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## Non-consolidated Financial Results for the Year Ended March 31, 2021 [Japanese GAAP]

April 30, 2021

Company name: CONEXIO Corporation

Code number: 9422

Representative: Hiroshi Suguta

Contact: Shinya Nakada

Phone: 03-5331-3702

Stock exchange listing: Tokyo

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

President

General Manager, Corporate Planning Department

Scheduled date of Annual General Meeting of Shareholders: June 23, 2021

Scheduled date of commencing dividend payments: June 24, 2021

Scheduled date of filing annual securities report: June 23, 2021

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

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

#### (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	%
Fiscal year ended March 31, 2021	188,795	(9.7)	10,676	3.3	11,075	5.3	7,536	7.6
March 31, 2020	209,005	(20.8)	10,330	0.5	10,515	(0.2)	7,000	1.1

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2021	168.45	-	15.5	11.0	5.7
March 31, 2020	156.48	-	15.8	10.6	4.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: ¥ - million

Fiscal year ended March 31, 2020: ¥ - million

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

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	105,315	51,140	48.6	1,143.13
March 31, 2020	95,757	46,287	48.3	1,034.64

(Reference) Equity: As of March 31, 2021: ¥ 51,140 million

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

#### (3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2021	5,329	(1,473)	(2,687)	21,665
March 31, 2020	13,118	(1,290)	(2,685)	20,499

### 2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2020	-	30.00	-	30.00	60.00	2,684	38.3	6.1
March 31, 2021	-	30.00	-	35.00	65.00	2,907	38.6	6.0
Fiscal year ending March 31, 2022(Forecast)	-	35.00	-	35.00	70.00		47.4	

### 3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	190,000	0.6	9,700	(9.1)	9,700	(12.4)	6,600	(12.4)	147.53

\* Notes:

(1) 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

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

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

March 31, 2021:	44,737,938 shares
March 31, 2020:	44,737,938 shares

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

March 31, 2021:	153 shares
March 31, 2020:	122 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2021:	44,737,788 shares
Fiscal Year ended March 31, 2020:	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. Non-consolidated Financial Statements

## (1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of March 31,2021
<b>Assets</b>		
Current assets		
Cash and deposits	20,387	21,550
Notes and accounts receivable - trade	40,380	29,038
Merchandise and finished goods	4,922	6,295
Raw materials and supplies	36	62
Prepaid expenses	877	1,056
Accounts receivable - other	8,812	27,788
Deposits paid	111	114
Other	-	12
Allowance for doubtful accounts	(5)	(5)
Total current assets	75,524	85,914
Non-current assets		
Property, plant and equipment		
Buildings	5,705	5,769
Accumulated depreciation	(3,053)	(3,359)
Buildings, net	2,651	2,410
Structures	356	374
Accumulated depreciation	(134)	(152)
Structures, net	222	221
Machinery and equipment	9	9
Accumulated depreciation	(4)	(4)
Machinery and equipment, net	5	4
Tools, furniture and fixtures	4,581	4,708
Accumulated depreciation	(3,256)	(3,454)
Tools, furniture and fixtures, net	1,325	1,253
Land	52	52
Leased assets	-	3
Accumulated depreciation	-	(0)
Leased assets, net	-	2
Construction in progress	6	69
Total property, plant and equipment	4,262	4,014
Intangible assets		
Goodwill	1,390	1,306
Software	407	426
Software in progress	18	15
The right of career shop management	8,319	7,654
Other	9	8
Total intangible assets	10,146	9,410
Investments and other assets		
Investment securities	189	217
Shares of subsidiaries and associates	13	13
Long-term prepaid expenses	276	178
Deferred tax assets	1,410	1,805
Leasehold and guarantee deposits	3,827	3,637
Other	149	162
Allowance for doubtful accounts	(42)	(39)
Total investments and other assets	5,824	5,976
Total non-current assets	20,233	19,401
Total assets	95,757	105,315

	As of March 31,2020	As of March 31,2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	13,394	14,756
Accrued agency commission	10,128	6,370
Accounts payable - other	6,874	14,505
Accrued expenses	2,980	3,267
Income taxes payable	2,547	2,022
Accrued consumption taxes	1,490	876
Advances received	10	49
Deposits received	959	804
Provision for bonuses	4,651	4,829
Provision for bonuses for directors (and other officers)	34	81
Lease obligations	-	0
Other	27	18
Total current liabilities	43,099	47,583
Non-current liabilities		
Provision for retirement benefits	5,580	5,894
Asset retirement obligations	668	595
Lease obligations	-	1
Other	122	100
Total non-current liabilities	6,371	6,591
Total liabilities	49,470	54,174
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,778	2,778
Capital surplus		
Legal capital surplus	580	580
Other capital surplus	4	4
Total capital surplus	585	585
Retained earnings		
Legal retained earnings	113	113
Other retained earnings		
General reserve	2,469	2,469
Retained earnings brought forward	40,339	45,190
Total retained earnings	42,922	47,774
Treasury shares	(0)	(0)
Total shareholders' equity	46,286	51,138
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	2
Total valuation and translation adjustments	0	2
Total net assets	46,287	51,140
Total liabilities and net assets	95,757	105,315

(2) Non-consolidated Statements of Income

	(Million yen)	
	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales		
Net sales of goods	137,409	115,402
Commission income	71,596	73,393
Total net sales	209,005	188,795
Cost of sales		
Beginning merchandise inventory	8,221	4,922
Cost of purchased goods	128,757	111,993
Total	136,979	116,916
Ending merchandise inventory	5,092	6,136
Valuation loss on goods	169	(158)
Cost of goods sold	132,056	110,621
Agent fee	24,703	25,166
Total cost of sales	156,760	135,788
Gross profit	52,245	53,007
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	179	189
Salaries and allowances	11,087	10,813
Bonuses	1,356	2,003
Provision for bonuses	4,651	4,829
Provision for bonuses for directors (and other officers)	34	81
Retirement benefit expenses	553	613
Legal welfare expenses	3,891	4,011
Temporary staffing expense	2,029	1,936
Packing and delivery expenses	382	389
Promotion expenses	2,439	2,447
Communication expenses	554	618
Rent expenses on land and buildings	4,518	4,543
Repair and maintenance expenses	1,364	1,620
Outsourcing expenses	1,086	1,178
Rent expenses	173	169
Depreciation	2,032	1,932
Amortization of goodwill	125	131
Provision of allowance for doubtful accounts	-	0
Other	5,452	4,821
Total selling, general and administrative expenses	41,914	42,331
Operating profit	10,330	10,676

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Non-operating income		
Interest income	0	0
Dividend income	4	0
Support money of store move etc. income	148	146
Subsidies for employment adjustment	-	259
Other	45	48
Total non-operating income	199	455
Non-operating expenses		
Interest expenses	0	0
Loss on sale and retirement of non-current assets	4	11
Rental expenses on real estate	2	-
Loss on cancellation of contracts	3	35
Other	4	8
Total non-operating expenses	14	56
Ordinary profit	10,515	11,075
Extraordinary income		
Gain on sale of non-current assets	-	24
Gain on sale of investment securities	174	-
Other	11	0
Total extraordinary income	186	25
Extraordinary losses		
Loss on store closings	48	36
Loss on sale and retirement of non-current assets	18	43
Impairment losses	244	181
Other	2	5
Total extraordinary losses	314	268
Profit before income taxes	10,386	10,832
Income taxes - current	4,130	3,672
Income taxes - deferred	(744)	(375)
Total income taxes	3,386	3,296
Profit	7,000	7,536

## (3) Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2020

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	2,778	580	4	585	113	2,469	36,022	38,606
Changes during period								
Dividends of surplus							(2,684)	(2,684)
Profit							7,000	7,000
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	-	4,316	4,316
Balance at end of period	2,778	580	4	585	113	2,469	40,339	42,922

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(0)	41,970	136	136	42,106
Changes during period					
Dividends of surplus		(2,684)			(2,684)
Profit		7,000			7,000
Purchase of treasury shares		-			-
Net changes in items other than shareholders' equity			(135)	(135)	(135)
Total changes during period	-	4,316	(135)	(135)	4,181
Balance at end of period	(0)	46,286	0	0	46,287

For the fiscal year ended March 31, 2021

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	2,778	580	4	585	113	2,469	40,339	42,922
Changes during period								
Dividends of surplus							(2,684)	(2,684)
Profit							7,536	7,536
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	-	4,851	4,851
Balance at end of period	2,778	580	4	585	113	2,469	45,190	47,774

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(0)	46,286	0	0	46,287
Changes during period					
Dividends of surplus		(2,684)			(2,684)
Profit		7,536			7,536
Purchase of treasury shares	(0)	(0)			(0)
Net changes in items other than shareholders' equity			1	1	1
Total changes during period	(0)	4,851	1	1	4,853
Balance at end of period	(0)	51,138	2	2	51,140



(4) Non-consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	10,386	10,832
Depreciation	2,032	1,932
Amortization of goodwill	125	131
Impairment losses	244	181
Increase (decrease) in allowance for doubtful accounts	(2)	(2)
Increase (decrease) in provision for bonuses	826	178
Increase (decrease) in provision for bonuses for directors (and other officers)	0	46
Increase (decrease) in provision for retirement benefits	328	313
Interest and dividend income	(4)	(0)
Interest expenses	0	0
Subsidies for employment adjustment	-	(259)
Foreign exchange losses (gains)	3	2
Loss (gain) on sale of investment securities	(174)	-
Decrease (increase) in trade receivables	8,901	11,381
Decrease (increase) in accounts receivable - other	4,102	(18,976)
Decrease (increase) in inventories	3,293	(1,345)
Increase (decrease) in trade payables	(8,360)	(2,395)
Increase (decrease) in accounts payable - other	(5,468)	7,639
Increase (decrease) in accrued consumption taxes	723	(613)
Other, net	(283)	61
Subtotal	16,673	9,106
Interest and dividends received	4	0
Interest paid	(0)	(0)
Subsidies for employment adjustment received	-	259
Income taxes refund (paid)	(3,700)	(4,160)
Other, net	140	123
Net cash provided by (used in) operating activities	13,118	5,329
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(902)	(943)
Purchase of intangible assets	(208)	(268)
Proceeds from sale of investment securities	242	-
Purchase of investment securities	(157)	(30)
Payments of leasehold and guarantee deposits	(192)	(175)
Proceeds from refund of leasehold and guarantee deposits	80	198
Purchase of long-term prepaid expenses	(82)	(77)
Other, net	(69)	(177)
Net cash provided by (used in) investing activities	(1,290)	(1,473)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	-	(0)
Dividends paid	(2,685)	(2,685)
Other, net	-	(1)
Net cash provided by (used in) financing activities	(2,685)	(2,687)
Effect of exchange rate change on cash and cash equivalents	(3)	(2)
Net increase (decrease) in cash and cash equivalents	9,139	1,165
Cash and cash equivalents at beginning of period	11,360	20,499
Cash and cash equivalents at end of period	20,499	21,665