

Translation

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Summary of Consolidated Financial Results for the Three Months Ended October 31, 2021 (Based on Japanese GAAP)

December 15, 2021

Company name: Link-U Inc.
 Stock exchange listing: Tokyo
 Stock code: 4446 URL <https://www.link-u.co.jp/>
 Representative: Representative Director and President Yuuki Matsubara
 Inquiries: Director and CFO Yuuta Shimura TEL 03(6260)9279
 Scheduled date to file Quarterly Securities Report: December 15, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended October 31, 2021 (from August 1, 2021 to October 31, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended October 31, 2021	536	45.6	114	6.0	108	(0.5)	72	(0.5)
Three months ended October 31, 2020	368	–	108	–	108	–	72	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended October 31, 2021	5.13		5.09	
Three months ended October 31, 2020	5.22		5.12	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of October 31, 2021	2,495	2,116	83.3
As of July 31, 2021	2,622	2,184	80.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended July 31, 2021	–	0.00	–	0.00	0.00
Year ending July 31, 2022	–				
Year ending July 31, 2022 (Forecast)		0.00	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending July 31, 2022 (from August 1, 2021 to July 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,165	32.5	243	7.8	221	0.9	143	(8.6)	10.16

4. Notes

- (1) Changes in significant subsidiaries during the three months ended October 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of October 31, 2021	14,131,500 shares	As of July 31, 2021	14,130,300 shares
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Number of treasury shares at the end of the period

As of October 31, 2021	68 shares	As of July 31, 2021	68 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended October 31, 2021	14,131,197 shares	Three months ended October 31, 2020	13,958,672 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of July 31, 2021	As of October 31, 2021
Assets		
Current assets		
Cash and deposits	1,041,742	886,486
Accounts receivable - trade	312,219	391,052
Work in process	18,911	31,616
Supplies	691	691
Other	178,445	132,406
Allowance for doubtful accounts	(2,347)	(2,384)
Total current assets	1,549,663	1,439,870
Non-current assets		
Property, plant and equipment	194,439	184,756
Intangible assets		
Goodwill	268,165	260,917
Other	3,289	7,162
Total intangible assets	271,455	268,080
Investments and other assets		
Investment securities	455,915	486,645
Other	150,904	116,218
Total investments and other assets	606,820	602,864
Total non-current assets	1,072,715	1,055,700
Total assets	2,622,378	2,495,571
Liabilities		
Current liabilities		
Income taxes payable	14,347	44,116
Provision for bonuses	–	25,817
Other	423,874	309,244
Total current liabilities	438,222	379,178
Total liabilities	438,222	379,178
Net assets		
Shareholders' equity		
Share capital	476,396	476,482
Capital surplus	475,396	362,575
Retained earnings	1,162,721	1,235,215
Treasury shares	(135)	(135)
Total shareholders' equity	2,114,379	2,074,137
Accumulated other comprehensive income		
Foreign currency translation adjustment	–	3,904
Total accumulated other comprehensive income	–	3,904
Share acquisition rights	420	420
Non-controlling interests	69,356	37,930
Total net assets	2,184,156	2,116,392
Total liabilities and net assets	2,622,378	2,495,571

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended October 31, 2020	Three months ended October 31, 2021
Net sales	368,235	536,152
Cost of sales	133,957	147,980
Gross profit	234,278	388,172
Selling, general and administrative expenses	126,031	273,383
Operating profit	108,247	114,788
Non-operating income		
Interest income	6	4
Outsourcing service income	762	40
Other	–	210
Total non-operating income	769	255
Non-operating expenses		
Foreign exchange losses	159	224
Share of loss of entities accounted for using equity method	–	6,474
Other	0	–
Total non-operating expenses	160	6,698
Ordinary profit	108,855	108,344
Extraordinary losses		
Provision for extraordinary loss on office transfer	3,923	–
Total extraordinary losses	3,923	–
Profit before income taxes	104,932	108,344
Income taxes	32,109	40,183
Profit	72,822	68,161
Loss attributable to non-controlling interests	–	(4,332)
Profit attributable to owners of parent	72,822	72,494

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended October 31, 2020	Three months ended October 31, 2021
Profit	72,822	68,161
Other comprehensive income		
Foreign currency translation adjustment	–	3,904
Total other comprehensive income	–	3,904
Comprehensive income	72,822	72,065
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	72,822	76,398
Comprehensive income attributable to non-controlling interests	–	(4,332)