

Consolidated Results for the Third Quarter of the Fiscal Year to September 2018 (Japanese Accounting Standards)



Aug 6, 2018

Company Name: Nexyz. Group Corporation.

Securities Code: 4346

(English Translation of “Kessan Tanshin”)

Exchanges Listed: TSE1

Location of Company Headquarters: Tokyo

(URL <http://www.nexyzgroup.jp>)

Position of Representative: President and Representative Director

Name: Takami Kondo

Contact : Executive Managing Director, Administrative Division Manager

Name: Yasuhiro Matsui Tel.+81-3-5459-7444

(Amounts truncated to the nearest million yen.)

1. Consolidated results for the Third Quarter of the Fiscal Year to September 2018

(from Oct. 1, 2017 to Jun. 30, 2018)

(1) Consolidated Results of Operations

(Amounts in percentages show a comparison with the previous same period results.)

	Net Sales		Operating Income		Ordinary Income	
	Yen Mln	%	Yen Mln	%	Yen Mln	%
June 2018	12,389	4.8	1,544	△ 6.8	1,591	△ 15.1
June 2017	11,818	15.5	1,657	35.7	1,875	55.5
(Note) Comprehensive income	June 2018	1,646 million yen	(20.1%)	June 2017	1,370 million yen	(58.2%)

	Net income attributable to owners of the parent		Earnings per Share		Fully Diluted Earnings per Share	
	Yen Mln	%	Yen		Yen	
June 2018	1,745	42.9	138.29		132.27	
June 2017	1,221	84.0	98.88		92.11	

(2) Consolidated Financial Position

(Amounts truncated to the nearest million yen.)

	Total Assets		Net Assets Value		Capital Ratio	
	Yen Mln	%	Yen Mln	%		
June 2018	13,624		8,454	50.4		
September 2017	14,087		8,046	38.6		
(Note) Shareholders' equity:	June 2018	6,873 million yen	September 2017	5,442 million yen		

2. Consolidated annual dividend

Annual Dividend Per Share

	End of first quarter (Yen)	End of second quarter (Yen)	End of third quarter (Yen)	End of Year (Yen)	Total (Yen)
September 2017	—	10.00	—	15.00	25.00
September 2018	—	15.00			
September 2018 (Forecast)			—	15.00	30.00

3. Consolidated Forecast for the fiscal year ending September 2018 (October 1, 2017~September 30, 2018)

(Percentages indicate changes from the previous term)

	Net Sales		Operating Income		Ordinary Income	
	Yen Mln	%	Yen Mln	%	Yen Mln	%
Full Fiscal Year	16,500	2.8	2,100	2.2	2,100	△ 7.5

	Net income attributable to owners of the parent		Earnings per Share	
	Yen Mln	%	Yen	
Full Fiscal Year	2,100	18.8	166.35	

(Thousands of yen)

	As of September 30, 2017	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	4,677,575	6,023,922
Notes and accounts receivable - trade	3,436,610	2,868,272
Lease receivables	1,233,789	1,269,107
Merchandise	222,746	180,701
Accounts receivable - other	276,506	314,313
Deferred tax assets	385,752	451,694
Other	683,774	443,708
Allowance for doubtful accounts	△160,638	△200,787
Total current assets	10,756,117	11,350,932
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures, net	106,535	91,491
Other, net	277,545	255,004
Total property, plant and equipment	384,080	346,495
Intangible assets		
Goodwill	117,826	26,772
Software	92,002	109,844
Other	18,621	—
Total intangible assets	228,450	136,617
Investments and other assets		
Investment securities	1,239,625	823,099
Lease and guarantee deposits	470,310	269,665
Other	1,101,945	736,974
Allowance for doubtful accounts	△93,227	△38,954
Total investments and other assets	2,718,653	1,790,786
Total non-current assets	3,331,184	2,273,899
Total assets	14,087,302	13,624,831

(Thousands of yen)

	As of September 30, 2017	As of June 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	989,512	1,046,717
Short-term loans payable	800,000	700,000
Current portion of long-term loans payable	362,760	362,760
Accounts payable - other	505,040	465,154
Income taxes payable	543,860	397,391
Contract Cancellation Adjustment Reserve	405,371	276,553
Provision for profit-related bonuses	270,398	163,152
Other	484,812	430,603
Total current liabilities	4,361,756	3,842,332
Non-current liabilities		
Long-term loans payable	1,473,100	1,140,340
Other	205,482	188,152
Total non-current liabilities	1,678,582	1,328,492
Total liabilities	6,040,339	5,170,824
Net assets		
Shareholders' equity		
Capital stock	1,189,156	1,189,156
Capital surplus	270,302	330,296
Retained earnings	4,796,026	5,974,140
Treasury shares	△852,619	△714,601
Total shareholders' equity	5,402,866	6,778,993
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	39,759	94,533
Foreign currency translation adjustment	—	△400
Total accumulated other comprehensive income	39,759	94,133
Subscription rights to shares	9,879	9,539
Non-controlling interests	2,594,458	1,571,340
Total net assets	8,046,962	8,454,006
Total liabilities and net assets	14,087,302	13,624,831

(Thousands of yen)

	Nine months ended June 30, 2017	Nine months ended June 30, 2018
Net sales	11,818,924	12,389,160
Cost of sales	5,979,354	6,036,736
Gross profit	5,839,569	6,352,424
Selling, general and administrative expenses	4,181,841	4,808,173
Operating profit	1,657,727	1,544,250
Non-operating income		
Gain on sales of investment securities	195,674	139
Gain on investments in partnership	20,923	50,339
Other	17,293	4,886
Total non-operating income	233,891	55,366
Non-operating expenses		
Interest expenses	6,204	5,973
Commission fee	7,713	1,050
Other	2,554	977
Total non-operating expenses	16,472	8,000
Ordinary profit	1,875,147	1,591,615
Extraordinary income		
Gain on sales of investment securities	—	26,286
Gain on sales of shares of subsidiaries and associates	—	685,486
Total extraordinary income	—	711,773
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	—	32,998
Total extraordinary losses	—	32,998
Profit before income taxes	1,875,147	2,270,390
Income taxes - current	501,247	525,560
Income taxes - deferred	42,086	152,523
Total income taxes	543,333	678,084
Profit	1,331,813	1,592,305
Profit (loss) attributable to non-controlling interests	110,404	△153,458
Profit attributable to owners of parent	1,221,408	1,745,764

(Thousands of yen)

	Nine months ended June 30, 2017	Nine months ended June 30, 2018
Profit	1,331,813	1,592,305
Other comprehensive income		
Valuation difference on available-for-sale securities	38,779	54,774
Foreign currency translation adjustment	—	△852
Total other comprehensive income	38,779	53,922
Comprehensive income	1,370,592	1,646,228
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,260,188	1,800,139
Comprehensive income attributable to non-controlling interests	110,404	△153,911