

Consolidated Results for the First Quarter of the Fiscal Year to September 2019

(Japanese Accounting Standards)



Feb 6, 2019

(English Translation of "Kessan Tanshin")

Exchanges Listed: TSE1

Company Name: Nexyz.Group Corporation

Location of Company Headquarters: Tokyo

Securities Code: 4346

(URL <https://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 First Quarter of the Fiscal Year to December 2018

(from Oct. 1, 2018 to Dec. 31, 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	%
December 2018	3,968	3.1	410	16.5	461	31.6
December 2017	3,847	2.0	352	△ 21.6	350	△ 22.1
(Note) Comprehensive income	December 2018	123 million yen	(△84.2%)	December 2017	780 million yen	(197.6%)

	Net income attributable to owners of the parent		Earnings per Share		Fully Diluted Earnings per Share	
	Yen Mln	%	Yen		Yen	
December 2018	132	△ 83.1	10.50		10.05	
December 2017	787	254.1	62.67		59.76	

(2) Consolidated Financial Position

(Amounts truncated to the nearest million yen.)

	Total Assets	Net Assets Value	Capital Ratio	Net Assets per Share
	Yen Mln	Yen Mln	%	Yen
December 2018	13,007	8,262	53.5	549.36
September 2018	14,422	8,570	48.8	556.37
(Note) Shareholders' equity:	December 2018	6,958 million yen	September 2018	7,045 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 2018	—	15.00	—	15.00	30.00
September 2019	—				
September 2019 (Forecast)		20.00	—	20.00	40.00

3. Consolidated Forecast for the fiscal year ending September 2019 (October 1, 2018~September 30, 2019)

(Percentages indicate changes from the previous term)

	Net Sales		Operating Income		Ordinary Income	
	Yen Mln	%	Yen Mln	%	Yen Mln	%
Full Fiscal Year	18,500	9.6	2,000	3.9	2,000	3.0

	Net income attributable to owners of the parent		Earnings per Share	
	Yen Mln	%	Yen	
Full Fiscal Year	1,500	△ 21.6	118.42	

(Millions of yen)

	As of September 30, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	6,221	4,818
Notes and accounts receivable - trade	2,965	2,895
Lease receivables	1,633	1,572
Merchandise	190	255
Accounts receivable - other	344	199
Other	321	430
Allowance for doubtful accounts	△319	△377
Total current assets	11,358	9,794
Non-current assets		
Property, plant and equipment		
Buildings, net	605	613
Tools, furniture and fixtures, net	81	96
Other, net	52	248
Total property, plant and equipment	738	959
Intangible assets		
Goodwill	24	265
Software	92	87
Total intangible assets	117	353
Investments and other assets		
Investment securities	688	516
Lease and guarantee deposits	331	346
Deferred tax assets	676	596
Other	549	485
Allowance for doubtful accounts	△37	△45
Total investments and other assets	2,208	1,901
Total non-current assets	3,064	3,213
Total assets	14,422	13,007

(Millions of yen)

	As of September 30, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	1,238	1,042
Short-term loans payable	730	750
Current portion of long-term loans payable	362	362
Accounts payable - other	439	388
Income taxes payable	544	78
Contract Cancellation Adjustment Reserve	127	160
Provision for profit-related bonuses	311	111
Other	477	383
Total current liabilities	4,231	3,277
Non-current liabilities		
Long-term loans payable	1,410	1,258
Other	209	208
Total non-current liabilities	1,619	1,467
Total liabilities	5,851	4,745
Net assets		
Shareholders' equity		
Capital stock	1,189	1,189
Capital surplus	330	341
Retained earnings	6,140	6,083
Treasury shares	△710	△707
Total shareholders' equity	6,949	6,906
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	95	52
Foreign currency translation adjustment	△0	△0
Total accumulated other comprehensive income	95	52
Share acquisition rights	9	9
Non-controlling interests	1,516	1,294
Total net assets	8,570	8,262
Total liabilities and net assets	14,422	13,007

(Millions of yen)

	Three months ended December 31, 2017	Three months ended December 31, 2018
Net sales	3,847	3,968
Cost of sales	1,943	1,969
Gross profit	1,903	1,999
Selling, general and administrative expenses	1,551	1,588
Operating profit	352	410
Non-operating income		
Interest income	0	0
Gain on sales of investment securities	—	61
Other	0	4
Total non-operating income	0	66
Non-operating expenses		
Interest expenses	2	2
Loss on insurance cancellation	—	4
Provision of allowance for doubtful accounts	—	8
Other	0	0
Total non-operating expenses	2	15
Ordinary profit	350	461
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	685	—
Total extraordinary income	685	—
Extraordinary losses		
Loss on sales of investment securities	—	9
Loss on valuation of shares of subsidiaries and associates	3	—
cancellation fee of consent	—	40
Loss on liquidation of contracts	—	96
Total extraordinary losses	3	146
Profit before income taxes	1,032	314
Income taxes - current	82	49
Income taxes - deferred	166	98
Total income taxes	249	147
Profit	783	166
Profit (loss) attributable to non-controlling interests	△4	34
Profit attributable to owners of parent	787	132

(Millions of yen)

	Three months ended December 31, 2017	Three months ended December 31, 2018
Profit	783	166
Other comprehensive income		
Valuation difference on available-for-sale securities	△3	△43
Foreign currency translation adjustment	0	△0
Total other comprehensive income	△3	△43
Comprehensive income	780	123
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	784	89
Comprehensive income attributable to non-controlling interests	△4	33