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Non-consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]



April 27, 2022

Company name: CONEXIO Corporation	Stock exchange listing: Tokyo
Code number: 9422	URL: https://www.conexio.co.jp
Representative: Hiroshi Suguta	President
Contact: Shinya Nakada	General Manager, Corporate Planning Department
Phone: 03-5408-3105	
Scheduled date of Annual General Meeting of Shareholders: June 22, 2022	
Scheduled date of commencing dividend payments: June 23, 2022	
Scheduled date of filing annual securities report: June 22, 2022	
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, 2022 (April 01, 2021 to March 31, 2022)

(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, 2022	193,247	2.4	8,072	(24.4)	8,202	(25.9)	5,618	(25.4)
March 31, 2021	188,795	(9.7)	10,676	3.3	11,075	5.3	7,536	7.6

	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, 2022	125.58	-	10.7	8.0	4.2
March 31, 2021	168.45	-	15.5	11.0	5.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ - million
Fiscal year ended March 31, 2021: ¥ - 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, 2022	100,965	53,625	53.1	1,198.66
March 31, 2021	105,315	51,140	48.6	1,143.13

(Reference) Equity: As of March 31, 2022: ¥ 53,625 million
As of March 31, 2021: ¥ 51,140 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, 2022	5,086	(2,078)	(3,132)	21,542
March 31, 2021	5,329	(1,473)	(2,687)	21,665

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	-	30.00	-	35.00	65.00	2,907	38.6	6.0
March 31, 2022	-	35.00	-	35.00	70.00	3,131	55.7	6.0
Fiscal year ending								
March 31, 2023 (Forecast)	-	35.00	-	35.00	70.00		54.9	

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	200,000	3.5	8,600	6.5	8,700	6.1	5,700	1.5	127.41

* Notes:

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

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|--|-----|
| 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: | Yes |
| 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, 2022:	44,737,938 shares
March 31, 2021:	44,737,938 shares

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

March 31, 2022:	194 shares
March 31, 2021:	153 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022:	44,737,766 shares
Fiscal Year ended March 31, 2021:	44,737,788 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 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	21,550	21,425
Accounts receivable - trade	29,038	27,996
Merchandise and finished goods	6,295	6,437
Raw materials and supplies	62	52
Prepaid expenses	1,056	927
Accounts receivable - other	27,788	26,065
Deposits paid	114	117
Other	12	12
Allowance for doubtful accounts	(5)	(6)
Total current assets	85,914	83,028
Non-current assets		
Property, plant and equipment		
Buildings	5,769	5,987
Accumulated depreciation	(3,359)	(3,614)
Buildings, net	2,410	2,373
Structures	374	375
Accumulated depreciation	(152)	(174)
Structures, net	221	201
Machinery and equipment	9	9
Accumulated depreciation	(4)	(5)
Machinery and equipment, net	4	4
Tools, furniture and fixtures	4,708	4,850
Accumulated depreciation	(3,454)	(3,509)
Tools, furniture and fixtures, net	1,253	1,341
Land	52	52
Leased assets	3	8
Accumulated depreciation	(0)	(1)
Leased assets, net	2	7
Construction in progress	69	0
Total property, plant and equipment	4,014	3,979
Intangible assets		
Goodwill	1,306	1,183
Software	426	518
Software in progress	15	23
The right of career shop management	7,654	6,949
Other	8	8
Total intangible assets	9,410	8,683
Investments and other assets		
Investment securities	217	213
Shares of subsidiaries and associates	13	13
Long-term prepaid expenses	178	118
Deferred tax assets	1,805	850
Leasehold and guarantee deposits	3,637	4,032
Other	162	81
Allowance for doubtful accounts	(39)	(35)

(Million yen)

	As of March 31,2021	As of March 31,2022
Total investments and other assets	5,976	5,274
Total non-current assets	19,401	17,936
Total assets	105,315	100,965

(Million yen)

	As of March 31,2021	As of March 31,2022
Liabilities		
Current liabilities		
Accounts payable - trade	14,756	15,391
Accrued agency commission	6,370	6,757
Accounts payable - other	14,505	13,154
Accrued expenses	3,267	3,103
Income taxes payable	2,022	275
Accrued consumption taxes	876	325
Advances received	49	27
Deposits received	804	825
Provision for bonuses	4,829	1,852
Provision for bonuses for directors (and other officers)	81	5
Lease liabilities	0	1
Other	18	126
Total current liabilities	47,583	41,848
Non-current liabilities		
Provision for retirement benefits	5,894	3,178
Asset retirement obligations	595	624
Lease liabilities	1	5
Other	100	1,682
Total non-current liabilities	6,591	5,491
Total liabilities	54,174	47,339
Net assets		
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	45,190	47,677
Total retained earnings	47,774	50,260
Treasury shares	(0)	(0)
Total shareholders' equity	51,138	53,624
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2	0
Total valuation and translation adjustments	2	0
Total net assets	51,140	53,625
Total liabilities and net assets	105,315	100,965

(2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales		
Net sales of goods	115,402	120,934
Commission income	73,393	72,312
Total net sales	188,795	193,247
Cost of sales		
Beginning merchandise inventory	4,922	6,295
Cost of purchased goods	111,993	116,494
Total	116,916	122,789
Ending merchandise inventory	6,136	6,470
Valuation loss on goods	(158)	13
Cost of goods sold	110,621	116,333
Agent fee	25,166	25,396
Total cost of sales	135,788	141,729
Gross profit	53,007	51,518
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	189	206
Salaries and allowances	10,813	13,397
Bonuses	2,003	2,890
Provision for bonuses	4,829	1,852
Provision for bonuses for directors (and other officers)	81	5
Retirement benefit expenses	613	755
Legal welfare expenses	4,011	3,738
Temporary staffing expense	1,936	2,309
Packing and delivery expenses	389	393
Promotion expenses	2,447	2,872
Communication expenses	618	614
Rent expenses on land and buildings	4,543	4,716
Repair and maintenance expenses	1,620	1,789
Outsourcing expenses	1,178	1,085
Rent expenses	169	180
Depreciation	1,932	2,069
Amortization of goodwill	131	123
Provision of allowance for doubtful accounts	0	1
Other	4,821	4,439
Total selling, general and administrative expenses	42,331	43,445
Operating profit	10,676	8,072

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Non-operating income		
Interest income	0	0
Dividend income	0	0
Support money of store move etc income	146	58
Subsidies for employment adjustment	259	-
Surrender value of insurance policies	-	31
Other	48	47
Total non-operating income	455	137
Non-operating expenses		
Interest expenses	0	0
Loss on sale and retirement of non-current assets	11	-
Loss on cancellation of contracts	35	0
Loss on investments in investment partnerships	-	1
Other	8	5
Total non-operating expenses	56	7
Ordinary profit	11,075	8,202
Extraordinary income		
Gain on sale of non-current assets	24	-
Gain on sale of investment securities	-	46
Compensation for forced relocation	-	430
Gain on revision of retirement benefit plan	-	280
Other	0	13
Total extraordinary income	25	769
Extraordinary losses		
Head office relocation expenses	-	167
Loss on store closings	36	139
Loss on sale and retirement of non-current assets	43	35
Impairment losses	181	257
Other	5	-
Total extraordinary losses	268	599
Profit before income taxes	10,832	8,373
Income taxes - current	3,672	1,794
Income taxes - deferred	(375)	960
Total income taxes	3,296	2,755
Profit	7,536	5,618

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

For the fiscal year ended March 31, 2021

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	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	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

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	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	45,190	47,774
Changes during period								
Dividends of surplus							(3,131)	(3,131)
Profit							5,618	5,618
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	-	2,486	2,486
Balance at end of period	2,778	580	4	585	113	2,469	47,677	50,260

	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)	51,138	2	2	51,140
Changes during period					
Dividends of surplus		(3,131)			(3,131)
Profit		5,618			5,618
Purchase of treasury shares	(0)	(0)			(0)
Net changes in items other than shareholders' equity			(2)	(2)	(2)
Total changes during period	(0)	2,486	(2)	(2)	2,484
Balance at end of period	(0)	53,624	0	0	53,625

(4) Non-consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from operating activities		
Profit before income taxes	10,832	8,373
Depreciation	1,932	2,069
Amortization of goodwill	131	123
Impairment losses	181	257
Increase (decrease) in allowance for doubtful accounts	(2)	(2)
Increase (decrease) in provision for bonuses	178	(2,976)
Increase (decrease) in provision for bonuses for directors (and other officers)	46	(75)
Increase (decrease) in provision for retirement benefits	313	(2,435)
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	-	(430)
Head office relocation expenses	-	167
Foreign exchange losses (gains)	2	(1)
Loss (gain) on sale of investment securities	-	(46)
Decrease (increase) in trade receivables	11,381	1,020
Decrease (increase) in accounts receivable - other	(18,976)	1,723
Decrease (increase) in inventories	(1,345)	(109)
Increase (decrease) in trade payables	(2,395)	1,022
Increase (decrease) in accounts payable - other	7,639	(1,296)
Increase (decrease) in accrued consumption taxes	(613)	(551)
Increase (decrease) in accounts payable relating to introduction of defined-contribution pension plan	-	1,915
Other, net	61	(165)
Subtotal	9,106	8,301
Interest and dividends received	0	0
Interest paid	(0)	(0)
Subsidies for employment adjustment received	259	-
Proceeds from compensation for forced relocation	-	430
Income taxes refund (paid)	(4,160)	(3,524)
Other, net	123	(120)
Net cash provided by (used in) operating activities	5,329	5,086
Cash flows from investing activities		
Purchase of property, plant and equipment	(943)	(1,291)
Purchase of intangible assets	(268)	(239)
Proceeds from sale of investment securities	-	71
Purchase of investment securities	(30)	(30)
Payments of leasehold and guarantee deposits	(175)	(585)
Proceeds from refund of leasehold and guarantee deposits	198	221
Purchase of long-term prepaid expenses	(77)	(57)
Other, net	(177)	(165)
Net cash provided by (used in) investing activities	(1,473)	(2,078)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,685)	(3,132)
Other, net	(1)	(0)

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net cash provided by (used in) financing activities	(2,687)	(3,132)
Effect of exchange rate change on cash and cash equivalents	(2)	1
Net increase (decrease) in cash and cash equivalents	1,165	(122)
Cash and cash equivalents at beginning of period	20,499	21,665
Cash and cash equivalents at end of period	21,665	21,542