Summary of Non-consolidated Financial Results for the Three Months Ended June 30, 2015 [Japanese GAAP]

July 30, 2015

Company name: CONEXIO Corporation
Stock exchange listing: Tokyo Stock Exchange
Stock code: 9422
URL: http://www.conexio.co.jp/index.html
Representative: (Title) President (Name) Hiroo Inoue
Contact: (Title) General Manager, Corporate Planning (Name) Noriaki Kanno Phone: +81-3-5331-3702
Scheduled date for filing of quarterly report: August 10, 2015
Scheduled date of commencement of dividend payment: —
Availability of supplementary briefing material on quarterly financial results: Available
Schedule of briefing session on quarterly financial results: Not scheduled

(Figures are rounded down to the nearest million yen.)

1. Financial Results for the Three Months Ended June 30, 2015 (from April 1, 2015 to June 30, 2015)

(1) Non-consolidated Operating Results (Cumulative) (% indicates rate of change from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
1Q FY2015	61,532	2.0	1,709	28.0	1,726	25.5	1,086	37.6
1Q FY2014	60,346	(11.1)	1,335	18.9	1,375	19.3	789	55.4

	Earnings per share (EPS)	Diluted EPS
	yen	yen
1Q FY2015	24.29	—
1Q FY2014	17.66	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
1Q FY2015	77,230	25,870	33.5
FY2014	102,404	25,731	25.1

(Reference) Equity: 1Q FY2015:25,870 million yen FY2014: 25,731 million yen

2. Dividends

	Annual dividends				
	1Q end	2Q end	3Q end	Year end	Total
	yen	yen	yen	yen	yen
FY2014	—	18.00	—	22.00	40.00
FY2015	—				
FY2015(Forecast)		22.50	—	22.50	45.00

(Note) Revision of recently-announced dividend forecast: None

3. Financial Forecast for the Fiscal Year Ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

(% indicates rate of change from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income		EPS
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	285,000	0.7	8,150	(5.1)	8,250	(5.0)	5,030	0.3	112.43

(Note) Revision of recently-announced financial forecast: None

Non-consolidated forecasts for the first half of the fiscal year ending March 31, 2016 have not been disclosed.

Notes

(1) Application of special accounting method for preparing quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates and restatements

(i) Changes in accounting policies due to revision of accounting standards, etc.: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(3) Number of shares issued (common stock)

(i) Number of shares issued as of the end of period (including treasury stock)

(ii) Number of shares of treasury stock as of the end of period

(iii) Average number of shares during the period (cumulative)

1Q FY2015	55,923,000 shares	FY2014	55,923,000 shares
1Q FY2015	11,185,016 shares	FY2014	11,184,932 shares
1Q FY2015	44,738,029 shares	1Q FY2014	44,738,146shares

*** Indication of implementation status of quarterly review procedures**

- These quarterly non-consolidated financial results are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosing this report, quarterly review procedures are being conducted with respect to the quarterly non-consolidated financial statements.

*** Explanation of appropriate use of financial forecasts and other special notes**

- Financial forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as at the time of preparing this report. The Company does not guarantee that any forecasts would be met. Actual results may vary significantly from the forecasts due to a wide range of factors.

1 Quarterly Non-Consolidated Financial Statements

(1) Quarterly Non-Consolidated Balance Sheets

(Million yen)

	As of March 31,2015	As of June 30,2015
Assets		
Current assets		
Cash and deposits	3,849	1,391
Accounts receivable - trade	48,573	31,869
Merchandise and finished goods	8,301	8,417
Accounts receivable - other	15,301	9,253
Deposits paid	148	152
Other	3,883	3,963
Allowance for doubtful accounts	(16)	(9)
Total current assets	80,041	55,039
Non-current assets		
Property, plant and equipment	3,995	3,926
Intangible assets		
Goodwill	1,923	1,895
The right of carrier shop management	11,800	11,632
Other	566	541
Total intangible assets	14,290	14,069
Investments and other assets	4,077	4,195
Total non-current assets	22,362	22,190
Total assets	102,404	77,230
Liabilities		
Current liabilities		
Accounts payable - trade	26,244	17,265
Accrued agency commission	7,826	5,887
Short-term loans payable	5,000	1,000
Current portion of long-term loans payable	3,000	3,000
Accounts payable - other	15,014	8,816
Income taxes payable	2,255	523
Provision for bonuses	5,162	2,864
Provision for directors' bonuses	52	6
Other	5,783	5,279
Total current liabilities	70,339	44,644
Non-current liabilities		
Provision for retirement benefits	3,735	3,869
Asset retirement obligations	402	414
Other	2,194	2,431
Total non-current liabilities	6,332	6,715
Total liabilities	76,672	51,359

(Million yen)

	As of March 31,2015	As of June 30,2015
Net assets		
Shareholders' equity		
Capital stock	2,778	2,778
Capital surplus	9,779	9,779
Retained earnings	22,214	22,317
Treasury shares	(9,193)	(9,194)
Total shareholders' equity	25,579	25,681
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	152	188
Total valuation and translation adjustments	152	188
Total net assets	25,731	25,870
Total liabilities and net assets	102,404	77,230

(2) Quarterly Non-Consolidated Statements of Income

First quarter cumulative period

(Million yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Net sales	60,346	61,532
Cost of sales	49,851	50,869
Gross profit	10,495	10,662
Selling, general and administrative expenses	9,160	8,953
Operating income	1,335	1,709
Non-operating income		
Interest income	0	0
Dividend income	1	1
Support money of store move etc income	20	9
Reversal of allowance for doubtful accounts	—	7
Other	30	10
Total non-operating income	53	29
Non-operating expenses		
Interest expenses	10	5
Loss on sales and retirement of non-current assets	—	1
Other	2	5
Total non-operating expenses	12	12
Ordinary income	1,375	1,726
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	—	11
Total extraordinary income	0	11
Extraordinary losses		
Loss on sales and retirement of non-current assets	4	1
Impairment loss	8	8
Loss on closing of stores	15	14
Head office transfer cost	27	—
Other	3	—
Total extraordinary losses	58	24
Income before income taxes	1,316	1,713
Income taxes - current	342	442
Income taxes - deferred	184	184
Total income taxes	526	627
Profit	789	1,086

2 Supplementary Information

Status of Sales

(Unit: million yen, %)

		Three months ended June 30, 2014	Three months ended June 30, 2015	Rate of change
Consumer Business	Net sales	56,101	57,669	2.8
	Operating income	1,817	2,013	10.8
Corporate Business	Net sales	4,244	3,863	(9.0)
	Operating income	493	436	(11.6)
Adjustments	Company-wide expenses	976	740	(24.2)
Amount recorded in quarterly non-consolidated statement of income	Net sales	60,346	61,532	2.0
	Operating income	1,335	1,709	28.0