

Consolidated Results for the End of the Fiscal Year to September 2021

(Japanese Accounting Standards)



November 15, 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 End of the Fiscal Year to September 2021

(from Oct. 1, 2020 to Sep. 30, 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	%
September 2021	18,767	19.3	△ 347	—	△ 351	—
September 2020	15,728	△ 14.6	△ 1,627	—	△ 1,782	—
(Note) Comprehensive income	September 2021	△ 1043 million yen	(—%)	September 2020	△ 1,904 million yen	(—%)

	Net income attributable to owners of the parent		Earnings per Share		Fully Diluted Earnings per Share	
	Yen Mln	%	Yen		Yen	
September 2021	△ 1,155	—	△ 89.19		—	
September 2020	△ 2,136	—	△ 165.29		—	

(Reference) Equity in earnings(losses) of affiliates September 2021 — million yen September 2020 △142 million yen

(Note) Diluted net income per share has not been disclosed because of diluted net loss per share.

(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
September 2021	14,622	3,983	12.4	139.36
September 2020	16,064	5,524	21.5	266.65

(Note) Shareholders' equity: September 2021 1,808 million yen September 2020 3,453 million yen

(3) Consolidated Cash Flows

(Amounts truncated to the nearest million yen.)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	End-of-Period Cash and Cash Equivalents
	Yen Mln	Yen Mln	Yen Mln	Yen Mln
September 2021	1,987	△ 651	△ 1,752	3,427
September 2020	△ 3,491	△ 404	2,987	3,841

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	—	20.00	40.00
September 2022 (Forecast)	—	0.00	—	20.00	20.00

3. Consolidated Forecast for the fiscal year ending September 2022 (October 1, 2021 ~ September 30, 2022)

(Percentages indicate changes from the previous term)

	Net Sales		Operating Income		Ordinary Income	
	Yen Mln	%	Yen Mln	%	Yen Mln	%
Full Fiscal Year	19,000	1.2	300	—	300	—

	Net income attributable to owners of the parent		Earnings per Share	
	Yen Mln	%	Yen	
Full Fiscal Year	170	—	13.10	

(Millions of yen)

As of September 30, 2020 As of September 30, 2021

Assets		
Current assets		
Cash and deposits	3,841	3,427
Notes and accounts receivable - trade	3,567	3,460
Lease receivables	3,152	3,158
Merchandise	468	522
Accounts receivable - other	135	172
Prepaid expenses	222	206
Other	1,021	394
Allowance for doubtful accounts	△414	△422
Total current assets	11,996	10,920
Non-current assets		
Property, plant and equipment		
Buildings	1,312	1,326
Accumulated depreciation	△250	△286
Buildings, net	1,061	1,039
Tools, furniture and fixtures	862	870
Accumulated depreciation	△731	△757
Tools, furniture and fixtures, net	131	112
Other	52	42
Accumulated depreciation	△32	△31
Other, net	20	10
Total property, plant and equipment	1,213	1,163
Intangible assets		
Goodwill	9	1
Software	70	73
Total intangible assets	79	75
Investments and other assets		
Investment securities	869	890
Leasehold and guarantee deposits	514	620
Distressed receivables	820	824
Deferred tax assets	873	431
Other	520	530
Allowance for doubtful accounts	△824	△834
Total investments and other assets	2,774	2,463
Total non-current assets	4,067	3,701
Total assets	16,064	14,622

(Millions of yen)

As of September 30, 2020 As of September 30, 2021

Liabilities		
Current liabilities		
Accounts payable - trade	1,042	1,253
Short-term borrowings	450	1,200
Current portion of long-term borrowings	1,936	1,836
Accounts payable - other	370	409
Income taxes payable	66	210
Contract cancellation adjustment reserve	1,028	1,545
Provision for bonuses	301	316
Other	390	712
Total current liabilities	5,587	7,485
Non-current liabilities		
Long-term borrowings	4,707	2,870
Lease obligations	45	12
Other	199	270
Total non-current liabilities	4,951	3,153
Total liabilities	10,539	10,638
Net assets		
Shareholders' equity		
Share capital	1,189	1,198
Capital surplus	—	9
Retained earnings	2,977	1,307
Treasury shares	△904	△899
Total shareholders' equity	3,262	1,616
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	190	191
Foreign currency translation adjustment	△0	1
Total accumulated other comprehensive income	190	192
Share acquisition rights	6	6
Non-controlling interests	2,065	2,168
Total net assets	5,524	3,983
Total liabilities and net assets	16,064	14,622

(Millions of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Net sales	15,728	18,767
Cost of sales	8,147	10,023
Gross profit	7,580	8,744
Selling, general and administrative expenses	9,208	9,091
Operating loss	△1,627	△347
Non-operating income		
Interest income	9	0
Gain on sale of investment securities	3	—
Reversal of allowance for doubtful accounts	—	5
Recoveries of written off receivables	—	4
Interest on tax refund	4	3
Refund	—	4
Receipt benefit	4	6
Subsidies for employment adjustment	9	3
Other	8	13
Total non-operating income	38	41
Non-operating expenses		
Interest expenses	22	36
Loss on valuation of investment securities	12	—
Share of loss of entities accounted for using equity method	142	—
Provision of allowance for doubtful accounts	11	2
Commission expenses	3	2
Other	0	5
Total non-operating expenses	193	46
Ordinary loss	△1,782	△351
Extraordinary income		
Gain on sale of investment securities	100	—
Total extraordinary income	100	—
Extraordinary losses		
Impairment losses	172	—
Loss on valuation of investment securities	41	19
Loss on valuation of shares of subsidiaries and associates	15	15
Other	11	—
Total extraordinary losses	242	35
Loss before income taxes	△1,924	△386
Income taxes - current	112	217
Income taxes - deferred	59	442
Total income taxes	172	659
Loss	△2,096	△1,046
Profit attributable to non-controlling interests	39	109
Loss attributable to owners of parent	△2,136	△1,155

(Millions of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Loss	△2,096	△1,046
Other comprehensive income		
Valuation difference on available-for-sale securities	191	0
Foreign currency translation adjustment	0	2
Total other comprehensive income	192	2
Comprehensive income	△1,904	△1,043
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△1,944	△1,153
Comprehensive income attributable to non-controlling interests	40	110

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,189	—	5,902	△1,021	6,070
Changes during period					
Dividends of surplus			△581		△581
Loss attributable to owners of parent			△2,136		△2,136
Purchase of treasury shares				△0	△0
Disposal of treasury shares			△70	117	46
Change in scope of equity method			△96		△96
Transfer from retained earnings to capital surplus		38	△38		—
Change in ownership interest of parent due to transactions with non-controlling interests		△38			△38
Net changes in items other than shareholders' equity					
Total changes during period	—	—	△2,924	116	△2,807
Balance at end of period	1,189	—	2,977	△904	3,262

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	△0	△0	△1	6	2,109	8,185
Changes during period						
Dividends of surplus						△581
Loss attributable to owners of parent						△2,136
Purchase of treasury shares						△0
Disposal of treasury shares						46
Change in scope of equity method						△96
Transfer from retained earnings to capital surplus						—
Change in ownership interest of parent due to transactions with non-controlling interests						△38
Net changes in items other than shareholders' equity	191	0	191	△0	△44	146
Total changes during period	191	0	191	△0	△44	△2,660
Balance at end of period	190	△0	190	6	2,065	5,524

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,189	—	2,977	△904	3,262
Changes during period					
Issuance of new shares - exercise of share acquisition rights	9	9			18
Dividends of surplus			△518		△518
Loss attributable to owners of parent			△1,155		△1,155
Purchase of treasury shares				△0	△0
Disposal of treasury shares			△3	6	2
Change in ownership interest of parent due to transactions with non-controlling interests		△0			△0
Net changes in items other than shareholders' equity		0	6		6
Total changes during period	9	9	△1,670	5	△1,646
Balance at end of period	1,198	9	1,307	△899	1,616

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	190	△0	190	6	2,065	5,524
Changes during period						
Issuance of new shares - exercise of share acquisition rights						18
Dividends of surplus						△518
Loss attributable to owners of parent						△1,155
Purchase of treasury shares						△0
Disposal of treasury shares						2
Change in ownership interest of parent due to transactions with non-controlling interests						△0
Net changes in items other than shareholders' equity	0	1	1	△0	103	111
Total changes during period	0	1	1	△0	103	△1,541
Balance at end of period	191	1	192	6	2,168	3,983

(Millions of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Cash flows from operating activities		
Loss before income taxes	△1,924	△386
Depreciation and amortization	107	132
Impairment losses	172	—
Amortization of goodwill	44	7
Increase (decrease) in contract cancellation adjustment reserve	736	516
Increase (decrease) in provision for bonuses	△26	14
Increase (decrease) in allowance for doubtful accounts	837	17
Interest and dividend income	△10	△2
Interest expenses	22	36
Share of loss (profit) of entities accounted for using equity method	142	—
Loss (gain) on sale of investment securities	△103	—
Loss (gain) on valuation of investment securities	53	19
Loss (gain) on valuation of shares of subsidiaries and associates	15	15
Decrease (increase) in trade receivables	△448	107
Decrease (increase) in lease receivables	△1,226	△5
Decrease (increase) in inventories	△218	△54
Decrease (increase) in advances paid	104	△54
Increase (decrease) in trade payables	△500	210
Increase (decrease) in accrued consumption taxes	△266	487
Increase (decrease) in deposits received	67	5
Other, net	△659	549
Subtotal	△3,079	1,618
Interest and dividends received	11	2
Interest paid	△22	△36
Income taxes refund (paid)	△401	403
Net cash provided by (used in) operating activities	△3,491	1,987
Cash flows from investing activities		
Purchase of investment securities	△315	△79
Proceeds from sale of investment securities	123	0
Purchase of property, plant and equipment	△154	△42
Purchase of intangible assets	△20	△35
Payments of leasehold and guarantee deposits	△124	△194
Proceeds from refund of leasehold and guarantee deposits	103	43
Other, net	△16	△342
Net cash provided by (used in) investing activities	△404	△651

(Millions of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△280	750
Proceeds from long-term borrowings	5,100	—
Repayments of long-term borrowings	△1,121	△1,936
Proceeds from share issuance to non-controlling shareholders	61	—
Dividends paid	△580	△516
Purchase of treasury shares	△0	△0
Proceeds from disposal of treasury shares	45	1
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	△185	—
Other, net	△52	△50
Net cash provided by (used in) financing activities	2,987	△1,752
Effect of exchange rate change on cash and cash equivalents	0	2
Net increase (decrease) in cash and cash equivalents	△907	△414
Cash and cash equivalents at beginning of period	4,738	3,841
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	10	—
Cash and cash equivalents at end of period	3,841	3,427