

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

(Japanese Accounting Standards)



Aug 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 Third Quarter of the Fiscal Year to September 2019

(from Oct. 1, 2018 to Jun. 30, 2019)

(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 2019	12,609	1.8	1,325	△14.2	1,450	△8.9
June 2018	12,389	4.8	1,544	△6.8	1,591	△15.1
(Note) Comprehensive income	June 2019	1,207 million yen	(△26.6%)	June 2018	1,646 million yen	(20.1%)

	Net income attributable to owners of the parent		Earnings per Share		Fully Diluted Earnings per Share	
	Yen Mln	%	Yen		Yen	
June 2019	887	△49.2	69.02		66.10	
June 2018	1,745	42.9	138.29		132.27	

(2) Consolidated Financial Position

(Amounts truncated to the nearest million yen.)

	Total Assets		Net Assets Value		Capital Ratio	
	Yen Mln		Yen Mln		%	
June 2019	12,948		7,539		42.1	
September 2018	14,422		8,570		48.8	
(Note) Shareholders' equity:	June 2019	5,450 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	—	20.00	—		
September 2019 (Forecast)				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	116.45	

(Millions of yen)

	As of September 30, 2018	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	6,221	3,613
Notes and accounts receivable - trade	2,965	3,467
Lease receivables	1,633	1,167
Merchandise	190	272
Accounts receivable - other	344	62
Other	321	910
Allowance for doubtful accounts	△319	△564
Total current assets	11,358	8,929
Non-current assets		
Property, plant and equipment		
Buildings, net	605	616
Tools, furniture and fixtures, net	81	72
Other, net	52	440
Total property, plant and equipment	738	1,130
Intangible assets		
Goodwill	24	237
Software	92	89
Total intangible assets	117	327
Investments and other assets		
Investment securities	688	626
Lease and guarantee deposits	331	467
Deferred tax assets	676	979
Other	549	541
Allowance for doubtful accounts	△37	△53
Total investments and other assets	2,208	2,560
Total non-current assets	3,064	4,018
Total assets	14,422	12,948

(Millions of yen)

	As of September 30, 2018	As of June 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	1,238	1,344
Short-term loans payable	730	830
Current portion of long-term loans payable	362	362
Accounts payable - other	439	476
Income taxes payable	544	116
Contract Cancellation Adjustment Reserve	127	99
Provision for profit-related bonuses	311	136
Other	477	460
Total current liabilities	4,231	3,825
Non-current liabilities		
Long-term loans payable	1,410	1,367
Other	209	215
Total non-current liabilities	1,619	1,583
Total liabilities	5,851	5,409
Net assets		
Shareholders' equity		
Capital stock	1,189	1,189
Capital surplus	330	—
Retained earnings	6,140	5,302
Treasury shares	△710	△1,040
Total shareholders' equity	6,949	5,451
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	95	△0
Foreign currency translation adjustment	△0	△0
Total accumulated other comprehensive income	95	△1
Share acquisition rights	9	6
Non-controlling interests	1,516	2,081
Total net assets	8,570	7,539
Total liabilities and net assets	14,422	12,948

(Millions of yen)

	Nine months ended June 30, 2018	Nine months ended June 30, 2019
Net sales	12,389	12,609
Cost of sales	6,036	6,195
Gross profit	6,352	6,413
Selling, general and administrative expenses	4,808	5,088
Operating profit	1,544	1,325
Non-operating income		
Interest income	0	0
Gain on sales of investment securities	0	168
Gain on investments in partnership	50	—
Other	4	8
Total non-operating income	55	177
Non-operating expenses		
Interest expenses	5	6
Commission fee	1	15
Loss on insurance cancellation	—	4
Provision of allowance for doubtful accounts	—	24
Other	0	1
Total non-operating expenses	8	51
Ordinary profit	1,591	1,450
Extraordinary income		
Gain on sales of investment securities	26	—
Gain on sales of shares of subsidiaries and associates	685	—
Total extraordinary income	711	—
Extraordinary losses		
Loss on retirement of non-current assets	—	17
Loss on sales of investment securities	—	9
Loss on valuation of shares of subsidiaries and associates	32	—
cancellation fee of consent	—	40
Loss on liquidation of contracts	—	96
Other	—	8
Total extraordinary losses	32	172
Profit before income taxes	2,270	1,278
Income taxes - current	525	232
Income taxes - deferred	152	△260
Total income taxes	678	△27
Profit	1,592	1,305
Profit (loss) attributable to non-controlling interests	△153	418
Profit attributable to owners of parent	1,745	887

(Millions of yen)

	Nine months ended June 30, 2018	Nine months ended June 30, 2019
Profit	1,592	1,305
Other comprehensive income		
Valuation difference on available-for-sale securities	54	△96
Foreign currency translation adjustment	△0	△1
Total other comprehensive income	53	△97
Comprehensive income	1,646	1,207
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,800	790
Comprehensive income attributable to non-controlling interests	△153	417