

Consolidated Results for the Third Quarter of the Fiscal Year to September 2020

(Japanese Accounting Standards)



August 14, 2020

Company Name: Nexyz Group Corporation

Securities Code: 4346

(English Translation of "Kessan Tanshin")

Exchanges Listed: TSE1

Location of Company Headquarters: Tokyo

(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 2020

(from Oct. 1, 2019 to Jun. 30, 2020)

(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 2020	11,350	△ 10.0	△ 950	—	△ 1,079	—
June 2019	12,609	1.8	1,325	△ 14.2	1,450	△ 8.9
(Note) Comprehensive income	June 2020	△ 918 million yen	—	June 2019	1,207 million yen	(△26.6%)

	Net income attributable to owners of the parent		Earnings per Share		Fully Diluted Earnings per Share	
	Yen Mln	%	Yen		Yen	
June 2020	△ 1,208	—	△ 93.57		—	
June 2019	887	△ 49.2	69.02		66.10	

(2) Consolidated Financial Position

(Amounts truncated to the nearest million yen.)

	Total Assets	Net Assets Value	Capital Ratio	
	Yen Mln	Yen Mln	%	
June 2020	16,368	6,505	26.7	
September 2019	14,875	8,185	40.8	
(Note) Shareholders' equity:	June 2020	4,376 million yen	September 2019	6,069 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 2019	—	20.00	—	20.00	40.00
September 2020	—	25.00	—		
September 2020 (Forecast)				20.00	45.00

3. Consolidated Forecast for the fiscal year ending September 2020 (October 1, 2019~September 30, 2020)

(Percentages indicate changes from the previous term)

	Net Sales		Operating Income		Ordinary Income	
	Yen Mln	%	Yen Mln	%	Yen Mln	%
Full Fiscal Year	15,400	△ 16.4	△ 1,700	—	△ 1,900	—

	Net income attributable to owners of the parent		Earnings per Share	
	Yen Mln	%	Yen	
Full Fiscal Year	△ 2,400	—	△ 185.77	

Note: Revisions to the most recently disclosed dividend forecasts: Yes

(Millions of yen)

	As of September 30, 2019	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	4,738	4,569
Notes and accounts receivable - trade	3,119	3,899
Lease receivables	1,926	2,452
Merchandise	249	362
Accounts receivable - other	100	130
Other	849	1,043
Allowance for doubtful accounts	△309	△337
Total current assets	10,674	12,119
Non-current assets		
Property, plant and equipment		
Buildings, net	617	607
Tools, furniture and fixtures, net	79	83
Construction in progress	442	442
Other, net	26	17
Total property, plant and equipment	1,165	1,150
Intangible assets		
Goodwill	223	11
Software	80	64
Other	—	9
Total intangible assets	303	85
Investments and other assets		
Investment securities	591	870
Leasehold and guarantee deposits	503	491
Deferred tax assets	1,017	1,138
Other	710	858
Allowance for doubtful accounts	△92	△346
Total investments and other assets	2,731	3,012
Total non-current assets	4,200	4,249
Total assets	14,875	16,368

(Millions of yen)

	As of September 30, 2019	As of June 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	1,543	964
Short-term borrowings	730	450
Current portion of long-term borrowings	622	1,704
Accounts payable - other	444	453
Income taxes payable	104	50
Contract Cancellation Adjustment Reserve	291	691
Provision for profit-related bonuses	328	314
Other	401	439
Total current liabilities	4,466	5,067
Non-current liabilities		
Long-term borrowings	2,042	4,622
Other	180	172
Total non-current liabilities	2,223	4,795
Total liabilities	6,689	9,863
Net assets		
Shareholders' equity		
Share capital	1,189	1,189
Retained earnings	5,902	3,914
Treasury shares	△1,021	△918
Total shareholders' equity	6,070	4,185
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△0	190
Foreign currency translation adjustment	△0	0
Total accumulated other comprehensive income	△1	190
Share acquisition rights	6	6
Non-controlling interests	2,109	2,123
Total net assets	8,185	6,505
Total liabilities and net assets	14,875	16,368

(Millions of yen)

	Nine months ended June 30, 2019	Nine months ended June 30, 2020
Net sales	12,609	11,350
Cost of sales	6,195	5,788
Gross profit	6,413	5,562
Selling, general and administrative expenses	5,088	6,513
Operating profit (loss)	1,325	△950
Non-operating income		
Interest income	0	9
Gain on sales of investment securities	168	3
Other	8	13
Total non-operating income	177	26
Non-operating expenses		
Interest expenses	6	14
Loss on valuation of investment securities	0	12
Share of loss of entities accounted for using equity method	—	115
Commission expenses	15	3
Loss on cancellation of insurance policies	4	—
Provision of allowance for doubtful accounts	24	9
Other	0	0
Total non-operating expenses	51	155
Ordinary profit (loss)	1,450	△1,079
Extraordinary income		
Gain on sales of investment securities	—	100
Total extraordinary income	—	100
Extraordinary losses		
Loss on retirement of non-current assets	17	—
Impairment loss	—	170
Loss on sales of investment securities	9	—
Loss on valuation of investment securities	—	41
Loss on valuation of shares of subsidiaries and associates	—	15
cancellation fee of consent	40	—
Loss on liquidation of contracts	96	—
loss on COVID-19	—	11
Other	8	—
Total extraordinary losses	172	239
Profit (loss) before income taxes	1,278	△1,219
Income taxes - current	232	97
Income taxes - deferred	△260	△205
Total income taxes	△27	△108
Profit (loss)	1,305	△1,111
Profit attributable to non-controlling interests	418	97
Profit (loss) attributable to owners of parent	887	△1,208

(Millions of yen)

	Nine months ended June 30, 2019	Nine months ended June 30, 2020
Profit (loss)	1,305	△1,111
Other comprehensive income		
Valuation difference on available-for-sale securities	△96	191
Foreign currency translation adjustment	△1	1
Total other comprehensive income	△97	192
Comprehensive income	1,207	△918
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	790	△1,016
Comprehensive income attributable to non-controlling interests	417	98