

Consolidated Results for the Second Quarter of the Fiscal Year to September 2021

(Japanese Accounting Standards)



May 14, 2021

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 Second Quarter of the Fiscal Year to September 2021

(from Oct. 1, 2020 to Mar. 31, 2021)

(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	%
March 2021	8,903	12.3	△ 575	—	△ 573	—
March 2020	7,928	△ 4.6	92	△ 90.6	90	△ 92.0
(Note) Comprehensive income	March 2021	△ 787 million yen	(—%)	March 2020	△ 91 million yen	(—%)

	Net income attributable to owners of the parent		Earnings per Share		Fully Diluted Earnings per Share	
	Yen Mln	%	Yen		Yen	
March 2021	△ 870	—	△ 67.23		—	
March 2020	△ 177	—	△ 13.75		—	

(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
March 2021	15,760	4,480	14.8	180.16
September 2020	16,064	5,524	21.5	266.65
(Note) Shareholders' equity:	March 2021	2,333 million yen	September 2020	3,453 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 2020	—	25.00	—	20.00	45.00
September 2021	—	20.00			
September 2021 (Forecast)			—	20.00	40.00

3. Consolidated Forecast for the fiscal year ending September 2021 (October 1, 2020~September 30, 2021)

(Percentages indicate changes from the previous term)

	Net Sales		Operating Income		Ordinary Income	
	Yen Mln	%	Yen Mln	%	Yen Mln	%
Full Fiscal Year	16,500	4.9	500	—	500	—

	Net income attributable to owners of the parent		Earnings per Share	
	Yen Mln	%	Yen	
Full Fiscal Year	250	—	19.30	

(Millions of yen)

	As of September 30, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	3,841	4,309
Notes and accounts receivable - trade	3,567	3,265
Lease receivables	3,152	3,125
Merchandise	468	639
Accounts receivable - other	135	167
Other	1,244	673
Allowance for doubtful accounts	△414	△429
Total current assets	11,996	11,752
Non-current assets		
Property, plant and equipment		
Buildings, net	1,061	1,049
Tools, furniture and fixtures, net	131	122
Other, net	20	15
Total property, plant and equipment	1,213	1,187
Intangible assets		
Goodwill	9	5
Software	70	79
Total intangible assets	79	85
Investments and other assets		
Investment securities	869	838
Leasehold and guarantee deposits	514	585
Deferred tax assets	873	793
Other	1,340	1,440
Allowance for doubtful accounts	△824	△922
Total investments and other assets	2,774	2,735
Total non-current assets	4,067	4,008
Total assets	16,064	15,760

(Millions of yen)

	As of September 30, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	1,042	1,475
Short-term borrowings	450	1,200
Current portion of long-term borrowings	1,936	1,828
Accounts payable - other	370	433
Income taxes payable	66	116
Contract cancellation adjustment reserve	1,028	1,350
Provision for profit-related bonuses	301	218
Other	390	540
Total current liabilities	5,587	7,163
Non-current liabilities		
Long-term borrowings	4,707	3,846
Other	244	269
Total non-current liabilities	4,951	4,116
Total liabilities	10,539	11,280
Net assets		
Shareholders' equity		
Share capital	1,189	1,189
Capital surplus	—	—
Retained earnings	2,977	1,851
Treasury shares	△904	△899
Total shareholders' equity	3,262	2,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	190	191
Foreign currency translation adjustment	△0	0
Total accumulated other comprehensive income	190	191
Share acquisition rights	6	6
Non-controlling interests	2,065	2,140
Total net assets	5,524	4,480
Total liabilities and net assets	16,064	15,760

(Millions of yen)

	Six months ended March 31, 2020	Six months ended March 31, 2021
Net sales	7,928	8,903
Cost of sales	3,766	4,957
Gross profit	4,162	3,946
Selling, general and administrative expenses	4,070	4,522
Operating profit (loss)	92	△575
Non-operating income		
Interest income	6	0
Gain on sales of investment securities	3	—
Interest on tax refund	4	1
Receipt benefit	—	6
Subsidies for employment adjustment	—	3
Other	3	13
Total non-operating income	17	25
Non-operating expenses		
Interest expenses	8	17
Provision of allowance for doubtful accounts	7	—
Commission expenses	3	2
Other	0	2
Total non-operating expenses	19	22
Ordinary profit (loss)	90	△573
Extraordinary losses		
Loss on valuation of investment securities	—	18
Loss on valuation of shares of subsidiaries and associates	15	15
Total extraordinary losses	15	33
Profit (loss) before income taxes	74	△607
Income taxes - current	129	101
Income taxes - deferred	37	80
Total income taxes	166	182
Loss	△92	△789
Profit attributable to non-controlling interests	85	81
Loss attributable to owners of parent	△177	△870

(Millions of yen)

	Six months ended March 31, 2020	Six months ended March 31, 2021
Loss	△92	△789
Other comprehensive income		
Valuation difference on available-for-sale securities	△0	0
Foreign currency translation adjustment	0	1
Total other comprehensive income	0	1
Comprehensive income	△91	△787
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△176	△869
Comprehensive income attributable to non-controlling interests	84	82

(Millions of yen)

	Six months ended March 31, 2020	Six months ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	74	△607
Depreciation and amortization	49	63
Amortization of goodwill	28	3
Increase (decrease) in contract cancellation adjustment reserve	213	322
Increase (decrease) in provision for profit-related bonuses	△173	△83
Increase (decrease) in allowance for doubtful accounts	159	113
Interest and dividend income	△6	△1
Interest expenses	8	17
Loss (gain) on sales of investment securities	△3	—
Loss (gain) on valuation of investment securities	—	18
Loss (gain) on valuation of shares of subsidiaries and associates	15	15
Decrease (increase) in trade receivables	△963	301
Decrease (increase) in lease receivables	1,015	26
Decrease (increase) in inventories	△136	△171
Decrease (increase) in advances paid	84	△21
Increase (decrease) in trade payables	△347	432
Increase (decrease) in accounts payable - other	344	51
Increase (decrease) in accrued consumption taxes	72	108
Increase (decrease) in deposits received	43	53
Other, net	△9	△2
Subtotal	469	642
Interest and dividends received	8	1
Interest paid	△8	△17
Income taxes (paid) refund	△308	475
Net cash provided by (used in) operating activities	160	1,101
Cash flows from investing activities		
Purchase of investment securities	△215	△54
Proceeds from sales of investment securities	102	0
Purchase of property, plant and equipment	△18	△17
Purchase of intangible assets	△32	△25
Payments of leasehold and guarantee deposits	△66	△105
Proceeds from refund of leasehold and guarantee deposits	0	30
Other, net	△8	43
Net cash provided by (used in) investing activities	△238	△129

(Millions of yen)

	Six months ended March 31, 2020	Six months ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	520	750
Proceeds from long-term borrowings	1,300	—
Repayments of long-term borrowings	△381	△968
Proceeds from share issuance to non-controlling shareholders	61	—
Dividends paid	△257	△259
Purchase of treasury shares	△0	△0
Proceeds from disposal of treasury shares	40	2
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	△185	—
Other, net	△29	△30
Net cash provided by (used in) financing activities	1,066	△505
Effect of exchange rate change on cash and cash equivalents	0	1
Net increase (decrease) in cash and cash equivalents	989	467
Cash and cash equivalents at beginning of period	4,738	3,841
Cash and cash equivalents at end of period	5,728	4,309