Summary of Non-consolidated Financial Results for the Three Months Ended June 30, 2018 [Japanese GAAP]

July 27, 2018

Company name: CONEXIO Corporation
Stock exchange listing: Tokyo Stock Exchange, First Section
Stock code: 9422
URL: https://www.conexio.co.jp
Representative: (Title) President (Name) Hiroo Inoue
Contact: (Title) Executive Officer and Chief Operating Officer, Corporate Planning Division (Name) Noriaki Kanno
Phone: +81-3-5331-3702
Scheduled date for filing of quarterly report: August 13, 2018
Scheduled date of commencement of dividend payment: —
Supplementary briefing material on quarterly financial results: Available
Briefing session of quarterly financial results: Not scheduled

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

1. Financial Results for the Three Months Ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
1Q FY2018	60,332	8.2	1,656	18.1	1,673	17.2	1,080	18.7
1Q FY2017	55,743	1.8	1,402	10.7	1,428	9.4	910	10.5

	Earnings per share	Diluted earnings per share
	yen	yen
1Q FY2018	24.16	—
1Q FY2017	20.35	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
1Q FY2018	83,610	37,694	45.1
FY2017	99,407	38,174	38.4

(Reference) Equity: 1Q FY2018: 37,694 million yen FY2017: 38,174 million yen

2. Dividends

	Annual dividends				
	1Q end	2Q end	3Q end	Year end	Total
	yen	yen	yen	yen	yen
FY2017	—	30.00	—	35.00	65.00
FY2018	—				
FY2018(Forecast)		30.00	—	30.00	60.00

(Notes) Revision of recently-announced dividend forecast: None
Breakdown of annual dividend for FY2017:
Ordinary dividend of 60 yen + Commemorative dividend of 5 yen (celebrating 20th company anniversary)

3. Financial Forecast for the Fiscal Year Ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	270,000	1.9	10,210	0.0	10,295	0.0	6,740	0.0	150.66

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

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)	1Q FY2018	44,737,938 Shares	FY2017	44,737,938 Shares
(ii) Number of shares of treasury stock as of the end of period	1Q FY2018	122 shares	FY2017	86 shares
(iii) Average number of shares during the period (cumulative)	1Q FY2018	44,737,823 shares	1Q FY2017	44,737,938 shares

*** This Financial Summary is not subject to audits by certified public accountants or audit corporations.**

*** 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 31,2018	As of June 30,2018
Assets		
Current assets		
Cash and deposits	7,606	5,369
Notes and accounts receivable - trade	48,934	38,386
Merchandise and finished goods	8,900	8,872
Accounts receivable - other	12,188	9,120
Deposits paid	215	200
Other	856	1,031
Allowance for doubtful accounts	(6)	(4)
Total current assets	78,694	62,977
Non-current assets		
Property, plant and equipment	4,368	4,408
Intangible assets		
Goodwill	1,621	1,590
The right of carrier shop management	9,650	9,484
Other	354	321
Total intangible assets	11,626	11,395
Investments and other assets	4,717	4,828
Total non-current assets	20,713	20,633
Total assets	99,407	83,610
Liabilities		
Current liabilities		
Accounts payable - trade	22,441	13,790
Accrued agency commission	9,673	8,922
Accounts payable - other	12,100	8,649
Income taxes payable	2,599	736
Provision for bonuses	3,412	2,034
Provision for directors' bonuses	21	4
Other	5,391	5,951
Total current liabilities	55,640	40,089
Non-current liabilities		
Provision for retirement benefits	4,888	5,012
Asset retirement obligations	485	598
Other	219	215
Total non-current liabilities	5,592	5,826
Total liabilities	61,233	45,916

(Million yen)

	As of March 31,2018	As of June 30,2018
Net assets		
Shareholders' equity		
Capital stock	2,778	2,778
Capital surplus	585	585
Retained earnings	34,592	34,107
Treasury shares	(0)	(0)
Total shareholders' equity	37,956	37,471
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	218	223
Total valuation and translation adjustments	218	223
Total net assets	38,174	37,694
Total liabilities and net assets	99,407	83,610

(2) Quarterly Non-Consolidated Statements of Income

First quarter cumulative period

(Million yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	55,743	60,332
Cost of sales	44,427	48,336
Gross profit	11,315	11,995
Selling, general and administrative expenses	9,913	10,338
Operating profit	1,402	1,656
Non-operating income		
Dividend income	1	1
Support money of store move etc income	19	15
Reversal of allowance for doubtful accounts	1	2
Other	8	7
Total non-operating income	31	26
Non-operating expenses		
Interest expenses	1	—
Loss on sales and retirement of non-current assets	1	3
Rent expenses on real estates	2	1
Loss on cancellation of contracts	—	4
Other	0	0
Total non-operating expenses	5	9
Ordinary profit	1,428	1,673
Extraordinary income		
Gain on sales of non-current assets	0	—
Other	—	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	7	2
Impairment loss	13	22
Loss on closing of stores	6	12
Total extraordinary losses	27	36
Profit before income taxes	1,400	1,636
Income taxes - current	540	644
Income taxes - deferred	(50)	(88)
Total income taxes	489	555
Profit	910	1,080