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Non-consolidated Financial Results for the Three Months Ended June 30, 2019[Japanese GAAP]

July 30, 2019

Company name: CONEXIO Corporation
Code number: 9422
Representative: Hiroo Inoue, President
Contact: Shinya Nakada, General Manager, Corporate Planning Department
Phone: 03-5331-3702
Stock exchange listing: Tokyo
URL: https://www.conexio.co.jp
Scheduled date of filing quarterly securities report: August 8, 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 Three Months Ended June 30, 2019 (April 1, 2019 to June 30, 2019)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2019	54,972	(8.9)	2,308	39.4	2,331	39.3	1,535	42.0
June 30, 2018	60,332	8.2	1,656	18.1	1,673	17.2	1,080	18.7

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2019	34.31	-
June 30, 2018	24.16	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2019	83,951	42,282	50.4
March 31, 2019	103,506	42,106	40.7

(Reference) Equity: As of June 30, 2019: ¥ 42,282 million
As of March 31, 2019: ¥ 42,106 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, 2019	-	30.00	-	30.00	60.00
Fiscal year ending March 31, 2020	-				
Fiscal year ending March 31, 2020 (Forecast)		30.00	-	30.00	60.00

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

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020(April 01, 2019 to March 31, 2020)

The impact of the future business environment on our business results is unclear, and will be promptly disclosed as soon as they are reasonably calculated.

* 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 restatement

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 restatement: No

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

1) Total number of issued shares at the end of the period (including treasury shares):	June 30, 2019:	44,737,938 shares	March 31, 2019:	44,737,938 shares
2) Total number of treasury shares at the end of the period:	June 30, 2019:	122 shares	March 31, 2019:	122 shares
3) Average number of shares during the period:	Three months ended June 30, 2019:	44,737,816 shares	Three months ended June 30, 2018:	44,737,823 shares

*** This Financial Results is not subject to audit procedures.**

*** 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.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2019	As of June 30,2019
Assets		
Current assets		
Cash and deposits	11,086	14,068
Notes and accounts receivable - trade	49,285	34,728
Merchandise and finished goods	8,221	5,698
Accounts receivable - other	12,914	7,589
Deposits paid	273	312
Other	818	943
Allowance for doubtful accounts	(6)	(4)
Total current assets	82,594	63,337
Non-current assets		
Property, plant and equipment	4,804	4,683
Intangible assets		
Goodwill	1,499	1,467
The right of carrier shop management	8,985	8,818
Other	355	345
Total intangible assets	10,839	10,632
Investments and other assets	5,267	5,298
Total non-current assets	20,911	20,614
Total assets	103,506	83,951
Liabilities		
Current liabilities		
Accounts payable - trade	20,275	9,638
Accrued agency commission	11,607	9,465
Accounts payable - other	12,387	7,212
Income taxes payable	2,095	934
Provision for bonuses	3,800	2,423
Provision for directors' bonuses	23	4
Other	5,074	5,715
Total current liabilities	55,264	35,394
Non-current liabilities		
Provision for bonuses	24	31
Provision for directors' bonuses	11	14
Provision for retirement benefits	5,252	5,385
Asset retirement obligations	669	672
Other	176	171
Total non-current liabilities	6,135	6,275
Total liabilities	61,400	41,669

(Million yen)

	As of March 31,2019	As of June 30,2019
Net assets		
Shareholders' equity		
Capital stock	2,778	2,778
Capital surplus	585	585
Retained earnings	38,606	38,799
Treasury shares	(0)	(0)
Total shareholders' equity	41,970	42,163
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	136	119
Total valuation and translation adjustments	136	119
Total net assets	42,106	42,282
Total liabilities and net assets	103,506	83,951

(2) Non-consolidated Statements of Income

(Million yen)

	For the three months ended June 30,2018	For the three months ended June 30,2019
Net sales	60,332	54,972
Cost of sales	48,336	42,390
Gross profit	11,995	12,581
Selling, general and administrative expenses	10,338	10,272
Operating profit	1,656	2,308
Non-operating income		
Interest income	-	0
Dividend income	1	2
Support money of store move etc income	15	10
Reversal of allowance for doubtful accounts	2	2
Other	7	11
Total non-operating income	26	26
Non-operating expenses		
Interest expenses	-	0
Foreign exchange losses	-	1
Loss on sales and retirement of non-current assets	3	1
Rental expenses on real estate	1	-
Loss on cancellation of contracts	4	-
Other	0	0
Total non-operating expenses	9	3
Ordinary profit	1,673	2,331
Extraordinary income		
Other	0	-
Total extraordinary income	0	-
Extraordinary losses		
Loss on sales and retirement of non-current assets	2	1
Impairment loss	22	22
Loss on store closings	12	9
Total extraordinary losses	36	32
Profit before income taxes	1,636	2,298
Income taxes - current	644	809
Income taxes - deferred	(88)	(45)
Total income taxes	555	763
Profit	1,080	1,535