

Consolidated Results for the Second Quarter of the Fiscal Year to September 2022

(Japanese Accounting Standards)



May 16, 2022

Company Name: Nexyz.Group Corporation

Securities Code: 4346

(English Translation of “Kessan Tanshin”)

Exchanges Listed: TSE (Prime Market)

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 2022

(from Oct. 1, 2021 to Mar. 31, 2022)

(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 2022	8,798	—	8	—	2	—
March 2021	8,903	12.3	△ 575	—	△ 573	—
(Note) Comprehensive income	March 2022	△ 94 million yen	(—%)	March 2021	△ 787 million yen	(—%)

	Net income attributable to owners of the parent		Earnings per Share		Fully Diluted Earnings per Share	
	Yen Mln	%	Yen		Yen	
March 2022	△ 155	—	△ 11.95		—	
March 2021	△ 870	—	△ 67.23		—	

(Note)The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and related guidance from the beginning of the fiscal year ending September 30, 2022. Accordingly, all figures for the second quarter of the fiscal year ending September 30, 2022 are figures after application of the said standard and guideline, and no year-on-year changes are presented.

(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	Yen	%
March 2022	12,431	2,493	6.9		65.51	
September 2021	14,606	3,978	12.3		138.99	

(Note) Shareholders' equity: March 2022 852 million yen September 2021 1,803 million yen

(Note)The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and related guidance from the beginning of the fiscal year ending September 30, 2022. Accordingly, all figures for the second quarter of the fiscal year ending September 30, 2022 are figures after application of the said standard and guideline.

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 2021	—	20.00	—	20.00	40.00
September 2022	—	0.00			
September 2022 (Forecast)			—	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	—	300	—	300	—

	Net income attributable to owners of the parent		Earnings per Share	
	Yen Mln	%	Yen	
Full Fiscal Year	170	—	13.07	

Note: Revisions to the most recently disclosed dividend forecasts: No

(Note)The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and related guidance from the beginning of the fiscal year ending September 30, 2022. The forecast of consolidated financial results stated above shows amounts after application of the said standard and guideline, and no year-on-year changes are presented for both the full year and the quarter.

(Millions of yen)

	As of September 30, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	3,427	2,444
Notes and accounts receivable - trade	3,460	1,964
Lease receivables	3,158	2,581
Merchandise	522	667
Accounts receivable - other	172	332
Other	585	581
Allowance for doubtful accounts	△420	△213
Total current assets	10,906	8,359
Non-current assets		
Property, plant and equipment		
Buildings, net	1,039	1,021
Tools, furniture and fixtures, net	112	110
Other, net	10	10
Total property, plant and equipment	1,163	1,141
Intangible assets		
Goodwill	1	0
Software	73	70
Total intangible assets	75	70
Investments and other assets		
Investment securities	890	910
Leasehold and guarantee deposits	620	724
Deferred tax assets	429	710
Other	1,355	1,346
Allowance for doubtful accounts	△834	△833
Total investments and other assets	2,461	2,859
Total non-current assets	3,700	4,071
Total assets	14,606	12,431

(Millions of yen)

	As of September 30, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	1,269	1,520
Short-term borrowings	1,200	1,200
Current portion of long-term borrowings	1,836	1,846
Accounts payable - other	393	376
Income taxes payable	211	41
Contract cancellation adjustment reserve	1,545	1,619
Provision for bonuses	316	43
Other	699	961
Total current liabilities	7,473	7,610
Non-current liabilities		
Long-term borrowings	2,870	2,023
Other	283	304
Total non-current liabilities	3,153	2,328
Total liabilities	10,627	9,938
Net assets		
Shareholders' equity		
Share capital	1,198	1,210
Capital surplus	9	20
Retained earnings	1,302	325
Treasury shares	△899	△898
Total shareholders' equity	1,611	658
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	191	192
Foreign currency translation adjustment	1	1
Total accumulated other comprehensive income	192	194
Share acquisition rights	6	0
Non-controlling interests	2,168	1,639
Total net assets	3,978	2,493
Total liabilities and net assets	14,606	12,431

(Millions of yen)

	Six months ended March 31, 2021	Six months ended March 31, 2022
Net sales	8,903	8,798
Cost of sales	4,957	4,750
Gross profit	3,946	4,047
Selling, general and administrative expenses	4,522	4,039
Operating profit (loss)	△575	8
Non-operating income		
Interest income	0	0
Interest on tax refund	1	0
Receipt benefit	6	—
Subsidies for employment adjustment	3	—
Administrative service fee income	—	10
Other	13	9
Total non-operating income	25	21
Non-operating expenses		
Interest expenses	17	13
Commission expenses	2	7
Other	2	5
Total non-operating expenses	22	26
Ordinary profit (loss)	△573	2
Extraordinary income		
Gain on reversal of share acquisition rights	—	4
Total extraordinary income	—	4
Extraordinary losses		
Loss on valuation of investment securities	18	0
Loss on valuation of shares of subsidiaries and associates	15	—
Total extraordinary losses	33	0
Profit (loss) before income taxes	△607	6
Income taxes - current	101	16
Income taxes - deferred	80	86
Total income taxes	182	102
Loss	△789	△96
Profit attributable to non-controlling interests	81	58
Loss attributable to owners of parent	△870	△155

(Millions of yen)

	Six months ended March 31, 2021	Six months ended March 31, 2022
Loss	△789	△96
Other comprehensive income		
Valuation difference on available-for-sale securities	0	1
Foreign currency translation adjustment	1	1
Total other comprehensive income	1	2
Comprehensive income	△787	△94
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△869	△153
Comprehensive income attributable to non-controlling interests	82	59

(Millions of yen)

	Six months ended March 31, 2021	Six months ended March 31, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	△607	6
Depreciation and amortization	63	60
Amortization of goodwill	3	1
Increase (decrease) in contract cancellation adjustment reserve	322	74
Increase (decrease) in provision for bonuses	△83	△272
Increase (decrease) in allowance for doubtful accounts	113	△18
Interest and dividend income	△1	△1
Interest expenses	17	13
Loss (gain) on valuation of investment securities	18	0
Loss (gain) on valuation of shares of subsidiaries and associates	15	—
Decrease (increase) in trade receivables	301	△225
Decrease (increase) in lease receivables	26	576
Decrease (increase) in inventories	△171	△144
Decrease (increase) in advances paid	△21	△8
Increase (decrease) in trade payables	432	250
Increase (decrease) in contract liabilities	—	133
Increase (decrease) in accounts payable - other	51	1
Increase (decrease) in accrued consumption taxes	108	△261
Increase (decrease) in deposits received	53	307
Other, net	△2	△24
Subtotal	642	470
Interest and dividends received	1	0
Interest paid	△17	△13
Income taxes refund (paid)	475	△175
Net cash provided by (used in) operating activities	1,101	281
Cash flows from investing activities		
Purchase of investment securities	△54	△3
Proceeds from sale of investment securities	0	—
Purchase of property, plant and equipment	△17	△14
Purchase of intangible assets	△25	△8
Payments of leasehold and guarantee deposits	△105	△114
Proceeds from refund of leasehold and guarantee deposits	30	5
Other, net	43	△35
Net cash provided by (used in) investing activities	△129	△171

(Millions of yen)

	Six months ended March 31, 2021	Six months ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	750	—
Proceeds from long-term borrowings	—	100
Repayments of long-term borrowings	△968	△936
Proceeds from share issuance to non-controlling shareholders	—	0
Dividends paid	△259	△260
Purchase of treasury shares	△0	△0
Proceeds from disposal of treasury shares	2	0
Other, net	△30	2
Net cash provided by (used in) financing activities	△505	△1,094
Effect of exchange rate change on cash and cash equivalents	1	1
Net increase (decrease) in cash and cash equivalents	467	△982
Cash and cash equivalents at beginning of period	3,841	3,427
Cash and cash equivalents at end of period	4,309	2,444