

**Consolidated Financial Statements for the Second Quarter of  
the Fiscal Year Ending December 31, 2025  
(the Six Months Ended June 30, 2025)  
[Japanese GAAP]**



August 7, 2025

Company name: AUCNET INC.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3964  
 URL: <https://www.aucnet.co.jp/en/>  
 Representative: Shinichiro Fujisaki, Representative Director and President & CEO  
 Contact: Hiroki Taniguchi, Director, Senior Managing Executive Officer & CFO  
 Phone: +81-3-6440-2552  
 Scheduled date of filing semi-annual report: August 7, 2025  
 Scheduled date of commencing dividend payments: September 1, 2025  
 Preparation of supplementary explanatory materials: Yes  
 Financial results briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

**1. Consolidated Results for the Second Quarter of the Fiscal Year Ending December 31, 2025 (January 1, 2025 - June 30, 2025)**

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	32,532	22.4	5,836	51.4	5,716	43.4	3,703	45.2
June 30, 2024	26,571	21.2	3,855	(3.8)	3,987	(2.6)	2,550	(2.6)

(Note) Comprehensive income: Six months ended June 30, 2025: ¥3,756 million [34.4%]

Six months ended June 30, 2024: ¥2,794 million [2.8%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	80.75	80.73
June 30, 2024	53.76	53.52

(Note) The Company conducted a share split at a ratio of 2 shares for each common share of the Company on April 1, 2025. Basic earnings per share and diluted earnings per share have been calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	53,544	25,507	47.3
As of December 31, 2024	44,040	26,166	58.8

(Reference) Equity: As of June 30, 2025: ¥25,300 million

As of December 31, 2024: ¥25,898 million

## 2. Cash Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Year ended December 31, 2024	Yen —	Yen 28.00	Yen —	Yen 48.00	Yen 76.00
Year ending December 31, 2025	—	22.00 (44.00)			
Year ending December 31, 2025 (Forecast)			—	23.00 (46.00)	45.00 (90.00)

- (Notes)
1. Revision to the forecast for dividends announced most recently: Yes
  2. The Company conducted a share split at a ratio of 2 shares for each common share of the Company on April 1, 2025. The dividends per share for the year ending December 31, 2025 reflect the amounts after taking into account the share split. The dividends per share for the year ending December 31, 2025 before taking into account the share split are presented in parentheses.

## 3. Forecast of Consolidated Results for the Fiscal Year Ending December 31, 2025 (January 1, 2025 - December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	62,000	10.9	8,200	17.1	7,900	9.6	5,100	111.84

- (Notes)
1. Revision to the forecast of consolidated results announced most recently: Yes
  2. The Company conducted a share split at a ratio of 2 shares for each common share of the Company on April 1, 2025. The forecast of consolidated results for the fiscal year ending December 31, 2025 (full year) reflects the amount of basic earnings per share after taking into account the share split.

### \* Notes:

- (1) Significant changes in the scope of consolidation during the period: Yes  
Newly included: 1 company      AUCNET ASIA-PACIFIC PTE. LTD.
- (2) Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: Yes
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: Yes
  - 4) Retrospective restatement: None
- (4) Total number of issued and outstanding shares (common shares)
  - 1) Total number of issued and outstanding shares at the end of the period (including treasury shares):
 

June 30, 2025:	49,526,400 shares
December 31, 2024:	49,526,400 shares
  - 2) Total number of treasury shares at the end of the period:
 

June 30, 2025:	4,181,281 shares
December 31, 2024:	1,745,866 shares
  - 3) Average number of shares during the period:
 

Six months ended June 30, 2025:	45,860,089 shares
Six months ended June 30, 2024:	47,454,514 shares

(Note) The Company conducted a share split at a ratio of 2 shares for each common share of the Company on April 1, 2025. “Total number of issued and outstanding shares at the end of the period,” “total number of treasury shares at the end of the period,” and “average number of shares during the period” have been calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

\* These second quarter (semi-annual) consolidated financial results are outside the scope of review by certified public accountants or an audit firm.

\* Explanation of the proper use of performance forecast and other notes

The earnings forecast and other forward-looking statements herein are based on the information currently available and certain assumptions deemed reasonable by the Company, and the Company does not guarantee their achievement. In addition, actual results may differ significantly from these forecasts due to a wide range of factors. For cautionary notes on assumptions that form the basis of the performance forecast and the use of the performance forecast, please see “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Performance Forecast and Other Forward-looking Information” on page 6 of the attachments.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

Forward-looking statements in this document are based on the judgments of the Group (the Company and its consolidated subsidiaries) as of the end of the second quarter of the fiscal year under review.

The Group has undertaken the task of establishing a circular market in line with our sustainability policy, “Circulating valuable goods on a global scale ~ Circulation Engine.” As a company that contributes to a sustainable society by creating a system to efficiently circulate valuable goods in the market, the Group works to further improve its social and economic value.

In the medium-term management plan, Blue Print 2027, formulated in February 2025, we aim to create the future of the circular economy with our partners around the world. We have set out a roadmap for achieving this goal, with a long-term target of GCV ¥1 trillion and medium-term quantitative targets of 1) EBITDA of ¥10.0 billion, 2) ROE of 15 to 20%, and 3) payout ratio of 40% or more. To achieve this goal, we will accelerate sustainable growth based on stable business foundations and further expand the management base for the next stage.

As a result of promoting business in line with such plans, for the six months ended June 30, 2025, the Group’s net sales were ¥32,532,462 thousand (up 22.4% from the same period of the previous fiscal year), operating profit was ¥5,836,811 thousand (up 51.4% from the same period of the previous fiscal year), ordinary profit was ¥5,716,763 thousand (up 43.4% from the same period of the previous fiscal year), and profit attributable to owners of parent was ¥3,703,161 thousand (up 45.2% from the same period of the previous fiscal year), as company-wide transitory costs were incurred for the stock-based compensation plan for employees, the 40th anniversary-related measures, integration of operational functions, and others, while the Lifestyle Products segment saw a favorable trend of performance.

	For the six months ended June 30, 2025	Year-on-year change
Net sales	¥32,532,462 thousand	+22.4%
Operating profit	¥5,836,811 thousand	+51.4%
Ordinary profit	¥5,716,763 thousand	+43.4%
Profit attributable to owners of parent	¥3,703,161 thousand	+45.2%

Performance results by business segment are as follows.

(Lifestyle Products segment)

The Lifestyle Products segment comprises the Digital Product Business and Fashion Resale Business.

(1) Digital Product Business

The Digital Product Business provides auctions for used digital products, including used smartphones and used PCs, and services pertaining to distribution, including those targeting consumers.

The replacement demand for new smartphones remained and we continued to expand our platform through collaboration with domestic suppliers and strengthening our buying power, resulting in an increase both in the number of units sold and in the transaction amount. Furthermore, we focused on acquiring overseas members by utilizing digital marketing and strengthening the functions of our overseas bases.

	For the six months ended June 30, 2025	Year-on-year change
Transaction amount (million yen)	43,874	+75.1%
Number of units sold (unit)	1,381,045	+62.8%
Number of members (member)	2,113	+8.5%

## (2) Fashion Resale Business

The Fashion Resale Business provides auctions primarily for pre-owned luxury brand items such as bags, watches, precious metals, and clothing, as well as services pertaining to distribution, including those targeting consumers. From the beginning of the second quarter of the fiscal year ended December 31, 2024, Defactostandard, Ltd. and JOYLAB, inc. have been included in the Company's scope of consolidation, and the results of the two companies have been included in those of the Company's.

In the BtoB business, in addition to the continued growth of the market, the number of items listed and the number of items sold at auctions trended favorably due to the increased demand for cashing of inventory by auction members, leading to an increase in transaction amount. Furthermore, as a result of our partial revision of the auction commission fees system, profitability increased.

In the business targeting consumers, transaction amount grew less than what we expected and showed a softening trend partly due to the impact of the US tariff policy in addition to the sluggish purchase in Japan. In the meantime, we embarked on reorganization within the Group, with the aim of strengthening its synergies as a group such as integration of operations and sharing know-how.

		For the six months ended June 30, 2025	Year-on-year change
BtoB business	Transaction amount (million yen)	26,767	+6.6%
	Items listed (item)	802,965	+33.7%
	Items sold (item)	513,324	+26.3%
	Number of members (member)	6,310	+19.5%
Business targeting consumers	Transaction amount (million yen)	9,420	+14.1%

As a result, for the six months ended June 30, 2025, net sales were ¥23,030,946 thousand (up 28.2% from the same period of the previous fiscal year) and operating profit was ¥5,031,439 thousand (up 62.6% from the same period of the previous fiscal year).

	For the six months ended June 30, 2025	Year-on-year change
Net sales	¥23,030,946 thousand	+28.2%
Operating profit	¥5,031,439 thousand	+62.6%

## (Mobility & Energy segment)

The Mobility & Energy segment comprises the Automobile Business and Motorcycle Business.

### (1) Automobile Business

The Automobile Business provides used vehicle auctions (\*1), shared inventory market (\*2), live relay broadcast auctions (\*3), proxy bidding service (\*4), used vehicle inspection service (\*5), and other services.

In the Japanese automotive sector, which has close connections with our business, total new vehicle registrations (\*6) increased 10.2% year on year to 2.34 million units in the six months ended June 30, 2025. The total number of used vehicle registrations (\*7) decreased 0.5% year on year to 3.34 million units, and the number of used vehicles listed at auctions around Japan (\*8) increased 11.1% year on year to 4.16 million units. The total number of used vehicles sold at auctions (\*8) increased 4.1% year on year to 2.80 million units.

The demand for used vehicles remained strong, and the number of auctions won through the proxy bidding service and our own auctions increased, resulting in an increase in the total vehicles sold/bought. Moreover, the average unit price of vehicles sold in live relay broadcast auctions trended favorably due to strong bidding by some exporter members, resulting in an increase in the transaction amount.

Also, demand for the inspection service for a used vehicle listing platform continued to rise, and the number of used vehicles inspected increased.

In the meantime, costs associated with the release of “BASE,” our new core system, were incurred.

	For the six months ended June 30, 2025	Year-on-year change
Transaction amount (million yen)	271,767	+6.9%
Total vehicles sold/bought (unit)	276,647	+2.7%
Number of members (member)	15,824	+3.4%
Number of used vehicles inspected (*9) (unit)	768,645	+13.1%

## (2) Motorcycle Business

The Motorcycle Business provides used motorcycle auctions (\*1), shared inventory market (\*2), proxy bidding service (\*4), used vehicle inspection service (\*5), rental service, and subscription service targeting individuals.

The transaction amount increased owing to an increase in the number of motorcycles listed and auctions won mainly from major domestic dealers as well as an increase in the average price for motorcycles sold due to the continued high levels of purchase demand at auctions from the exporters.

	For the six months ended June 30, 2025	Year-on-year change
Transaction amount (million yen)	6,493	+24.3%
Total vehicles sold/bought (unit)	17,374	+15.1%
Number of members (member)	2,577	(0.9)%

As a result, for the six months ended June 30, 2025, net sales were ¥8,016,509 thousand (up 10.1% from the same period of the previous fiscal year) and operating profit was ¥1,883,957 thousand (up 2.8% from the same period of the previous fiscal year).

	For the six months ended June 30, 2025	Year-on-year change
Net sales	¥8,016,509 thousand	+10.1%
Operating profit	¥1,883,957 thousand	+2.8%

- (\*1) The used car and used motorcycle auctions are real-time, members-only online auctions run by the Company.
- (\*2) The shared inventory market is a system that allows Aucnet Group member sellers to share inventory with other members online. The inventory remains at the seller's premises while other members access it via the online system.
- (\*3) The live relay broadcast auctions use an online live-link system that enables real-time remote access to participate at physical auction sites, through partnerships between AUCNET and the physical auction sites.
- (\*4) The proxy bidding service is an agency service provided by i-Auc, Inc. to buy, sell, settle payment for and arrange for transportation of used cars and used motorcycles at auctions on behalf of its members.
- (\*5) The used vehicle inspection service and related inspection skills training services are provided by AIS INC.
- (\*6) Based on statistics compiled by Japan Automobile Dealers Association
- (\*7) Based on statistics compiled by Japan Automobile Dealers Association and Japan Light Motor Vehicle and Motorcycle Association
- (\*8) Based on the 2025 U-Car Full Data Book and Export Quotation Book
- (\*9) Total number of used cars and used motorcycles inspected

(Other)

The Other segment comprises the Agricultural Business and Circular Commerce Business.

The Agricultural Business provides online auctions and physical markets for flowers and engages in the production and sale of phalaenopsis orchids. The Circular Commerce Business provides services that support partners in creating secondary distribution businesses.

For the six months ended June 30, 2025, net sales (including inter-segment net sales) were ¥1,729,394 thousand (up 15.9% from the same period of the previous fiscal year) and operating loss was ¥128,648 thousand (the operating loss for the previous fiscal year was ¥223,570 thousand).

	For the six months ended June 30, 2025	Year-on-year change
Net sales	¥1,729,394 thousand	+15.9%
Operating loss	¥(128,648) thousand	—

## (2) Explanation of Financial Position

### 1) Assets, liabilities and net assets

Total assets as of the end of the second quarter of the fiscal year under review amounted to ¥53,544,209 thousand, an increase of ¥9,503,553 thousand from the end of the previous fiscal year. This is mainly attributable to a ¥6,309,259 thousand increase in cash and deposits, a ¥3,334,866 thousand increase in due from auction members, a ¥104,565 thousand increase in investments and other assets, and a ¥958,056 thousand increase in other intangible assets, despite a ¥554,701 thousand decrease in other current assets and a ¥423,981 thousand decrease in inventories.

Total liabilities amounted to ¥28,036,869 thousand, an increase of ¥10,162,455 thousand from the end of the previous fiscal year. This is mainly attributable to a ¥8,774,704 thousand increase in due to auction members, a ¥699,082 thousand increase in other current liabilities, and a ¥652,724 thousand increase in income taxes payable, despite a ¥34,951 thousand decrease in other non-current liabilities.

Total net assets amounted to ¥25,507,340 thousand, a decrease of ¥658,902 thousand from the end of the previous fiscal year. This is mainly attributable to a ¥2,538,673 thousand increase in retained earnings, despite a ¥3,061,285 thousand decrease due to repurchase of treasury shares, etc.

### 2) Overview of cash flows

Cash and cash equivalents as of the end of the second quarter of the fiscal year under review amounted to ¥23,289,952 thousand, an increase of ¥6,309,259 thousand from the end of the previous fiscal year.

The status of cash flows by activity in the six months ended June 30, 2025, and the main factors affecting cash flows are as follows.

#### (Cash Flows from Operating Activities)

Cash provided by operating activities amounted to ¥11,370,873 thousand. As a main breakdown of inflows, increase in due to auction members was ¥8,776,365 thousand, profit before income taxes was ¥5,716,214 thousand, and depreciation was ¥292,322 thousand. As a main breakdown of outflows, increase in due from auction members was ¥3,335,447 thousand and income taxes paid were ¥1,255,874 thousand.

#### (Cash Flows from Investing Activities)

Cash used in investing activities amounted to ¥437,364 thousand. As a main breakdown of outflows, purchase of intangible assets was ¥448,551 thousand and payments of leasehold and guarantee deposits was ¥100,556 thousand.

#### (Cash Flows from Financing Activities)

Cash used in financing activities amounted to ¥4,548,416 thousand. This is mainly attributable to repurchase of treasury shares of ¥3,533,530 thousand, and dividends paid of ¥1,164,076 thousand.



(3) Explanation of Consolidated Performance Forecast and Other Forward-looking Information

Regarding the full-year consolidated performance forecast for the fiscal year ending December 31, 2025, the figures announced on May 13, 2025 have been revised based on recent performance trends. For details, please refer to the “Notice Concerning Revisions to the Forecast of Consolidated Results and the Forecast for Dividends for the Fiscal Year Ending December 31, 2025” announced today.

Please note that the performance forecast is based on information available at the time of publication, and actual performance may differ from the forecast due to various factors.

## 2. Semi-annual Consolidated Financial Statements and Primary Notes

### (1) Semi-annual Consolidated Balance Sheets

(Thousand yen)

	As of December 31, 2024	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	16,980,692	23,289,952
Notes and accounts receivable - trade, and contract assets	1,755,289	1,735,693
Inventories	4,377,881	3,953,899
Due from auction members	4,978,666	8,313,532
Other	5,537,661	4,982,960
Allowance for doubtful accounts	(92,889)	(139,965)
Total current assets	33,537,302	42,136,073
Non-current assets		
Property, plant and equipment	1,805,596	1,753,726
Intangible assets		
Goodwill	1,345,391	1,239,420
Other	1,836,388	2,794,445
Total intangible assets	3,181,779	4,033,866
Investments and other assets	5,515,977	5,620,543
Total non-current assets	10,503,353	11,408,136
Total assets	44,040,655	53,544,209

(Thousand yen)

	As of December 31, 2024	As of June 30, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,044,057	1,058,392
Due to auction members	9,340,069	18,114,773
Income taxes payable	1,403,155	2,055,880
Other provisions	480,478	517,760
Other	2,243,067	2,942,150
Total current liabilities	14,510,828	24,688,956
Non-current liabilities		
Retirement benefit liability	1,916,230	1,916,736
Provision for share-based remuneration	171,605	190,379
Other	1,275,748	1,240,797
Total non-current liabilities	3,363,584	3,347,912
Total liabilities	17,874,413	28,036,869
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,807,303	1,807,303
Capital surplus	4,491,088	4,431,640
Retained earnings	20,518,859	23,057,532
Treasury shares	(1,589,978)	(4,651,263)
Total shareholders' equity	25,227,272	24,645,211
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	406,191	470,371
Foreign currency translation adjustment	246,699	168,749
Remeasurements of defined benefit plans	18,806	16,514
Total accumulated other comprehensive income	671,697	655,635
Non-controlling interests	267,272	206,493
Total net assets	26,166,242	25,507,340
Total liabilities and net assets	44,040,655	53,544,209

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income  
Semi-annual Consolidated Statements of Income

(Thousand yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Net sales	26,571,225	32,532,462
Cost of sales	15,349,580	17,751,874
Gross profit	11,221,644	14,780,588
Selling, general and administrative expenses	7,366,182	8,943,776
Operating profit	3,855,462	5,836,811
Non-operating income		
Interest income	2,493	11,377
Dividend income	21,558	57,420
Share of profit of entities accounted for using equity method	14,777	10,116
Subsidy income	11,823	15,443
Other	92,079	60,189
Total non-operating income	142,731	154,547
Non-operating expenses		
Interest expenses	1,563	102
Foreign exchange losses	—	268,203
Other	8,779	6,289
Total non-operating expenses	10,343	274,595
Ordinary profit	3,987,851	5,716,763
Extraordinary income		
Gain on liquidation of subsidiaries and associates	—	8,901
Gain on sale of non-current assets	18,897	291
Gain on bargain purchase	—	6,078
Gain on step acquisitions	—	13,140
Total extraordinary income	18,897	28,412
Extraordinary losses		
Impairment losses	—	8,150
Loss on retirement of non-current assets	2,894	2,028
Office relocation expenses	—	18,783
Total extraordinary losses	2,894	28,961
Profit before income taxes	4,003,853	5,716,214
Income taxes	1,399,335	1,944,012
Profit	2,604,518	3,772,202
Profit attributable to non-controlling interests	53,544	69,040
Profit attributable to owners of parent	2,550,974	3,703,161

# Semi-annual Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Profit	2,604,518	3,772,202
Other comprehensive income		
Valuation difference on available-for-sale securities	91,737	64,179
Foreign currency translation adjustment	106,030	(77,949)
Remeasurements of defined benefit plans, net of tax	(7,316)	(2,292)
Total other comprehensive income	190,451	(16,062)
Comprehensive income	2,794,969	3,756,139
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,741,425	3,687,099
Comprehensive income attributable to non-controlling interests	53,544	69,040

### (3) Semi-annual Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	4,003,853	5,716,214
Depreciation	286,850	292,322
Impairment losses	—	8,150
Amortization of goodwill	82,937	118,970
Increase (decrease) in allowance for doubtful accounts	10,912	16,453
Increase (decrease) in retirement benefit liability	(4,433)	(2,798)
Increase (decrease) in provision for share-based remuneration	66,976	131,007
Increase (decrease) in other provisions	57,867	74,396
Interest and dividend income	(24,051)	(68,798)
Interest expenses	1,563	102
Share of loss (profit) of entities accounted for using equity method	(14,777)	(10,116)
Gain on bargain purchase	—	(6,078)
Loss (gain) on liquidation of subsidiaries and associates	—	(8,901)
Loss (gain) on step acquisitions	—	(13,140)
Loss on retirement of non-current assets	2,894	2,028
Gain on sale of non-current assets	(18,897)	(291)
Decrease (increase) in trade receivables	(67,752)	5,559
Decrease (increase) in due from auction members	(3,324,894)	(3,335,447)
Decrease (increase) in inventories	19,575	437,779
Increase (decrease) in trade payables	101,508	(1,878)
Increase (decrease) in due to auction members	4,126,168	8,776,365
Other, net	(141,599)	414,137
Subtotal	5,164,703	12,546,035
Interest and dividends received	24,051	68,798
Interest paid	(8,928)	(102)
Income taxes paid	(1,469,435)	(1,255,874)
Income taxes refund	3,839	12,016
Net cash provided by (used in) operating activities	3,714,231	11,370,873

(Thousand yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from investing activities		
Proceeds from the liquidation of subsidiaries and associates	—	18,901
Purchase of property, plant and equipment	(145,238)	(4,109)
Proceeds from sale of property, plant and equipment	30,437	898
Purchase of intangible assets	(107,004)	(448,551)
Purchase of investment securities	(987,772)	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,157,607)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	64,553
Payments of leasehold and guarantee deposits	(47,196)	(100,556)
Proceeds from lease and guarantee deposits received	37,119	62,794
Other, net	(33,696)	(31,295)
Net cash provided by (used in) investing activities	(2,410,958)	(437,364)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,700,000)	—
Purchase of treasury shares	(742,844)	(3,533,530)
Proceeds from sale of treasury shares	747,539	279,873
Dividends paid	(693,759)	(1,164,076)
Other, net	(10,334)	(130,684)
Net cash provided by (used in) financing activities	(3,399,398)	(4,548,416)
Effect of exchange rate change on cash and cash equivalents	113,671	(75,832)
Net increase (decrease) in cash and cash equivalents	(1,982,453)	6,309,259
Cash and cash equivalents at beginning of period	19,572,910	16,980,692
Cash and cash equivalents at end of period	17,590,456	23,289,952

#### (4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in amount of shareholders' equity)

Based on the resolution of the Board of Directors meeting held on February 14, 2025, the Company repurchased 1,430,000 shares of its shares. As a result of this repurchase, treasury shares increased by ¥3,533,530 thousand.

(Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after application of tax-effect accounting to profit before income taxes for the fiscal year (consolidated) including the first half of the fiscal year under review, with semi-annual profit before income taxes then multiplied by the estimated effective tax rate.

However, in the event that this tax expense calculation using estimated effective tax rate results in a significantly improbable figure, a method using the statutory effective tax rate may be adopted.

(Changes in accounting policies)

(Application of "Accounting Standard for Current Income Taxes" and other standards)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter the "2022 Revised Accounting Standard") and related standards from the beginning of the six months ended June 30, 2025.

With respect to the amendments related to the classification of income taxes (taxation on other comprehensive income), the Company has adopted the transitional treatment set forth in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso to Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter the "2022 Revised Implementation Guidance"). These changes in accounting policies had no impact on the semi-annual consolidated financial statements.

In addition, regarding the amendments related to the treatment in consolidated financial statements of deferred taxation on gains and losses arising from the sale of shares of subsidiaries, etc., the Company has applied the 2022 Revised Implementation Guidance from the beginning of the six months ended June 30, 2025. These changes in accounting policies have been applied retrospectively, and the semi-annual consolidated financial statements for the same semi-annual period of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been presented after retrospective application. These changes had no impact on the semi-annual consolidated financial statements for the same semi-annual period of the previous fiscal year or on the consolidated financial statements for the previous fiscal year.

(Changes in accounting estimates)

(Change in useful lives of intangible assets)

The Company previously determined the useful lives of software for back-office operations as five years. As the Company replaced its software for back-office operations in the Automobile Business during the second quarter of the fiscal year under review, it re-examined the usable period based on the actual use up to then. As a result, the Company revised its useful lives of software for back-office operations to 10 years, applied from the second quarter of the fiscal year under review. Due to this change, operating profit, ordinary profit, and profit before income taxes for the six months ended June 30, 2025 increased by ¥26,857 thousand, respectively, compared to those under the previous method.



(Segment information, etc.)

[Segment information]

For the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

1. Information on net sales and income (loss) and information on disaggregation of revenue by reportable segment

(Thousand yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Semi-annual Consolidated Statements of Income (Note 3)
	Lifestyle Products	Mobility & Energy	Total				
Net sales							
Auction related revenue	5,305,444	4,799,686	10,105,131	602,500	10,707,632	—	10,707,632
Product sales related revenue	12,578,569	261,254	12,839,824	344,515	13,184,339	—	13,184,339
Other	83,648	2,217,885	2,301,534	377,717	2,679,252	—	2,679,252
Revenue from contracts with customers	17,967,663	7,278,827	25,246,490	1,324,734	26,571,225	—	26,571,225
Other revenue	—	—	—	—	—	—	—
Net sales to outside customers	17,967,663	7,278,827	25,246,490	1,324,734	26,571,225	—	26,571,225
Inter-segment net sales or transfers	—	—	—	167,520	167,520	(167,520)	—
Total	17,967,663	7,278,827	25,246,490	1,492,254	26,738,745	(167,520)	26,571,225
Segment income (loss)	3,094,770	1,832,876	4,927,647	(223,570)	4,704,076	(848,613)	3,855,462

- (Notes) 1. “Other” is the segment which is not included in reportable segments, including such businesses as auctions for flowers, circular commerce businesses, and overseas businesses.
2. Adjustment of segment income (loss) of negative ¥848,613 thousand is corporate expenses not allocated to specific reportable segments. Corporate expenses chiefly comprise general and administrative expenses not allocated to specific reportable segments.
3. Adjustments are made to reconcile segment income (loss) with operating profit reported on the semi-annual consolidated statements of income.

2. Reporting segment-specific information on assets

(Significant increase in assets due to acquisition of subsidiaries)

The total assets of the Lifestyle Products segment increased by ¥5,089 million from the end of the previous fiscal year as the Company acquired all shares of Defactostandard, Ltd. and JOYLAB, inc. and included them in the scope of consolidation during the six months ended June 30, 2024.

3. Reporting segment-specific information on impairment loss on non-current assets and details of goodwill, etc.

(Significant change in the amount of goodwill)

The Company included Defactostandard, Ltd. and JOYLAB, inc. in the scope of consolidation from the six months ended June 30, 2024 as the Company made them subsidiaries in the Lifestyle Products segment. This resulted in an increase of ¥1,344 million in goodwill.

We note that the amount of goodwill is presented in a tentative figure as purchase price allocation is yet to be settled as of the end of the six months ended June 30, 2024.

For the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

1. Information on net sales and income (loss) and information on disaggregation of revenue by reportable segment

(Thousand yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Semi-annual Consolidated Statements of Income (Note 3)
	Lifestyle Products	Mobility & Energy	Total				
Net sales							
Auction related revenue	8,248,943	5,121,964	13,370,907	581,849	13,952,757	—	13,952,757
Product sales related revenue	14,738,283	459,023	15,197,306	413,622	15,610,929	—	15,610,929
Other	43,719	2,435,522	2,479,241	489,534	2,968,775	—	2,968,775
Revenue from contracts with customers	23,030,946	8,016,509	31,047,455	1,485,006	32,532,462	—	32,532,462
Other revenue	—	—	—	—	—	—	—
Net sales to outside customers	23,030,946	8,016,509	31,047,455	1,485,006	32,532,462	—	32,532,462
Inter-segment net sales or transfers	—	—	—	244,388	244,388	(244,388)	—
Total	23,030,946	8,016,509	31,047,455	1,729,394	32,776,850	(244,388)	32,532,462
Segment income (loss)	5,031,439	1,883,957	6,915,396	(128,648)	6,786,748	(949,936)	5,836,811

(Notes) 1. “Other” is the segment which is not included in reportable segments, including such businesses as auctions for flowers, circular commerce businesses, and overseas businesses.

2. Adjustment of segment income (loss) of negative ¥949,936 thousand is corporate expenses not allocated to specific reportable segments. Corporate expenses chiefly comprise general and administrative expenses not allocated to specific reportable segments.

3. Adjustments are made to reconcile segment income (loss) with operating profit reported on the semi-annual consolidated statements of income.

2. Reporting segment-specific information on impairment loss on non-current assets and details of goodwill, etc.

Not applicable.

(Significant subsequent events)

Not applicable.