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## Non-consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

October 28, 2021

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 Code number: 9422  
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Stock exchange listing: Tokyo  
 URL: <https://www.conexio.co.jp>  
 President  
 General Manager, Corporate Planning Department

Scheduled date of filing quarterly securities report: November 11, 2021

Scheduled date of commencing dividend payments: December 06, 2021

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes (for institutional investors and analysts)

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

### 1. Non-consolidated Financial Results for the Six Months Ended September 30, 2021 (April 01, 2021 to September 30, 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	%
Six months ended September 30, 2021	89,224	14.3	3,410	(27.2)	3,472	(30.6)	2,526	(25.0)
September 30, 2020	78,072	(26.3)	4,686	(12.0)	5,004	(8.5)	3,366	(10.3)

  

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	56.47	-
September 30, 2020	75.25	-

### (2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2021	93,874	52,100	55.5
March 31, 2021	105,315	51,140	48.6

(Reference) Equity: As of September 30, 2021: ¥ 52,100 million

As of March 31, 2021: ¥ 51,140 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, 2021	-	30.00	-	35.00	65.00
Fiscal year ending March 31, 2022	-	35.00			
Fiscal year ending March 31, 2022 (Forecast)			-	35.00	70.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2022 :

### 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

(Note) Revision to the financial results forecast announced most recently: No

\* 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: Yes

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):

September 30, 2021: 44,737,938 shares

March 31, 2021: 44,737,938 shares

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

September 30, 2021: 153 shares

March 31, 2021: 153 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 44,737,785 shares

Six months ended September 30, 2020: 44,737,791 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, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	21,550	24,204
Accounts receivable - trade	29,038	17,960
Merchandise and finished goods	6,295	4,982
Accounts receivable - other	27,788	26,117
Deposits paid	114	119
Other	1,131	1,196
Allowance for doubtful accounts	(5)	(5)
Total current assets	85,914	74,575
Non-current assets		
Property, plant and equipment	4,014	3,787
Intangible assets		
Goodwill	1,306	1,252
The right of career shop management	7,654	7,321
Other	449	497
Total intangible assets	9,410	9,071
Investments and other assets	5,976	6,439
Total non-current assets	19,401	19,298
Total assets	105,315	93,874
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	14,756	10,524
Accrued agency commission	6,370	4,155
Accounts payable - other	14,505	11,748
Income taxes payable	2,022	1,625
Provision for bonuses	4,829	3,666
Provision for bonuses for directors (and other officers)	81	12
Other	5,017	4,842
Total current liabilities	47,583	36,575
Non-current liabilities		
Provision for bonuses	-	13
Provision for directors' bonuses	-	5
Provision for retirement benefits	5,894	3,127
Asset retirement obligations	595	622
Other	102	1,429
Total non-current liabilities	6,591	5,198
Total liabilities	54,174	41,773

(Million yen)

	As of March 31,2021	As of September 30,2021
Net assets		
Shareholders' equity		
Share capital	2,778	2,778
Capital surplus	585	585
Retained earnings	47,774	48,734
Treasury shares	(0)	(0)
Total shareholders' equity	51,138	52,098
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2	1
Total valuation and translation adjustments	2	1
Total net assets	51,140	52,100
Total liabilities and net assets	105,315	93,874

(2) Quarterly Non-consolidated Statements of Income

	(Million yen)	
	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Net sales	78,072	89,224
Cost of sales	54,459	63,081
Gross profit	23,613	26,143
Selling, general and administrative expenses	18,926	22,732
Operating profit	4,686	3,410
Non-operating income		
Interest income	0	0
Dividend income	0	0
Support money of store move etc income	36	16
Reversal of allowance for doubtful accounts	0	1
Subsidies for employment adjustment	259	-
Surrender value of insurance policies	-	31
Other	26	17
Total non-operating income	323	66
Non-operating expenses		
Interest expenses	0	0
Loss on investments in investment partnerships	3	1
Other	2	3
Total non-operating expenses	5	5
Ordinary profit	5,004	3,472
Extraordinary income		
Gain on sale of non-current assets	24	-
Compensation for forced relocation	-	211
Gain on revision of retirement benefit plan	-	280
Other	0	-
Total extraordinary income	25	491
Extraordinary losses		
Head office relocation expenses	-	127
Loss on store closings	5	10
Loss on sale and retirement of non-current assets	11	6
Impairment losses	1	25
Total extraordinary losses	19	170
Profit before income taxes	5,010	3,793
Income taxes - current	1,738	1,361
Income taxes - deferred	(95)	(94)
Total income taxes	1,643	1,267
Profit	3,366	2,526

### (3) Quarterly Non-consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,010	3,793
Depreciation	963	1,024
Amortization of goodwill	65	61
Impairment losses	1	25
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for bonuses	(833)	(1,149)
Increase (decrease) in provision for bonuses for directors (and other officers)	(23)	(62)
Increase (decrease) in provision for retirement benefits	233	(2,486)
Gain on revision of retirement benefit plan	-	(280)
Interest and dividend income	(0)	(0)
Interest expenses	0	0
Subsidies for employment adjustment	(259)	-
Compensation for forced relocation	-	(211)
Head office relocation expenses	-	127
Foreign exchange losses (gains)	2	(0)
Decrease (increase) in trade receivables	21,863	11,068
Decrease (increase) in accounts receivable - other	(13,896)	1,670
Decrease (increase) in inventories	516	1,381
Increase (decrease) in trade payables	(9,904)	(6,447)
Increase (decrease) in accounts payable - other	3,752	(2,642)
Increase (decrease) in accrued consumption taxes	(751)	(106)
Other, net	(1,096)	1,032
Subtotal	5,644	6,798
Interest and dividends received	0	0
Interest paid	(0)	(0)
Subsidies for employment adjustment received	259	-
Proceeds from compensation for forced relocation	-	211
Income taxes refund (paid)	(2,271)	(1,775)
Other, net	50	13
Net cash provided by (used in) operating activities	3,682	5,248
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(360)	(455)
Purchase of intangible assets	(152)	(98)
Purchase of investment securities	(20)	(20)
Payments of leasehold and guarantee deposits	(91)	(460)
Proceeds from refund of leasehold and guarantee deposits	195	43
Purchase of long-term prepaid expenses	(40)	(30)
Other, net	(116)	(3)
Net cash provided by (used in) investing activities	(585)	(1,024)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(0)	-
Dividends paid	(1,342)	(1,565)
Other, net	(1)	(0)
Net cash provided by (used in) financing activities	(1,344)	(1,565)
Effect of exchange rate change on cash and cash equivalents	(2)	0
Net increase (decrease) in cash and cash equivalents	1,749	2,658

	(Million yen)	
	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash and cash equivalents at beginning of period	20,499	21,665
Cash and cash equivalents at end of period	22,249	24,324