

Consolidated Results for the Second Quarter of the Fiscal Year to September 2023

(Japanese Accounting Standards)



May 15, 2023

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 2023

(from Oct. 1, 2022 to Mar. 31, 2023)

(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 2023	10,035	14.1	295	—	286	—
March 2022	8,798	—	8	—	2	—
(Note) Comprehensive income	March 2023	310 million yen	(—%)	March 2022	△ 94 million yen	(—%)

	Net income attributable to owners of the parent		Earnings per Share		Fully Diluted Earnings per Share	
	Yen Mln	%	Yen		Yen	
March 2023	207	—	15.92		—	
March 2022	△ 155	—	△ 11.95		—	

(Note) The percentage change of operating Income and ordinary Income from the corresponding period of previous year is not shown for the six months ended March 31, 2023 because the rate of change exceeded 1,000%.

(Note) Diluted net income per share is not presented because there are no dilutive shares for the six months ended March 31, 2023.

(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
March 2023	15,002	2,967	7.6	87.60
September 2022	13,615	2,867	8.8	91.82
(Note) Shareholders' equity:	March 2023	1,139 million yen	September 2022	1,194 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 2022	—	0.00	—	20.00	20.00
September 2023	—	0.00			
September 2023 (Forecast)			—	20.00	20.00

3. Consolidated Forecast for the fiscal year ending September 2023 (October 1, 2022~September 30, 2023)

(Percentages indicate changes from the previous term)

	Net Sales		Operating Income		Ordinary Income	
	Yen Mln	%	Yen Mln	%	Yen Mln	%
Full Fiscal Year	19,000	△ 1.1	700	83.0	700	85.4

	Net income attributable to owners of the parent		Earnings per Share
	Yen Mln	%	Yen
Full Fiscal Year	400	115.1	30.75

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

(Millions of yen)

	As of September 30, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	2,831	5,660
Notes and accounts receivable - trade	2,055	2,345
Lease receivables	3,508	2,291
Merchandise	659	693
Accounts receivable - other	679	512
Other	852	611
Allowance for doubtful accounts	△1,011	△1,209
Total current assets	9,574	10,905
Non-current assets		
Property, plant and equipment		
Buildings, net	1,004	988
Tools, furniture and fixtures, net	94	112
Other, net	7	4
Total property, plant and equipment	1,106	1,106
Intangible assets		
Software	68	72
Other	0	11
Total intangible assets	68	84
Investments and other assets		
Investment securities	937	954
Leasehold and guarantee deposits	703	631
Deferred tax assets	688	770
Other	1,293	1,516
Allowance for doubtful accounts	△755	△967
Total investments and other assets	2,866	2,905
Total non-current assets	4,041	4,096
Total assets	13,615	15,002

(Millions of yen)

	As of September 30, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,839	1,722
Short-term borrowings	2,200	2,200
Current portion of long-term borrowings	2,040	2,043
Accounts payable - other	609	633
Income taxes payable	51	88
Contract cancellation adjustment reserve	1,048	1,204
Provision for bonuses	—	193
Other	984	1,330
Total current liabilities	8,774	9,417
Non-current liabilities		
Long-term borrowings	1,673	2,361
Other	300	256
Total non-current liabilities	1,974	2,618
Total liabilities	10,748	12,035
Net assets		
Shareholders' equity		
Share capital	1,210	100
Capital surplus	20	1,130
Retained earnings	667	614
Treasury shares	△898	△898
Total shareholders' equity	999	946
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	193	191
Foreign currency translation adjustment	2	1
Total accumulated other comprehensive income	195	193
Non-controlling interests	1,672	1,827
Total net assets	2,867	2,967
Total liabilities and net assets	13,615	15,002

(Millions of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Net sales	8,798	10,035
Cost of sales	4,750	4,592
Gross profit	4,047	5,443
Selling, general and administrative expenses	4,039	5,148
Operating profit	8	295
Non-operating income		
Receipt benefit	—	2
Administrative service fee income	10	—
Income on support of operating	—	1
Other	10	10
Total non-operating income	21	14
Non-operating expenses		
Interest expenses	13	14
Provision of allowance for doubtful accounts	—	5
Commission expenses	7	0
Other	5	3
Total non-operating expenses	26	23
Ordinary profit	2	286
Extraordinary income		
Gain on sale of investment securities	—	9
Gain on reversal of share acquisition rights	4	—
Total extraordinary income	4	9
Extraordinary losses		
Loss on valuation of investment securities	0	0
Total extraordinary losses	0	0
Profit before income taxes	6	295
Income taxes - current	16	189
Income taxes - refund	—	△119
Income taxes - deferred	86	△85
Total income taxes	102	△16
Profit (loss)	△96	312
Profit attributable to non-controlling interests	58	105
Profit (loss) attributable to owners of parent	△155	207

(Millions of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Profit (loss)	△96	312
Other comprehensive income		
Valuation difference on available-for-sale securities	1	△1
Foreign currency translation adjustment	1	△0
Total other comprehensive income	2	△2
Comprehensive income	△94	310
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△153	205
Comprehensive income attributable to non-controlling interests	59	105

(Millions of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	6	295
Depreciation and amortization	60	56
Increase (decrease) in contract cancellation adjustment reserve	74	156
Increase (decrease) in provision for bonuses	△272	193
Increase (decrease) in allowance for doubtful accounts	△18	408
Interest and dividend income	△1	△1
Interest expenses	13	14
Loss (gain) on sale of investment securities	—	△9
Loss (gain) on valuation of investment securities	0	0
Decrease (increase) in trade receivables	△225	△290
Decrease (increase) in lease receivables	576	1,216
Decrease (increase) in inventories	△144	△33
Decrease (increase) in advances paid	△8	△32
Increase (decrease) in trade payables	250	△116
Increase (decrease) in accrued consumption taxes	△261	469
Increase (decrease) in deposits received	307	△69
Other, net	112	125
Subtotal	470	2,383
Interest and dividends received	0	1
Interest paid	△13	△14
Income taxes refund (paid)	△175	7
Refund of income taxes for prior periods	—	19
Net cash provided by (used in) operating activities	281	2,396
Cash flows from investing activities		
Purchase of investment securities	△3	△25
Proceeds from sale of investment securities	—	12
Purchase of property, plant and equipment	△14	△36
Purchase of intangible assets	△8	△23
Payments of leasehold and guarantee deposits	△114	△8
Proceeds from refund of leasehold and guarantee deposits	5	75
Other, net	△35	△22
Net cash provided by (used in) investing activities	△171	△28
Cash flows from financing activities		
Proceeds from long-term borrowings	100	1,730
Repayments of long-term borrowings	△936	△1,038
Dividends paid	△260	△260
Other, net	2	31
Net cash provided by (used in) financing activities	△1,094	462
Effect of exchange rate change on cash and cash equivalents	1	△0
Net increase (decrease) in cash and cash equivalents	△982	2,829
Cash and cash equivalents at beginning of period	3,427	2,831
Cash and cash equivalents at end of period	2,444	5,660