

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended September 30, 2021 (Based on Japanese GAAP)

November 5, 2021

Company name: LINKBAL INC
 Stock exchange listing: Tokyo
 Stock code: 6046 URL <https://linkbal.co.jp>
 Representative: CEO & President Yoshihiro Kazumasa
 Inquiries: Director & General Manager Jun Narusawa TEL 050(1741)2300
 Scheduled date of ordinary general meeting of shareholders: December 17, 2021
 Scheduled date to file Securities Report: December 17, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended September 30, 2021 (from October 1, 2020 to September 30, 2021)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2021	670	(53.1)	(317)	–	(313)	–	(376)	–
Year ended September 30, 2020	1,427	(47.5)	50	(95.1)	59	(94.2)	5	(99.1)

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2021	(20.17)	–	(20.0)	(14.9)	(47.4)
Year ended September 30, 2020	0.32	–	0.3	2.4	3.5

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	1,942	1,692	87.1	90.77
As of September 30, 2020	2,269	2,068	91.2	110.94

(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 end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2021	(149)	41	120	1,830
Year ended September 30, 2020	(431)	(31)	–	1,817

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2020	–	0.00	–	0.00	0.00	–	–	–
Year ended September 30, 2021	–	0.00	–	0.00	0.00	–	–	–
Year ending September 30, 2022 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of non-consolidated financial results for the year ending September 30, 2022 (from October 1, 2021 to September 30, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2022	–	–	–	–	–	–	–	–	–
Full year	1,287	93.9	1	–	1	–	0	–	0.05

4. Notes

(1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(2) Number of issued shares (common shares)

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

As of September 30, 2021	19,500,000 shares	As of September 30, 2020	19,500,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	853,104 shares	As of September 30, 2020	853,104 shares
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Average number of shares during the period

Year ended September 30, 2021	18,646,896 shares	Year ended September 30, 2020	18,646,896 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	1,817,576	1,830,273
Accounts receivable - trade	18,090	8,333
Accounts receivable - other	63,953	23,196
Prepaid expenses	13,427	9,892
Current portion of long-term loans receivable from subsidiaries and associates	3,333	3,333
Income taxes receivable	166,226	1,143
Other	77,713	695
Total current assets	2,160,322	1,876,868
Non-current assets		
Property, plant and equipment		
Buildings	2,200	10,157
Accumulated depreciation	(1,271)	(372)
Buildings, net	928	9,785
Tools, furniture and fixtures	15,675	10,553
Accumulated depreciation	(12,941)	(7,399)
Tools, furniture and fixtures, net	2,734	3,153
Total property, plant and equipment	3,663	12,939
Intangible assets		
Trademark right	168	67
Software	26,381	13,820
Other	22,500	–
Total intangible assets	49,050	13,887
Investments and other assets		
Shares of subsidiaries and associates	9,671	9,671
Long-term loans receivable from subsidiaries and associates	4,166	833
Deferred tax assets	40,352	11,028
Guarantee deposits	2,200	2,200
Leasehold deposits	–	13,111
Long-term prepaid expenses	–	2,200
Distressed receivables	1,003	1,003
Allowance for doubtful accounts	(1,003)	(1,003)
Total investments and other assets	56,390	39,045
Total non-current assets	109,104	65,872
Total assets	2,269,426	1,942,740

(Thousands of yen)

	As of September 30, 2020	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	1,026	424
Accounts payable - other	80,541	27,731
Accrued expenses	32,467	43,510
Accrued consumption taxes	–	4,115
Advances received	6,688	5,348
Deposits received	21,410	11,014
Provision for bonuses	18,486	17,521
Asset retirement obligations	23,103	–
Current portion of long-term borrowings	–	831
Total current liabilities	183,725	110,497
Non-current liabilities		
Long-term borrowings	–	119,169
Asset retirement obligations	–	4,511
Long-term guarantee deposits	17,000	15,900
Total non-current liabilities	17,000	139,580
Total liabilities	200,725	250,077

(Thousands of yen)

	As of September 30, 2020	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	281,000	281,000
Capital surplus		
Legal capital surplus	276,000	276,000
Total capital surplus	276,000	276,000
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,905,556	1,529,517
Total retained earnings	1,905,556	1,529,517
Treasury shares	(393,916)	(393,916)
Total shareholders' equity	2,068,640	1,692,601
Share acquisition rights	61	61
Total net assets	2,068,701	1,692,662
Total liabilities and net assets	2,269,426	1,942,740

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Net sales	1,427,708	670,057
Cost of sales	108,652	42,163
Gross profit	1,319,055	627,894
Selling, general and administrative expenses	1,268,600	945,364
Operating profit (loss)	50,455	(317,469)
Non-operating income		
Interest income	245	146
Subsidy income	8,000	1,742
Interest on refund of income taxes	–	2,288
Other	1,017	7
Total non-operating income	9,262	4,184
Non-operating expenses		
Interest expenses	–	5
Other	400	–
Total non-operating expenses	400	5
Ordinary profit (loss)	59,318	(313,290)
Extraordinary income		
Gain on reversal of asset retirement obligations	6,427	–
Other	95	–
Total extraordinary income	6,522	–
Extraordinary losses		
Impairment losses	38,955	21,903
Loss on retirement of non-current assets	–	941
Loss on cancellation of rental contracts	–	9,432
Other	4,670	603
Total extraordinary losses	43,625	32,881
Profit (loss) before income taxes	22,214	(346,171)
Income taxes - current	2,129	543
Income taxes - deferred	14,091	29,323
Total income taxes	16,220	29,867
Profit (loss)	5,994	(376,038)

Non-consolidated statements of changes in equity

Fiscal year ended September 30, 2020

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings				
Balance at beginning of period	281,000	276,000	276,000	1,899,562	1,899,562	(393,916)	2,062,646	156	2,062,802
Changes during period									
Profit (loss)				5,994	5,994		5,994		5,994
Forfeiture of share acquisition rights								(95)	(95)
Total changes during period	-	-	-	5,994	5,994	-	5,994	(95)	5,899
Balance at end of period	281,000	276,000	276,000	1,905,556	1,905,556	(393,916)	2,068,640	61	2,068,701

Fiscal year ended September 30, 2021

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings				
Balance at beginning of period	281,000	276,000	276,000	1,905,556	1,905,556	(393,916)	2,068,640	61	2,068,701
Changes during period									
Profit (loss)				(376,038)	(376,038)		(376,038)		(376,038)
Total changes during period	-	-	-	(376,038)	(376,038)	-	(376,038)	-	(376,038)
Balance at end of period	281,000	276,000	276,000	1,529,517	1,529,517	(393,916)	1,692,601	61	1,692,662

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	22,214	(346,171)
Depreciation	21,139	15,248
Impairment losses	38,955	21,903
Increase (decrease) in allowance for doubtful accounts	1,003	–
Increase (decrease) in provision for bonuses	(695)	(964)
Interest and dividend income	(245)	(146)
Subsidy income	(8,000)	(1,742)
Interest expenses	–	5
Decrease (increase) in trade receivables	7,484	9,757
Decrease (increase) in accounts receivable - other	65,972	31,906
Increase (decrease) in trade payables	(5,921)	(601)
Increase (decrease) in accounts payable - other	(90,556)	(52,810)
Decrease/increase in consumption taxes receivable/payable	(31,521)	12,694
Increase (decrease) in advances received	(1,932)	(1,340)
Increase (decrease) in deposits received	(12,825)	(10,396)
Other, net	(24,725)	5,821
Subtotal	(19,654)	(316,837)
Interest and dividends received	245	146
Interest paid	–	(5)
Subsidies received	8,000	1,742
Income taxes refund (paid)	(420,339)	165,709
Net cash provided by (used in) operating activities	(431,748)	(149,244)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,511)	(7,701)
Purchase of intangible assets	(31,290)	–
Payments of leasehold and guarantee deposits	–	(13,111)
Proceeds from refund of leasehold and guarantee deposits	1,934	67,121
Loan advances to subsidiaries and associates	(10,000)	–
Collection of loans receivable from subsidiaries and affiliates	9,999	3,333
Payments for asset retirement obligations	–	(7,700)
Net cash provided by (used in) investing activities	(31,867)	41,941
Cash flows from financing activities		
Proceeds from long-term borrowings	–	120,000
Net cash provided by (used in) financing activities	–	120,000
Net increase (decrease) in cash and cash equivalents	(463,615)	12,696
Cash and cash equivalents at beginning of period	2,281,192	1,817,576
Cash and cash equivalents at end of period	1,817,576	1,830,273