outline

Mobility & Energy Segment

Net Sales **3,602** million yen (+8.3%)

Segment Income **948** million yen (+21.9%)

See p.15 for more details

See p.29 for the service outline

Others

Net Sales **720** million yen (-3.8%)

Segment Income **-88** million yen (-)

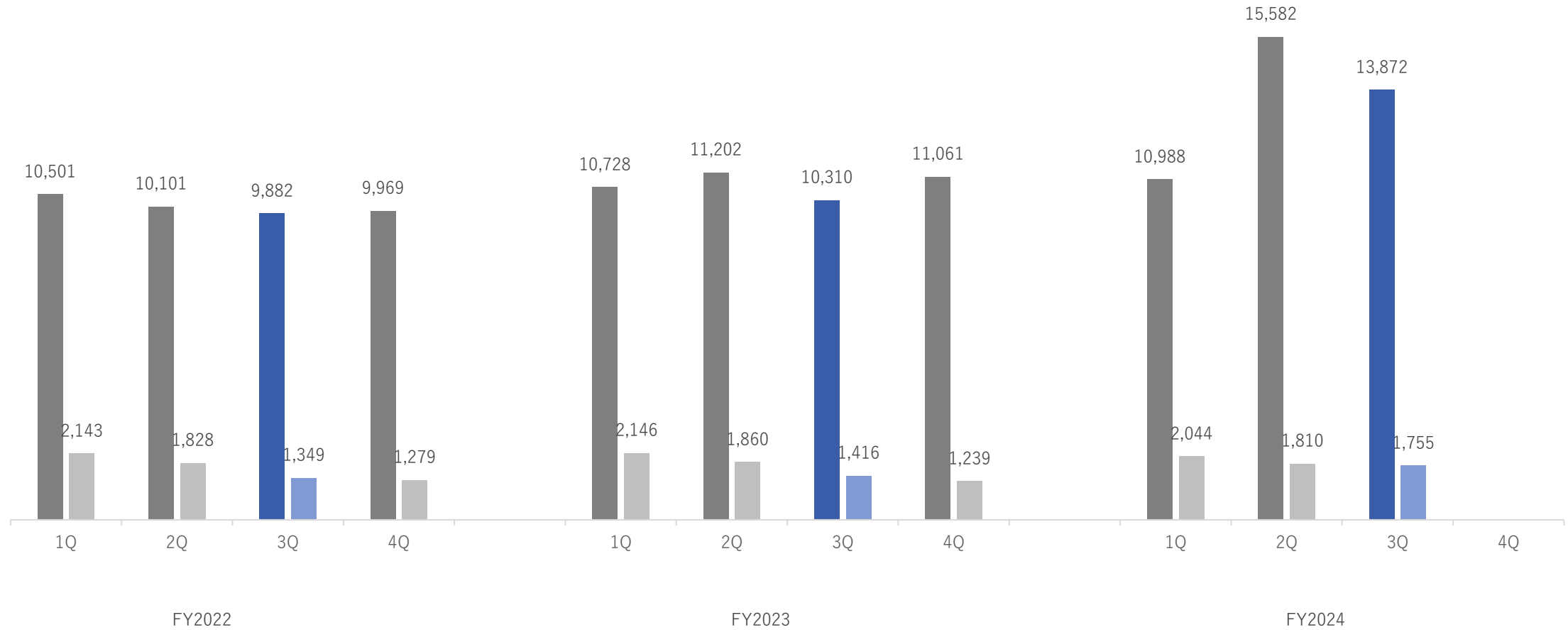
See p.18 for more details

See p.30 for the service outline

FY2022~FY2024 Consolidated Financial Results by Quarter

(million yen)

■ Net Sales ■ Operating Profit



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FY2024 Third Quarter Cumulative Results by Segment

Segment	(million yen)	FY2023 3Q	FY2024 3Q	YoY
Lifestyle Product	Net Sales	20,147	27,598	+37.0%
	Operating profit	4,322	4,382	+1.4%
Mobility & Energy	Net Sales	10,002	10,881	+8.8%
	Operating profit	2,342	2,781	+18.7%
Others	Net Sales	2,322	2,212	-4.7%
	Operating profit	-252	-312	-
Adjustment	Net Sales	-230	-248	-
	Operating profit	-989	-1,241	-
Total	Net Sales	32,242	40,443	+25.4%
	Operating profit	5,423	5,610	+3.4%

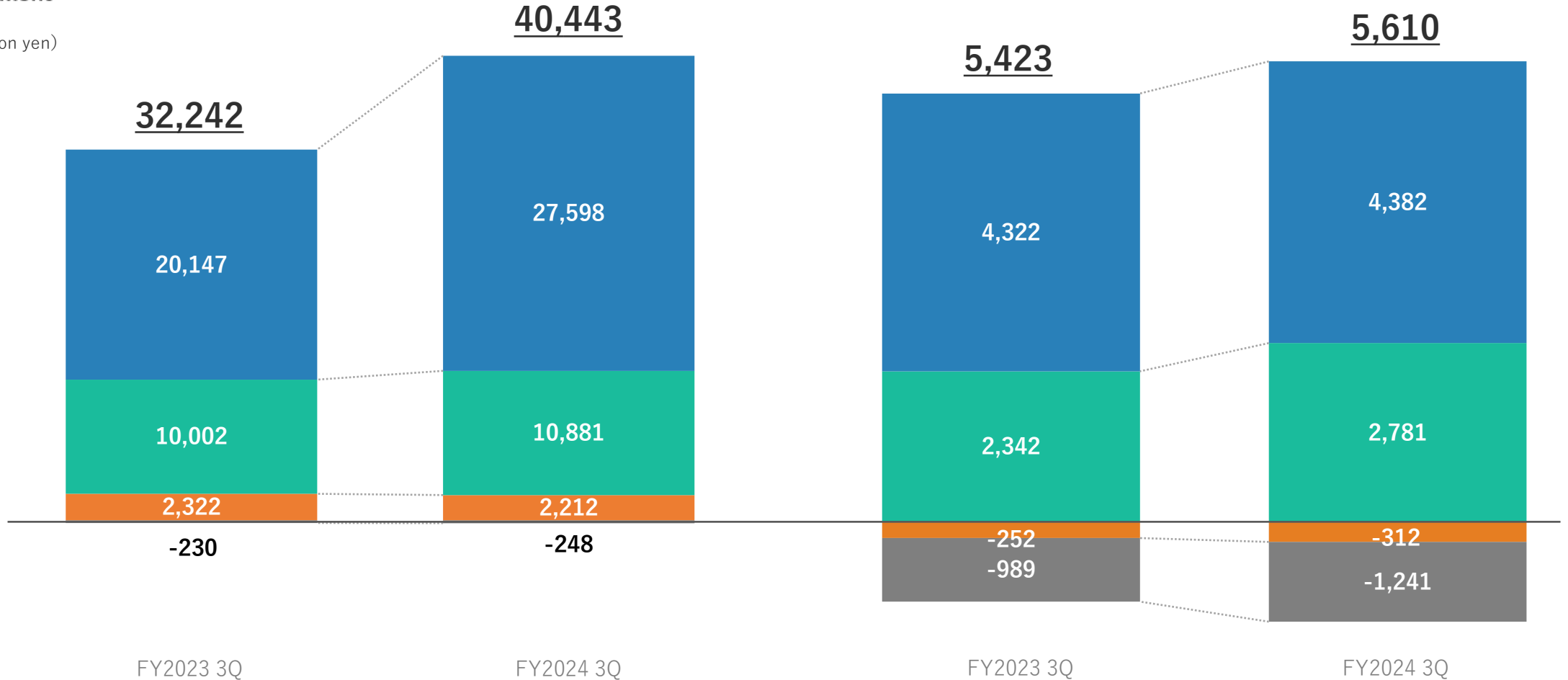
FY2024 Third Quarter Segment Increase/Decrease

- Lifestyle Product
- Mobility & Energy
- Others
- Adjustment

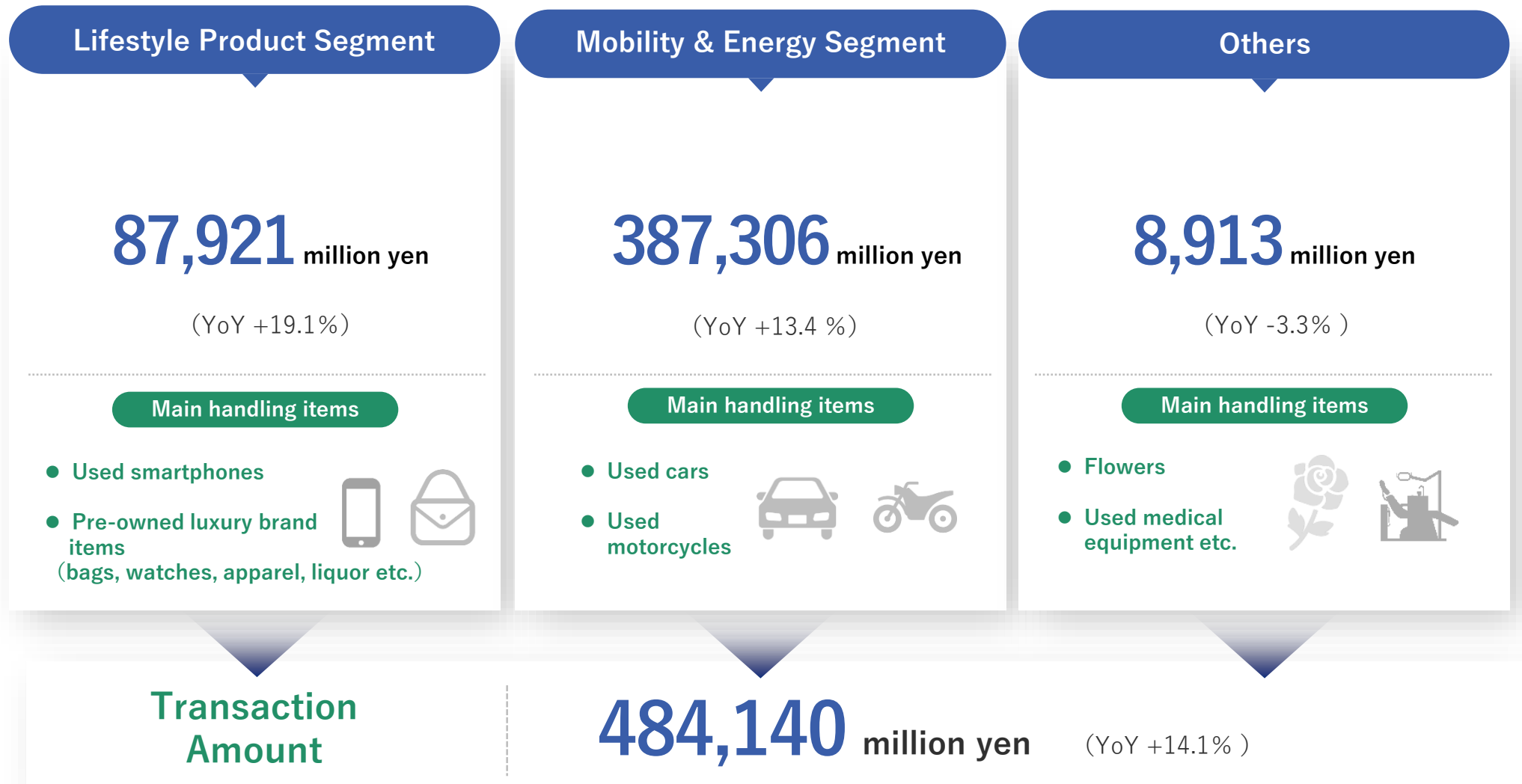
(million yen)

Net Sales

Operating Profit



FY2024 Third Quarter Cumulative Transaction Amount by Segment



* Transaction Amount: The total amount of sales by sale of products and products sold at auction distributed through our services in each business

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FY2024 Third Quarter Cumulative Results

Lifestyle Product Segment

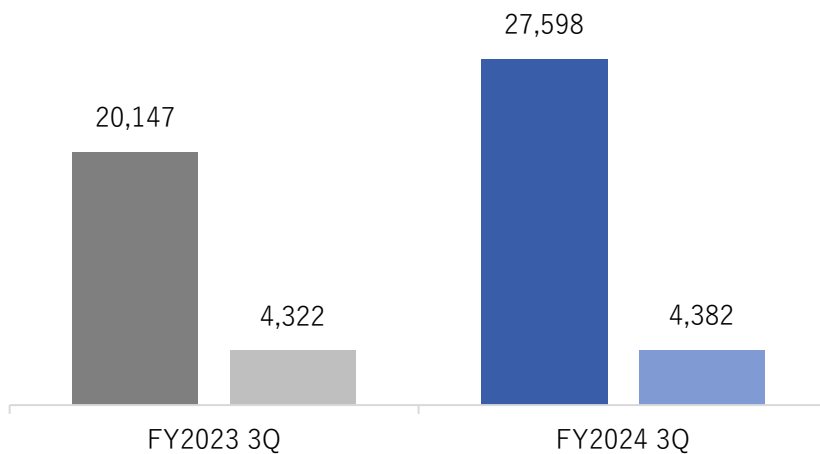
Summary

- Both sales and profit increased year on year. (Net sales +37.0%, Segment income +1.4%)
- The Digital Product Business performed well due to an increase in the transaction amount along with the impact of the weak yen in addition to an increase in the number of units sold led by expansion of transactions and strengthened coordination with our domestic suppliers.
- The Fashion Resale Business performed well due to an increase in the number of members and items listed in BtoB business despite weak market prices.
- In the businesses targeting consumers, the result was sluggish, mainly due to a decrease in high-priced item transactions while the transaction amount increased due to Defactostandard, Ltd. and JOYLAB, inc. that have been consolidated since 2Q.

Net Sales Composition

(million yen)	Main breakdown	FY2023 3Q	FY2024 3Q	YoY
Auction related revenues	Membership fees, commission fees, etc.	6,953	7,967	+14.6%
Product sales related revenues	Product sales in businesses targeting consumers, etc.	13,082	19,529	+49.3%
Other	BPO service, etc.	112	100	-9.9%
Inter-segment net sales or transfers		-	-	
Net Sales		20,147	27,598	+37.0%

(million yen) ■ Net sales ■ Segment income

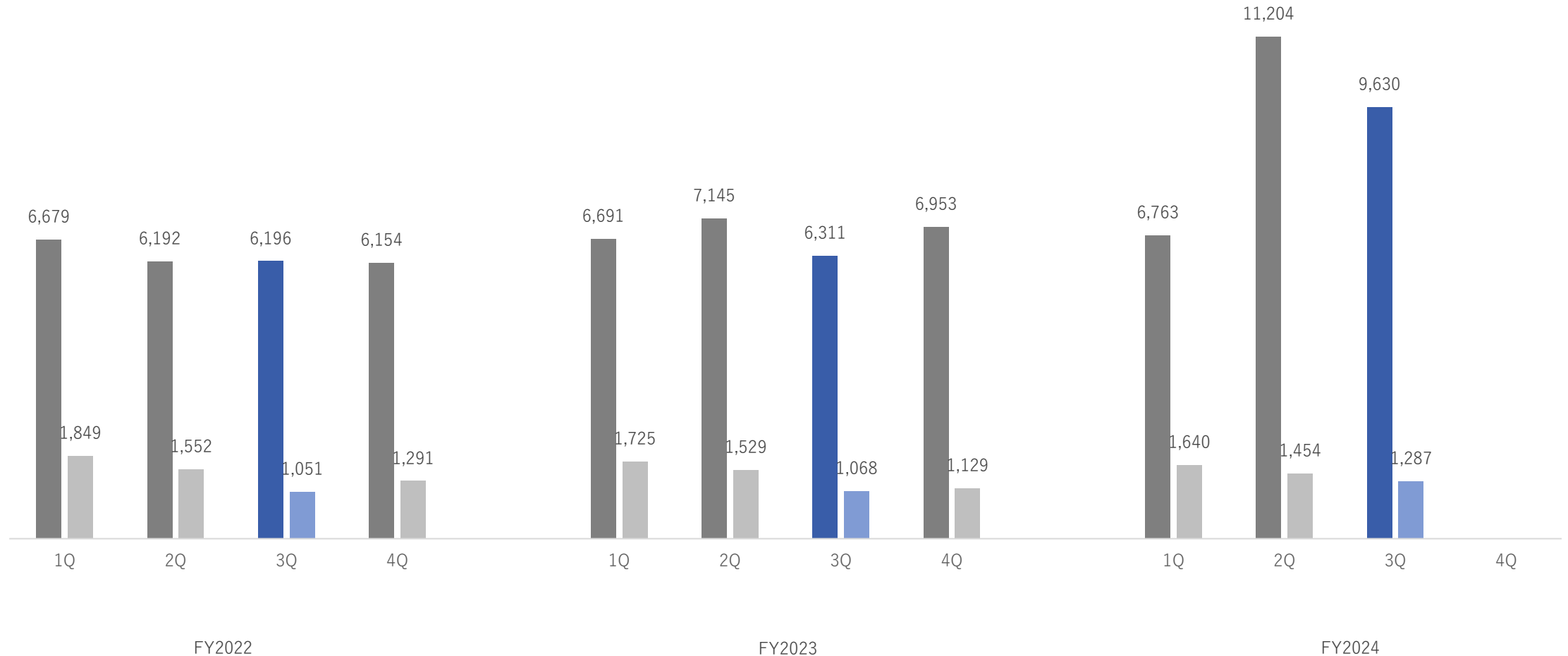


FY2022~FY2024 Results by Quarter

Lifestyle Product Segment

(million yen)

■ Net Sales ■ Segment Income



Digital Product Business

		FY2023 3Q	FY2024 3Q	YoY
Transaction amount	(million yen)	32,325	37,482	+16.0%
Sales units	(unit)	1,213,076	1,277,837	+5.3%
Number of members	(member)	1,674	2,005	+19.8%

Due to the improvements of member convenience by introduction of new auction system and impact of weak yen.

Due to the expansion of transactions with and strengthened coordination with our domestic suppliers.

Due to an increase in mainly overseas members, in accordance with the expansion of functions in overseas bases and use of digital marketing.

Fashion Resale Business

		FY2023 3Q	FY2024 3Q	YoY
BtoB business	Transaction amount (million yen)	32,711	37,754	+15.4%
	Items listed (item)	772,567	914,490	+18.4%
	Items sold※ (item)	529,402	611,338	+15.5%
	Number of members (member)	4,638	5,590	+20.5%
Business targeting C	Transaction amount (million yen)	8,756	12,683	+44.9%

The transaction amount of acquired Defactostandard, Ltd. and JOYLAB, inc. has been reflected and consolidated since 2Q

Expanded by an increase in the number of items sold.

Favorable results due to an increase in the number of members and our members' growing demand for cashing in on in-store inventory.

Favorable performance in line with an increase in the number of items listed.

Steady growth in domestic and overseas members due to the expansion of assistance and support for new members and the synergies with Defactostandard, Ltd.

The sales of high-priced items are sluggish owing to the temporary decline in inbound demand despite the growth of the transaction amount due to the acquisitions conducted in 2Q.

*The number of items sold in AUC BRAND MALL has been included since the 1Q FY2024.

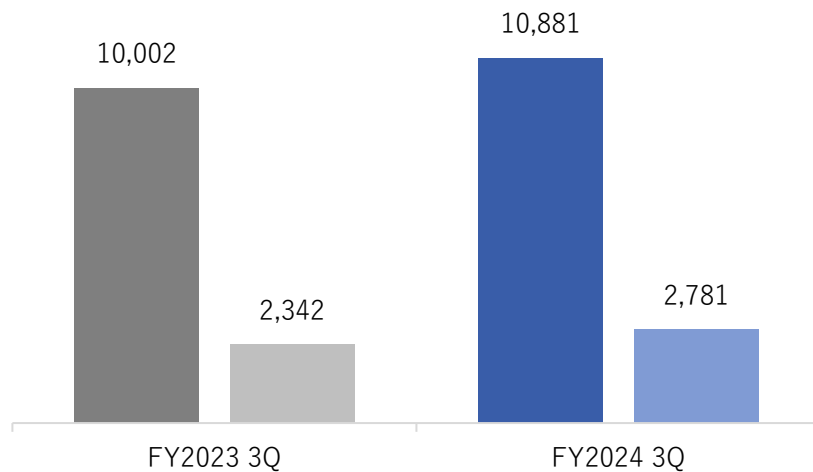
FY2024 Third Quarter Cumulative Results

Mobility & Energy Segment

Summary

- Both sales and profit increased year on year (Net sales +8.8%, Segment income +18.7%)
- In the Automobile Business, favorable performance is seen due to an increase in the number of auctions won owing to the strengthened cooperation of the shared inventory market and the proxy bidding service, and an increase in the number of vehicle inspected in line with the high demand for the inspection service for a used vehicle listing platform.
- The Motorcycle Business showed steady results, with a favorable increase in the number of vehicles sold owing to measures including promotion of auction use for exporter members.

(million yen) ■ Net sales ■ Segment income



Net Sales Composition

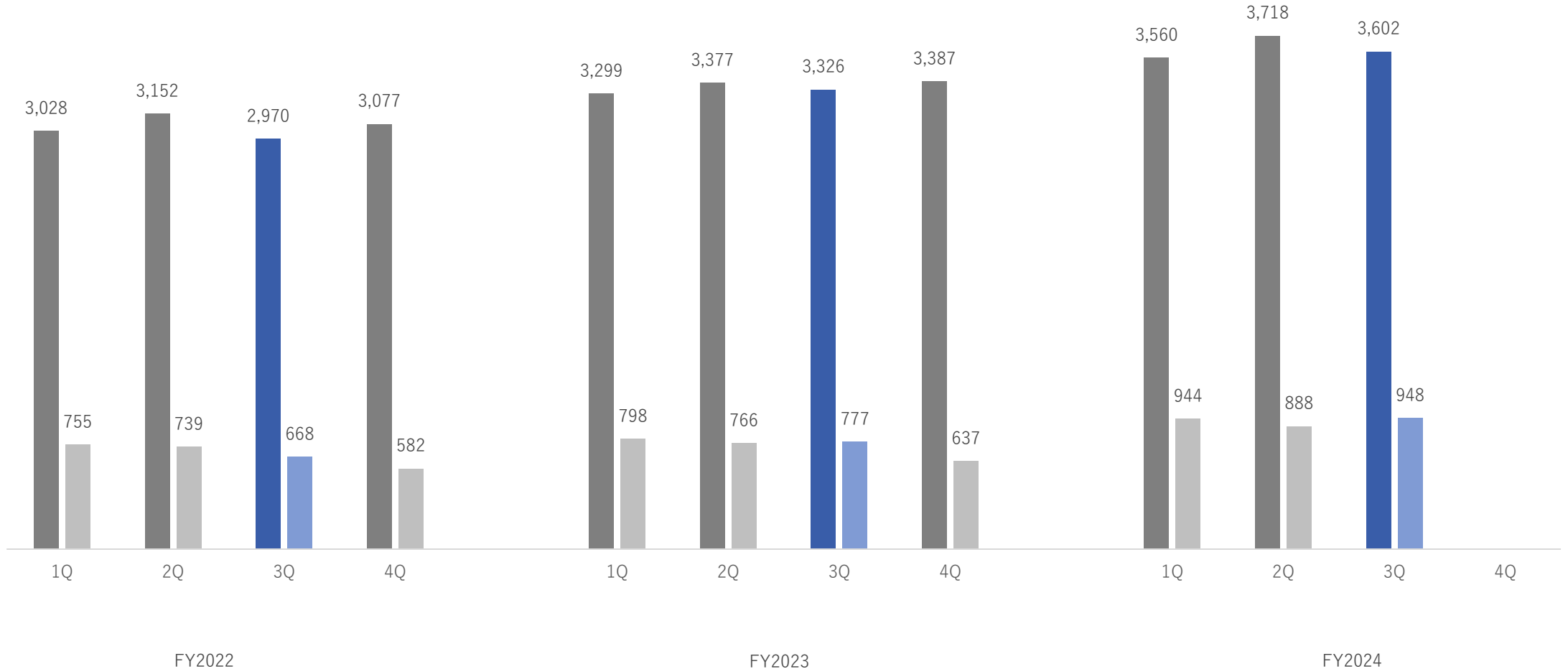
(million yen)	Main breakdown	FY2023 3Q	FY2024 3Q	YoY
Auction related revenues	Membership fees, commission fees, etc.	6,680	7,138	+6.8%
Product sales related revenues	Sale of vehicles in the company's inventory, etc.	351	376	+7.2%
Other	AIS inspection fees, etc.	2,970	3,366	+13.3%
Inter-segment net sales or transfers		-	-	
Net Sales		10,002	10,881	+8.8%

FY2022~FY2024 Results by Quarter

Mobility & Energy Segment

(million yen)

■ Net Sales ■ Segment Income



Automobile and Motorcycle Business

Automobile		FY2023 3Q	FY2024 3Q	YoY
Transaction amount	(million yen)	334,790	379,355	+13.3%
Total vehicles sold/bought	(unit)	379,906	397,462	+4.6%
Number of members	(member)	15,155	15,377	+1.5%
Motorcycle		FY2023 3Q	FY2024 3Q	YoY
Transaction amount	(million yen)	6,640	7,950	+19.7%
Total vehicles sold/bought	(unit)	19,890	22,274	+12.0%
Number of members	(member)	2,647	2,604	-1.6%
Vehicles inspected※	(unit)	929,698	1,026,551	+10.4%

With the domestic used car market prices remaining high, the number of vehicles sold has also increased, leading to an increase in the transaction amount.

In addition to the favorable performance of the proxy bidding service, the number of auction won per member increased due to strengthened sales, and the result showed a steady increase.

A steady growth in the number of proxy bidding service members due to enhancing member assistance and support.

Transaction amount increased as the average unit price of vehicles sold have been trending upwards following 2Q in addition to an increase in the number of vehicles sold.

An increase in the number of vehicles sold and auctions won by exporter members in the used motorcycle auctions.

A slight decrease in the number of members in response of invoice system.

The demand for inspections for a used car listing platform remained high and the number of vehicles inspected also remained steady.

*Total number of used cars and motorcycles inspected.

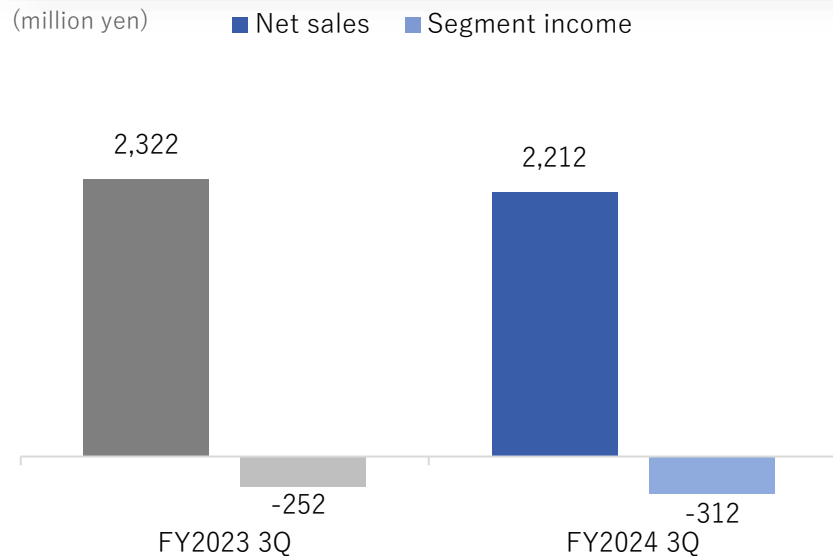
FY2024 Third Quarter Cumulative Results

▶▶▶ See p.30 for service outline

Others

Summary

- Both sales and profit decreased year on year. (Net sales -4.7%, Operating profit loss in the previous year 252million yen)
- In the Agricultural Business, the transaction amount decreased due to the lower average unit prices though the number of flowers collected exceeded the result of previous year. In addition, the costs in line with the area expansion in the Kansai base increased.
- In the Circular Commerce Business, upfront investments and proof of concepts have continued for generating new businesses such as office furniture distribution business.

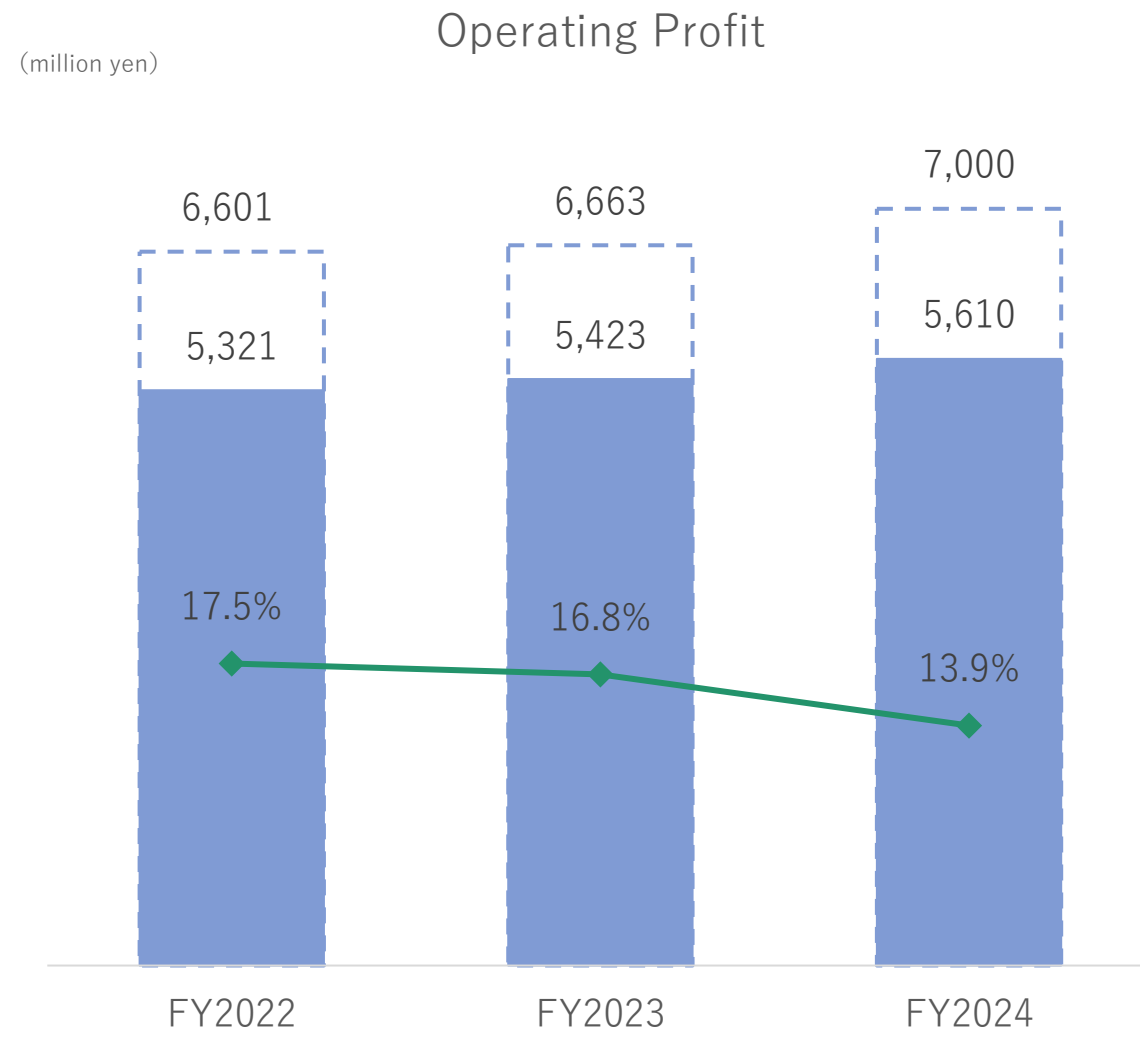
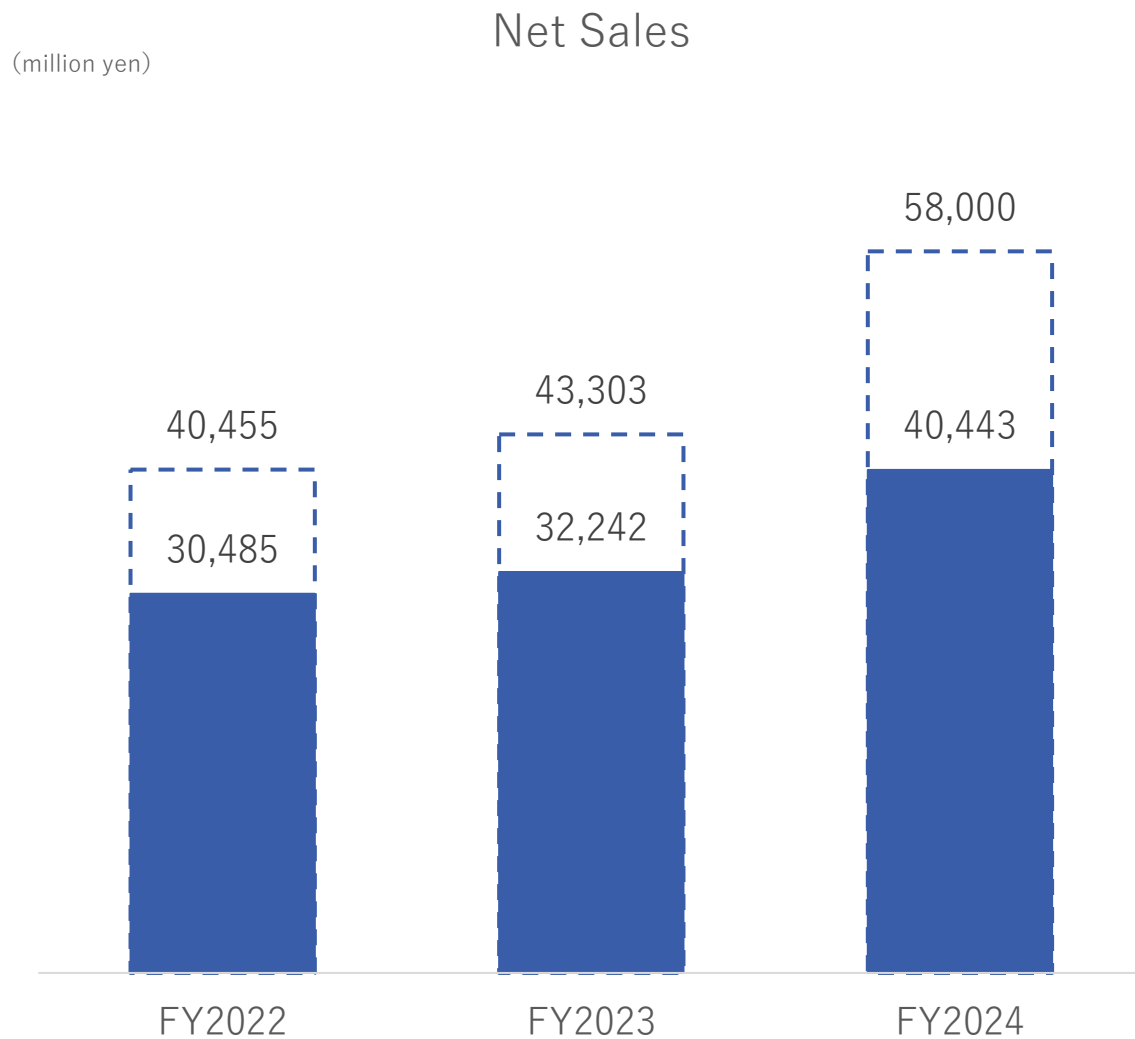


Net Sales Composition

(million yen)	Main breakdown	FY2023 3Q	FY2024 3Q	YoY
Auction related revenues	Membership fees, commission fees, etc.	897	894	-0.3%
Product sales related revenues	Negotiated sales, etc.	512	492	-3.8%
Other	BPO service, etc.	682	576	-15.5%
Inter-segment net sales or transfers		230	248	+7.6%
Net Sales		2,322	2,212	-4.7%

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FY2022~FY2024 Consolidated Results by Fiscal Year



■ 3Q Results □ Full Year Results/ Revised Forecast

■ 3Q Results □ Full Year Results/ Revised Forecast ◆ 3Q Operating Profit Margin

Consolidated Balance Sheets

Assets (million yen)	FY2023 end of December	FY2024 end of September	Increase/ Decrease
Current assets	30,953	33,888	+2,935
Cash and deposits	19,572	17,276	-2,295
Due from auction members	3,892	6,176	+2,283
Other	7,487	10,435	+2,947
Non-current assets	6,711	10,548	+3,837
Property, plant and equipment	1,601	1,919	+318
Intangible assets	1,358	3,345	+1,986
Other	3,750	5,284	+1,533
Total assets	37,664	44,437	+6,773

Liabilities and net assets (million yen)	FY2023 end of December	FY2024 end of September	Increase/ Decrease
Current liabilities	12,119	15,954	+3,835
Due to auction members	7,631	11,205	+3,573
Other	4,487	4,749	+261
Non-current liabilities	3,233	3,367	+133
Retirement benefit liability	1,884	1,899	+14
Other	1,349	1,468	+118
Total liabilities	15,353	19,322	+3,969
Total net assets	22,310	25,115	+2,804
Total liabilities and net assets	37,664	44,437	+6,773

KPI

			FY2022				FY2023				FY2024				
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Lifestyle Product Segment	Digital Product	Transaction amount (million yen)	13,526	12,261	8,730	10,247	12,443	11,638	8,243	10,068	12,960	12,090	12,432	-	
		Sales units (unit)	526,106	499,014	351,156	428,275	445,227	430,091	337,758	365,295	453,470	394,636	429,731	-	
		Number of members (member)	1,044	1,132	1,240	1,337	1,359	1,541	1,674	1,779	1,852	1,948	2,005	-	
	Fashion Resale	BtoB business	Transaction amount (million yen)	9,117	9,239	9,578	10,539	10,644	11,163	10,903	11,351	11,136	13,977	12,640	-
			Items listed (item)	223,206	262,443	251,644	288,861	236,869	269,776	265,922	294,166	281,383	319,243	313,864	-
			Items sold ※1 (item)	160,850	174,562	166,850	187,706	174,900	181,929	172,573	186,430	189,124	217,280	204,934	-
			Number of members ※2 (member)	3,586	3,690	3,893	4,092	4,287	4,503	4,638	4,862	5,029	5,281	5,590	-
Business targeting C	Transaction amount (million yen)	2,747	2,544	2,912	2,582	2,812	3,033	2,909	2,936	2,533	5,725	4,424	-		
Mobility & Energy Segment	Automobile	Auction related	Transaction amount (million yen)	84,641	100,796	106,313	96,646	104,769	118,736	111,284	107,347	124,533	129,674	125,147	-
		Total vehicles sold/bought (unit)	104,115	114,338	111,674	105,316	121,962	135,221	122,723	122,710	135,464	133,817	128,181	-	
		Membership fee	Number of members (member)	14,663	14,706	14,847	14,949	14,999	15,091	15,155	15,142	15,143	15,309	15,377	-
	Motorcycle	Auction related	Transaction amount (million yen)	1,813	2,228	2,267	1,963	2,112	2,227	2,301	1,437	2,267	2,955	2,726	-
			Total vehicles sold/bought (unit)	5,404	6,609	6,065	5,835	5,877	7,242	6,771	6,494	6,929	8,160	7,185	-
		Membership fee	Number of members (member)	2,678	2,641	2,647	2,652	2,646	2,655	2,647	2,624	2,616	2,601	2,604	-
		Inspection fee	Vehicles inspected ※3 (unit)	269,476	268,758	262,791	284,997	318,348	307,586	303,764	333,210	336,136	343,717	346,698	-

- * 1 The number of items sold in AUC BRAND MALL has been included since the 1Q FY2024.
- * 2 The number of overseas buyers has been included in the number of members since 3Q FY2022.
- * 3 Total number of used cars and motorcycles inspected.

Corporate Information

Trade name || AUCNET INC.

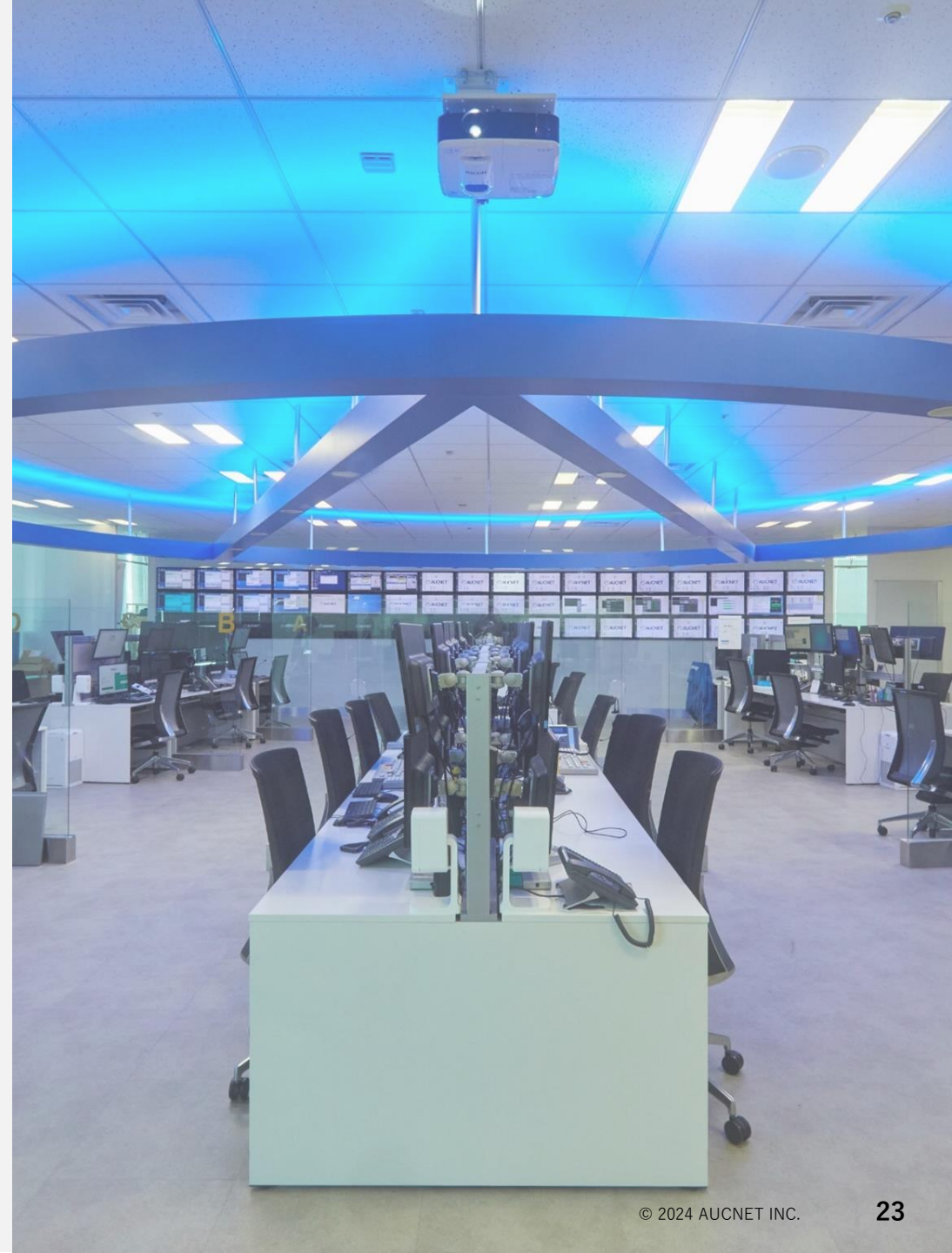
Date of start of business || June 29, 1985

Head office || Aoyama OM Square, 5-8 Kita-Aoyama 2-chome,
Minato-ku, Tokyo, 107-8349, Japan

Closing date || December 31

Number of employees || 878 (as of December 31,2023)
(consolidated)

Capital, etc. || 1,807 million yen (as of December 31,2023)



Philosophy

Aucnet's philosophy is "Authenticism".

We have always pursued the question, "What is authentic service?" and seek to provide services that help our partners achieve more efficient and secure transactions.

In the used car business and beyond, we will use the power of information to create a circular market in a wide variety of business fields in order to deliver "all kinds of valuable goods to people who need them".

Mission Statement

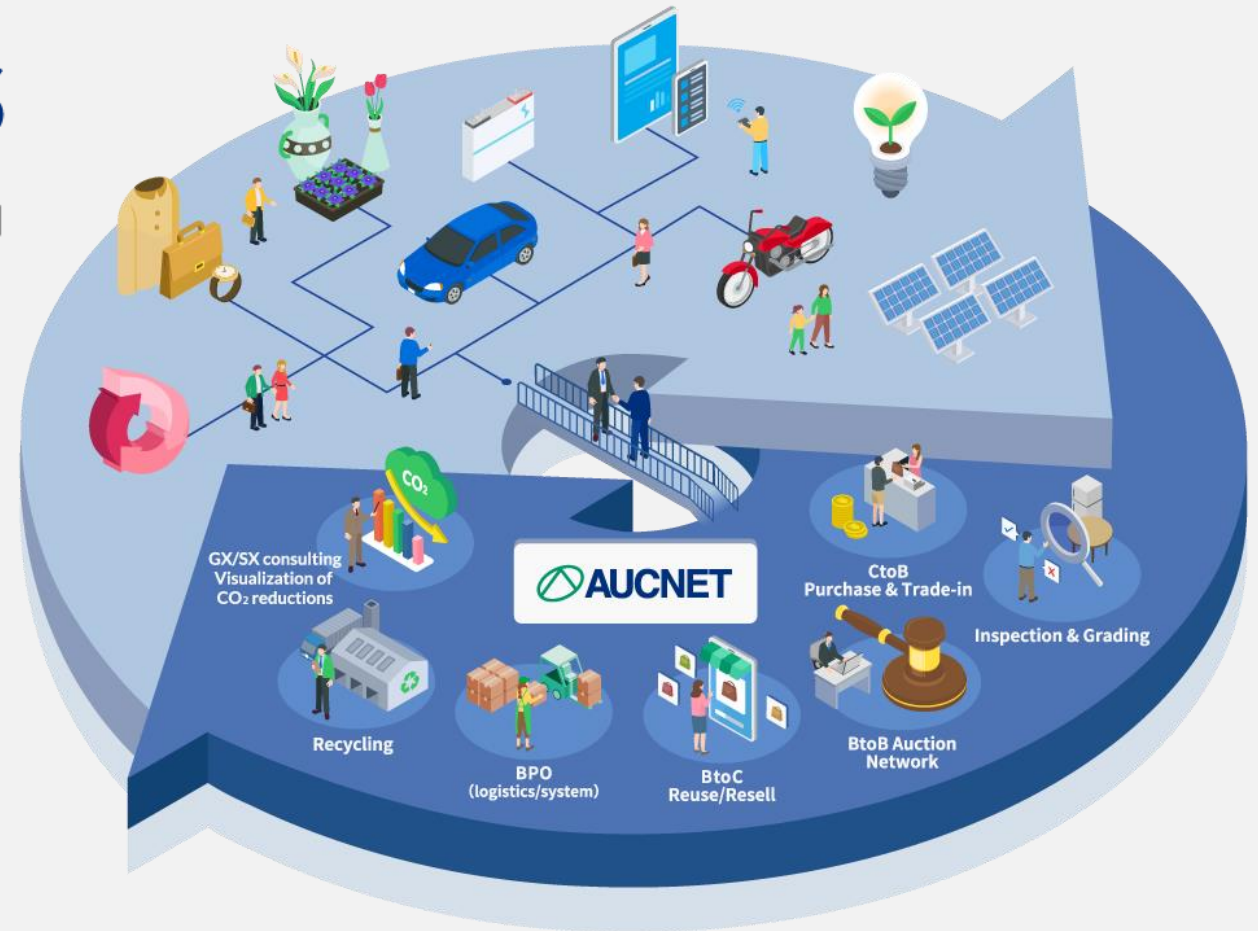
Market Design to Connect Values

Leveraging “circular commerce” to maximize our potential and create more customers around the world.
We are your market design partner.

By providing appropriate information to both sellers and buyers, we create what we call “circular commerce,” in which buyers and sellers are repeatedly connected. Since our establishment, we have always pursued services that make changes for the better, not only in the industry, but in society as a whole.

Through market design, you can not only expand existing value, but also create new value by commercializing goods and things that have never been distributed before. We will continue to find new values by co-creating with our partners who believe that “the life of a product continues even after it has been sold.”

At AUCNET, we are working together to create a world where value is connected and reconnected over and over again.



Service Outline

Digital Product Business

Auctions in and outside of Japan



GLOBAL BIDDING SYSTEM

- Products handled include used smartphones, used PCs and tablet devices and more, aiming for further product development.
- Our current focus is on strengthening our overseas buyer network, which has more than **1,700** members*. In addition to Hong Kong, a branch office has been established in Dubai in November 2022.

Data erasure



- Established Blancco Japan in 2010 as a joint venture with "blancco", the world's leading data erasure company.
- We provide thorough data erasure for information-related devices handled at our auctions.

Trade-in service

Trade-in System

- We provide software to guide trade-in (purchase) of devices to individual and corporate customers.

Partners

- SENSHUKAI CO.,LTD.
- Samsung Electronics Japan Co., Ltd.
- JCOM Co., Ltd.

Service Outline

Fashion Resale Business

BtoB

AUCNET Brand Auction

- Strong membership network built over the years, totaling **4,800 members***.
- The industry's largest-level transaction amount is **approximately 44,000 million yen***.



Businesses targeting consumers

GALLERY RARE

- Purchase and sale of luxury brand bags, watches, jewelry, etc.
- **9 stores*** mainly in Tokyo and Osaka, focusing not only on actual stores but also on e-commerce site.



VALTIQUE VINTAGE TOKYO

- Launched in September 2022 as an EC platform for selling high-brand and vintage items.
- Attach tags with CO₂ and H₂O reductions to raise awareness of sustainability.



Service Outline

Fashion Resale Business



Purchase and sales business of luxury brand items offered by Defactostandard, Ltd.

- The cumulative number of the service users reached more than **4 millions***1
- Various sales channels for mainly consumers

ブランド品売るなら
ブランドディアにお任せ

カンタン買取で現金化



Purchase Service

Home pick-up



Store



Online



Alliance-based model*2

Sales Service

In-house



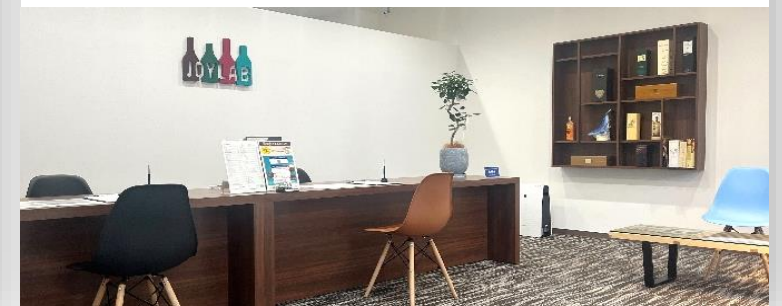
Brandear.com

*Other than above, sales are made in cooperation with other malls in and outside of Japan.



Purchase and sales service for alcoholic beverages offered by JOYLAB, inc.

- The largest scale of domestic secondary distribution in alcohol beverages.
- Strong power of purchase led by nationwide home pick-up and alliance with Brandear as well as the directly managed stores in major cities nationwide (**10 stores**)



*1 as of April 2023

*2 Purchase by other companies in alliance © 2024 AUCNET INC.

Service Outline

Automobile Business

Aucnet-hosted service

TVオークション
(used car auctions)

Many cars with high year low mileage or lease-up are listed.
Sellers can list their car without leaving them at their shop and having to move them.



共有在庫市場

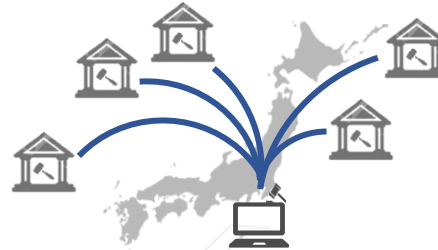
59,000* cars owned by members nationwide can be purchased at any time.



Tie-ups with other sites

ライブオークション
(live relay broadcast auctions)

Tie-up with **77*** physical vehicle auction sites nationwide for live broadcasts.



Auc 株式会社 アイオーク
(proxy bidding service)

Connects with **112*** physical vehicle auction sites nationwide to list products for sale and bid on behalf of customers.

Motorcycle Business

i-moto-auc

An auction platform where more than **4,000 companies*** participate

バイクレンタル
レンタルバイク

A nationwide motorcycle rental support service

ME:RIDE
BIKE LEASE

A subscription service for used motorcycles

Used vehicle inspection service



AIS INC., one of the foremost companies specialized in used vehicle inspections in the industry. AIS offers on-site inspection and evaluation services throughout Japan, with a team of approximately 200* inspectors.

Service Outline

Agricultural Business

ba.net

- A unique online flower market with completely remote purchasing in Japan



- A unique market in the Metropolitan Central Wholesale Market specializing in potted flowers



- A state-of-the-art large-scale orchid cultivation facility combining advanced ICT and cultivation technology

Circular Commerce Business

Selloop

- Consulting and BPO services to provide comprehensive support for the launch and operation of circular distribution for manufacturers and retailers



Aucnet Medical
オークネットメディカル

- Japan's unique auction specializing in used medical equipment that can be participated via the Internet

MENERGIA

- Cloud operation support service for medical conferences and video viewing management service to improve operational efficiency in the medical fields.

The earnings forecast and other forward-looking statements herein are based on the information currently available and certain assumptions deemed reasonable by Aucnet Inc., and it does not guarantee its achievement. In addition, actual results may differ significantly from these forecasts due to a wide range of factors.

