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Non-consolidated Financial Results for the Nine Months Ended December 31, 2019[Japanese GAAP]

January 30, 2020

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Code number: 9422
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Stock exchange listing: Tokyo
URL: http://www.conexio.co.jp

Scheduled date of filing quarterly securities report: February 12, 2020
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, 2019 (April 01, 2019 to December 31, 2019)

(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, 2019	156,653	(18.7)	7,441	1.1	7,618	0.4	5,151	3.5
December 31, 2018	192,801	0.6	7,358	(3.0)	7,584	(1.0)	4,978	(1.6)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2019	115.15	-
December 31, 2018	111.29	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2019	91,364	44,439	48.6
March 31, 2019	103,506	42,106	40.7

(Reference) Equity: As of December 31, 2019: ¥ 44,439 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	-	30.00	-		
Fiscal year ending March 31, 2020(Forecast)				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)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	215,000	(18.5)	10,000	(2.7)	10,200	(3.2)	6,900	(0.3)	154.23

(Note) Revision to the financial results forecast announced most recently: Yes

* 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):	December 31, 2019:	44,737,938 shares	March 31, 2019:	44,737,938 shares
2) Total number of treasury shares at the end of the period:	December 31, 2019:	122 shares	March 31, 2019:	122 shares
3) Average number of shares during the period:	Nine months ended December 31, 2019:	44,737,816 shares	Nine months ended December 31, 2018:	44,737,818 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 December 31,2019
Assets		
Current assets		
Cash and deposits	11,086	14,296
Notes and accounts receivable - trade	49,285	40,732
Merchandise and finished goods	8,221	6,926
Accounts receivable - other	12,914	8,219
Deposits paid	273	133
Other	818	977
Allowance for doubtful accounts	(6)	(5)
Total current assets	82,594	71,281
Non-current assets		
Property, plant and equipment	4,804	4,557
Intangible assets		
Goodwill	1,499	1,421
The right of career shop management	8,985	8,485
Other	355	363
Total intangible assets	10,839	10,270
Investments and other assets	5,267	5,255
Total non-current assets	20,911	20,083
Total assets	103,506	91,364
Liabilities		
Current liabilities		
Accounts payable - trade	20,275	13,578
Accrued agency commission	11,607	11,308
Accounts payable - other	12,387	6,645
Income taxes payable	2,095	919
Provision for bonuses	3,800	2,361
Provision for bonuses for directors (and other officers)	23	20
Other	5,074	5,658
Total current liabilities	55,264	40,492
Non-current liabilities		
Provision for bonuses	24	43
Provision for directors' bonuses	11	21
Provision for retirement benefits	5,252	5,561
Asset retirement obligations	669	665
Other	176	140
Total non-current liabilities	6,135	6,432
Total liabilities	61,400	46,925

(Million yen)

	As of March 31,2019	As of December 31,2019
Net assets		
Shareholders' equity		
Share capital	2,778	2,778
Capital surplus	585	585
Retained earnings	38,606	41,073
Treasury shares	(0)	(0)
Total shareholders' equity	41,970	44,437
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	136	1
Total valuation and translation adjustments	136	1
Total net assets	42,106	44,439
Total liabilities and net assets	103,506	91,364

(2) Non-consolidated Statements of Income

(Million yen)

	For the nine months ended December 31,2018	For the nine months ended December 31,2019
Net sales	192,801	156,653
Cost of sales	154,983	118,483
Gross profit	37,817	38,169
Selling, general and administrative expenses	30,459	30,728
Operating profit	7,358	7,441
Non-operating income		
Interest income	0	0
Dividend income	4	4
Support money of store move etc income	116	110
Reversal of allowance for doubtful accounts	0	3
Gain on sales of goods	116	-
Other	38	68
Total non-operating income	276	187
Non-operating expenses		
Interest expenses	0	0
Loss on sales and retirement of non-current assets	37	4
Rental expenses on real estate	3	1
Loss on cancellation of contracts	6	3
Other	2	1
Total non-operating expenses	50	10
Ordinary profit	7,584	7,618
Extraordinary income		
Gain on sales of non-current assets	6	-
Gain on sales of investment securities	0	174
Other	0	-
Total extraordinary income	6	174
Extraordinary losses		
Loss on sales and retirement of non-current assets	59	14
Impairment loss	54	69
Loss on store closings	52	40
Other	4	0
Total extraordinary losses	170	124
Profit before income taxes	7,420	7,668
Income taxes - current	2,628	2,657
Income taxes - deferred	(187)	(140)
Total income taxes	2,441	2,517
Profit	4,978	5,151