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Non-consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

January 30, 2023

Company name: CONEXIO Corporation
 Stock exchange listing: Tokyo
 Code number: 9422
 URL: <https://www.conexio.co.jp>
 Representative: Hiroshi Suguta President
 Contact: Shinya Nakada Deputy General Manager, Financial Accounting Corporate Planning
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 Phone: 03-5408-3105
 Scheduled date of filing quarterly securities report: February 10, 2023
 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 Nine Months Ended December 31, 2022 (April 01, 2022 to December 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	%
Nine months ended December 31, 2022	138,120	(0.1)	3,191	(40.4)	3,274	(39.9)	1,933	(50.9)
December 31, 2021	138,298	5.6	5,358	(33.2)	5,452	(35.1)	3,935	(30.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	43.23	-
December 31, 2021	87.97	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2022	96,575	52,427	54.3
March 31, 2022	100,965	53,625	53.1

(Reference) Equity: As of December 31, 2022: ¥ 52,427 million
 As of March 31, 2022: ¥ 53,625 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, 2022	-	35.00	-	35.00	70.00
Fiscal year ending March 31, 2023	-	35.00	-		
Fiscal year ending March 31, 2023 (Forecast)				0.00	35.00

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

(Note) At the meeting of the Board of Directors held on December 22, 2022, the Company has revised its dividend forecast for the fiscal year ending March 31, 2023 and has resolved to not pay a year-end dividend for the fiscal year ending March 31, 2023. This revision and resolution are contingent upon the completion of the tender offer, as described in "Notice of Statement of Opinion Concerning the Tender Offer for Shares of the Company by NCX Corporation" announced on the same day.

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		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	195,000	0.9	6,300	(22.0)	6,400	(22.0)	4,000	(28.8)	89.41

(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: 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):

December 31, 2022: 44,737,938 shares

March 31, 2022: 44,737,938 shares

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

December 31, 2022: 194 shares

March 31, 2022: 194 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 44,737,744 shares

Nine months ended December 31, 2021: 44,737,773 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 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	21,425	19,199
Accounts receivable - trade	27,996	20,387
Merchandise and finished goods	6,437	7,969
Accounts receivable - other	26,065	30,799
Deposits paid	117	118
Other	993	1,255
Allowance for doubtful accounts	(6)	(6)
Total current assets	83,028	79,722
Non-current assets		
Property, plant and equipment	3,979	3,816
Intangible assets		
Goodwill	1,183	1,088
The right of career shop management	6,949	6,453
Other	549	685
Total intangible assets	8,683	8,227
Investments and other assets	5,274	4,809
Total non-current assets	17,936	16,852
Total assets	100,965	96,575
Liabilities		
Current liabilities		
Accounts payable - trade	15,391	11,648
Accrued agency commission	6,757	5,000
Accounts payable - other	13,154	16,413
Income taxes payable	275	444
Provision for bonuses	1,852	460
Provision for bonuses for directors (and other officers)	5	-
Other	4,411	5,173
Total current liabilities	41,848	39,140
Non-current liabilities		
Provision for retirement benefits	3,178	3,383
Asset retirement obligations	624	629
Other	1,687	995
Total non-current liabilities	5,491	5,007
Total liabilities	47,339	44,147

(Million yen)

	As of March 31,2022	As of December 31,2022
Net assets		
Shareholders' equity		
Share capital	2,778	2,778
Capital surplus	585	585
Retained earnings	50,260	49,063
Treasury shares	(0)	(0)
Total shareholders' equity	53,624	52,426
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	0
Total valuation and translation adjustments	0	0
Total net assets	53,625	52,427
Total liabilities and net assets	100,965	96,575

(2) Quarterly Non-consolidated Statements of Income

Quarterly Non-consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	138,298	138,120
Cost of sales	100,049	103,174
Gross profit	38,249	34,946
Selling, general and administrative expenses	32,890	31,754
Operating profit	5,358	3,191
Non-operating income		
Interest income	0	0
Dividend income	0	0
Support money of store move etc income	36	43
Reversal of allowance for doubtful accounts	3	-
Surrender value of insurance policies	31	-
Gain on investments in investment partnerships	0	-
Late charges income	-	46
Other	24	26
Total non-operating income	97	117
Non-operating expenses		
Interest expenses	0	0
Loss on sale and retirement of non-current assets	-	3
Payment late charges	-	14
Compensation for damage	-	11
Other	3	4
Total non-operating expenses	3	34
Ordinary profit	5,452	3,274
Extraordinary income		
Compensation for forced relocation	332	-
Gain on revision of retirement benefit plan	280	-
Other	13	0
Total extraordinary income	626	0
Extraordinary losses		
Head office relocation expenses	127	-
Loss on store closings	20	198
Loss on sale and retirement of non-current assets	9	10
Impairment losses	25	65
Total extraordinary losses	183	274
Profit before income taxes	5,895	3,000
Income taxes - current	2,103	1,243
Income taxes - deferred	(143)	(176)
Total income taxes	1,959	1,066
Profit	3,935	1,933