November 11, 2025

To whom it may concern:

Company name	AUCNET INC.
Representative	Shinichiro Fujisaki, Representative Director and President & CEO
Securities code	3964 Prime Market, Tokyo Stock Exchange
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Notice Concerning Recognition of Impairment Loss on Goodwill in Consolidated Financial Results and Loss on Valuation of Shares of Subsidiaries and Associates in Non-consolidated Financial Results

AUCNET INC. (the “Company”) hereby announces the recognition of an impairment loss on goodwill (in consolidated financial results) and a loss on valuation of shares of subsidiaries and associates (in non-consolidated financial results) for the third quarter of the fiscal year ending December 31, 2025, as described below.

1. Recognition of impairment loss on goodwill (consolidated financial results)

At JOYLAB, inc., in which shares were acquired by the Company in April 2024, business performance trended below the initially formulated business plan. Accordingly, after revising the business plan and examining the recoverable amount of goodwill, an impairment loss on goodwill of ¥965 million was recognized.

2. Recognition of loss on valuation of shares of subsidiaries and associates (non-consolidated financial results)

As a result of evaluating the shares of JOYLAB, inc., a subsidiary of the Company, it was determined that the fair value of the shares had significantly declined compared with their book value. Accordingly, a loss on valuation of shares of subsidiaries and associates of ¥1,285 million will be recognized in the Company’s non-consolidated financial results (under Japanese GAAP) for the fiscal year ending December 31, 2025.

Please note that this valuation loss will be recorded only in the non-consolidated financial results and will be eliminated in consolidation. Therefore, it will have no impact on the consolidated financial results.

3. Impact on consolidated financial results

The impact of the above items on the Group’s consolidated financial results has been reflected in the “Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending December 31, 2025 (the Nine Months Ended September 30, 2025) [Japanese GAAP]” released today.

In addition, based on recent performance trends and other factors, the forecast of consolidated results and the forecast for dividends for the fiscal year ending December 31, 2025 have been revised. For details, please refer to the “Notice Concerning Revisions to the Forecast of Consolidated Results and the Forecast for Dividends (Including the 40th Anniversary Commemorative Dividend) for the Fiscal Year Ending December 31, 2025” released today.

End