Note:This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Non-consolidated Financial Results for the Nine Months Ended December 31, 2018[Japanese GAAP]

January 29, 2019

Company name: CONEXIO Corporation
Code number: 9422
Representative: Hiroo Inoue
President
Contact: Noriaki Kanno
Executive Officer and Chief Operating Officer, Corporate Planning Division
Phone: +81-3-5331-3702
Stock exchange listing: Tokyo
URL: https://www.conexio.co.jp

Scheduled date of filing quarterly securities report: February 12, 2019
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: Yes
Schedule of quarterly financial results briefing session: No

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

1. Non-consolidated Financial Results for the Nine Months Ended December 31, 2018 (April 01, 2018 to December 31, 2018)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2018	192,801	0.6	7,358	(3.0)	7,584	(1.0)	4,978	(1.6)
December 31, 2017	191,715	0.3	7,589	11.2	7,659	11.2	5,059	11.9

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2018	111.29	-
December 31, 2017	113.10	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2018	97,303	40,199	41.3
March 31, 2018	99,407	38,174	38.4

(Reference) Equity: As of December 31, 2018: ¥ 40,199 million
As of March 31, 2018: ¥ 38,174 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	-	30.00	-	35.00	65.00
Fiscal year ending March 31, 2019	-	30.00	-		
Fiscal year ending March 31, 2019(Forecast)				30.00	60.00

(Note) Revision to the forecast for dividends announced most recently: No

Breakdown of annual dividend for Fiscal year ended March 31, 2018:
Ordinary dividend of 60 yen + Commemorative dividend of 5 yen (celebrating 20th company anniversary)

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019(April 01, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic 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 to the financial results forecast announced most recently: No

* Notes:

(1) Accounting policies adopted specially for the preparation of quarterly Non-consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatements: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):	December 31, 2018:	44,737,938 shares	March 31, 2018:	44,737,938 shares
2) Total number of treasury shares at the end of the period:	December 31, 2018:	122 shares	March 31, 2018:	86 shares
3) Average number of shares during the period:	Nine months ended December 31, 2018:	44,737,818 shares	Nine months ended December 31, 2017:	44,737,926 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 December 31,2018
Assets		
Current assets		
Cash and deposits	7,606	2,944
Notes and accounts receivable - trade	48,934	50,239
Merchandise and finished goods	8,900	11,813
Accounts receivable - other	12,188	10,385
Deposits paid	215	329
Other	856	954
Allowance for doubtful accounts	(6)	(6)
Total current assets	78,694	76,661
Non-current assets		
Property, plant and equipment	4,368	4,657
Intangible assets		
Goodwill	1,621	1,530
The right of carrier shop management	9,650	9,151
Other	354	272
Total intangible assets	11,626	10,954
Investments and other assets	4,717	5,031
Total non-current assets	20,713	20,642
Total assets	99,407	97,303
Liabilities		
Current liabilities		
Accounts payable - trade	22,441	18,553
Accrued agency commission	9,673	13,814
Short-term loans payable	-	1,000
Accounts payable - other	12,100	10,017
Income taxes payable	2,599	844
Provision for bonuses	3,412	1,840
Provision for directors' bonuses	21	13
Other	5,391	4,961
Total current liabilities	55,640	51,045
Non-current liabilities		
Provision for retirement benefits	4,888	5,172
Asset retirement obligations	485	673
Other	219	212
Total non-current liabilities	5,592	6,058
Total liabilities	61,233	57,104

(Million yen)

	As of March 31,2018	As of December 31,2018
Net assets		
Shareholders' equity		
Capital stock	2,778	2,778
Capital surplus	585	585
Retained earnings	34,592	36,663
Treasury shares	(0)	(0)
Total shareholders' equity	37,956	40,027
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	218	172
Total valuation and translation adjustments	218	172
Total net assets	38,174	40,199
Total liabilities and net assets	99,407	97,303

(2) Quarterly Non-Consolidated Statements of Income

Third quarter cumulative period

(Million yen)

	For the nine months ended December 31,2017	For the nine months ended December 31,2018
Net sales	191,715	192,801
Cost of sales	154,754	154,983
Gross profit	36,961	37,817
Selling, general and administrative expenses	29,371	30,459
Operating profit	7,589	7,358
Non-operating income		
Interest income	0	0
Dividend income	2	4
Support money of store move etc income	76	116
Reversal of allowance for doubtful accounts	-	0
Gain on sales of goods	-	116
Other	38	38
Total non-operating income	117	276
Non-operating expenses		
Interest expenses	4	0
Loss on sales and retirement of non-current assets	31	37
Rent expenses on real estates	4	3
Other	5	9
Total non-operating expenses	47	50
Ordinary profit	7,659	7,584
Extraordinary income		
Gain on sales of non-current assets	1	6
Other	0	0
Total extraordinary income	1	6
Extraordinary losses		
Loss on sales and retirement of non-current assets	17	59
Impairment loss	34	54
Loss on closing of stores	38	52
Other	-	4
Total extraordinary losses	90	170
Profit before income taxes	7,570	7,420
Income taxes - current	2,661	2,628
Income taxes - deferred	(150)	(187)
Total income taxes	2,510	2,441
Profit	5,059	4,978