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## Non-consolidated Financial Results for the Three Months Ended June 30, 2020 [Japanese GAAP]

July 30, 2020

Company name: CONEXIO Corporation

Stock exchange listing: Tokyo

Code number: 9422

URL: <https://www.conexio.co.jp>

Representative: Hiroo Inoue

Contact: Shinya Nakada

Phone: 03-5331-3702

President

General Manager, Corporate Planning Department

Scheduled date of filing quarterly securities report: August 11, 2020

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

### 1. Non-consolidated Financial Results for the Three Months Ended June 30, 2020 (April 01, 2020 to June 30, 2020)

#### (1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2020	33,225	(39.6)	1,618	(29.9)	1,643	(29.5)	1,098	(28.5)
June 30, 2019	54,972	(8.9)	2,308	39.4	2,331	39.3	1,535	42.0

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	24.55	-
June 30, 2019	34.31	-

#### (2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2020	86,478	46,043	53.2
March 31, 2020	95,757	46,287	48.3

(Reference) Equity: As of June 30, 2020: ¥ 46,043 million

As of March 31, 2020: ¥ 46,287 million

### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	30.00	-	30.00	60.00
Fiscal year ending March 31, 2021	-	-	-	-	-
Fiscal year ending March 31, 2021(Forecast)	-	-	-	-	-

The dividends for the fiscal year ending March 31, 2021 is undecided at the present stage, and the dividends forecast will be immediately disclosed when the financial results forecast can be disclosed.

### 3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021(April 01, 2020 to March 31, 2021)

The impact of the widespread outbreak of coronavirus disease 2019 (COVID-19) on our business results is unclear, and we will disclose the financial results forecast as soon as we can comprehend it to a certain degree, based on an assessment of the changing circumstances in the future.

\* Notes:

(1) Accounting policies adopted specially for the preparation of quarterly Non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2020: 44,737,938 shares

March 31, 2020: 44,737,938 shares

2) Total number of treasury shares at the end of the period:

June 30, 2020: 153 shares

March 31, 2020: 122 shares

3) Average number of shares during the period:

Three months ended June 30, 2020: 44,737,797 shares

Three months ended June 30, 2019: 44,737,816 shares

**\* This Financial Results is not subject to audit procedures.**

**\* Explanation of appropriate use of financial forecasts and other special notes**

- Financial forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as at the time of preparing this report. The Company does not guarantee that any forecasts would be met. Actual results may vary significantly from the forecasts due to a wide range of factors.

## 1. Quarterly Non-consolidated Financial Statements

### (1) Quarterly Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of June 30,2020
<b>Assets</b>		
Current assets		
Cash and deposits	20,387	16,021
Notes and accounts receivable - trade	40,380	37,158
Merchandise and finished goods	4,922	4,597
Accounts receivable - other	8,812	7,502
Deposits paid	111	134
Other	914	1,113
Allowance for doubtful accounts	(5)	(4)
Total current assets	75,524	66,523
Non-current assets		
Property, plant and equipment	4,262	4,179
Intangible assets		
Goodwill	1,390	1,392
The right of career shop management	8,319	8,153
Other	436	414
Total intangible assets	10,146	9,960
Investments and other assets	5,824	5,815
Total non-current assets	20,233	19,955
Total assets	95,757	86,478
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	13,394	9,715
Accrued agency commission	10,128	10,055
Accounts payable - other	6,874	5,289
Income taxes payable	2,547	739
Provision for bonuses	4,651	2,589
Provision for bonuses for directors (and other officers)	34	5
Other	5,467	5,551
Total current liabilities	43,099	33,947
Non-current liabilities		
Provision for retirement benefits	5,580	5,703
Asset retirement obligations	668	668
Other	122	114
Total non-current liabilities	6,371	6,487
Total liabilities	49,470	40,434

(Million yen)

	As of March 31,2020	As of June 30,2020
Net assets		
Shareholders' equity		
Share capital	2,778	2,778
Capital surplus	585	585
Retained earnings	42,922	42,678
Treasury shares	(0)	(0)
Total shareholders' equity	46,286	46,042
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	1
Total valuation and translation adjustments	0	1
Total net assets	46,287	46,043
Total liabilities and net assets	95,757	86,478

(2) Quarterly Non-consolidated Statements of Income

(Million yen)

	For the three months ended June 30, 2019	For the three months ended June 30, 2020
Net sales	54,972	33,225
Cost of sales	42,390	22,543
Gross profit	12,581	10,682
Selling, general and administrative expenses	10,272	9,063
Operating profit	2,308	1,618
Non-operating income		
Interest income	0	0
Dividend income	2	0
Support money of store move etc income	10	5
Reversal of allowance for doubtful accounts	2	-
Penalty income	-	17
Other	11	3
Total non-operating income	26	26
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	1	0
Provision of allowance for doubtful accounts	-	0
Loss on sales and retirement of non-current assets	1	-
Other	0	0
Total non-operating expenses	3	1
Ordinary profit	2,331	1,643
Extraordinary income		
Gain on sales of non-current assets	-	24
Other	-	0
Total extraordinary income	-	25
Extraordinary losses		
Loss on sales and retirement of non-current assets	1	2
Impairment loss	22	-
Loss on store closings	9	2
Total extraordinary losses	32	4
Profit before income taxes	2,298	1,663
Income taxes - current	809	612
Income taxes - deferred	(45)	(47)
Total income taxes	763	565
Profit	1,535	1,098