

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended March 31, 2022 (Based on Japanese GAAP)

May 6, 2022

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 to file Quarterly Securities Report: May 6, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended March 31, 2022 (from October 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results (cumulative)

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	%
Six months ended March 31, 2022	332	(11.3)	(180)	–	(176)	–	(175)	–
Six months ended March 31, 2021	374	(66.2)	(139)	–	(135)	–	(147)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2022	(9.42)		–	
Six months ended March 31, 2021	(7.89)		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	1,882	1,529	81.3
As of September 30, 2021	1,942	1,692	87.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended September 30, 2021	–	0.00	–	0.00	0.00
Year ending September 30, 2022	–	0.00	–	–	–
Year ending September 30, 2022 (Forecast)	–	–	–	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
Full year	1,287	93.9	1	–	1	–	0	–	0.05

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2022	19,500,000 shares	As of September 30, 2021	19,500,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	800,260 shares	As of September 30, 2021	853,104 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended March 31, 2022	18,661,414 shares	Six months ended March 31, 2021	18,646,896 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	1,830,273	1,754,899
Accounts receivable - trade	8,333	11,760
Accounts receivable - other	23,196	26,338
Income taxes receivable	1,143	–
Other	13,921	23,141
Total current assets	1,876,868	1,816,140
Non-current assets		
Property, plant and equipment	12,939	11,824
Intangible assets	13,887	10,801
Investments and other assets		
Distressed receivables	1,003	1,003
Other	39,045	43,690
Allowance for doubtful accounts	(1,003)	(1,003)
Total investments and other assets	39,045	43,690
Total non-current assets	65,872	66,317
Total assets	1,942,740	1,882,457
Liabilities		
Current liabilities		
Accounts payable - trade	424	477
Short-term borrowings	–	100,000
Current portion of long-term borrowings	831	2,493
Accounts payable - other	27,731	51,527
Income taxes payable	–	1,727
Accrued consumption taxes	4,115	3,172
Advances received	5,348	7,152
Deposits received	11,014	11,958
Provision for bonuses	17,521	16,353
Other	43,510	16,346
Total current liabilities	110,497	211,207
Non-current liabilities		
Long-term borrowings	119,169	117,507
Asset retirement obligations	4,511	4,517
Long-term guarantee deposits	15,900	19,300
Total non-current liabilities	139,580	141,324
Total liabilities	250,077	352,532
Net assets		
Shareholders' equity		
Share capital	281,000	281,000
Capital surplus	276,000	276,000
Retained earnings	1,529,517	1,342,419
Treasury shares	(393,916)	(369,555)
Total shareholders' equity	1,692,601	1,529,863
Share acquisition rights	61	61
Total net assets	1,692,662	1,529,924
Total liabilities and net assets	1,942,740	1,882,457

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended March 31, 2021	Six months ended March 31, 2022
Net sales	374,790	332,527
Cost of sales	23,821	15,410
Gross profit	350,968	317,116
Selling, general and administrative expenses	490,634	497,340
Operating loss	(139,665)	(180,223)
Non-operating income		
Interest income	81	48
Subsidy income	1,742	2,500
compensation received	–	1,363
Interest on refund of income taxes	2,288	13
Other	7	10
Total non-operating income	4,119	3,936
Non-operating expenses		
Interest expenses	–	42
Other	–	144
Total non-operating expenses	–	186
Ordinary loss	(135,545)	(176,474)
Extraordinary losses		
Loss on retirement of non-current assets	–	218
Loss on cancellation of rental contracts	9,432	–
Other	603	–
Total extraordinary losses	10,036	218
Loss before income taxes	(145,582)	(176,692)
Income taxes - current	347	271
Income taxes - refund	–	(929)
Income taxes - deferred	1,211	(296)
Total income taxes	1,558	(955)
Loss	(147,141)	(175,737)

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended March 31, 2021	Six months ended March 31, 2022
Cash flows from operating activities		
Loss before income taxes	(145,582)	(176,692)
Depreciation	7,538	3,981
Increase (decrease) in provision for bonuses	(1,610)	(1,168)
Interest and dividend income	(81)	(48)
Interest expenses	–	42
Subsidy income	(1,742)	(2,500)
Decrease (increase) in trade receivables	2,572	(3,427)
Decrease (increase) in accounts receivable - other	25,994	(3,185)
Increase (decrease) in trade payables	(756)	52
Increase (decrease) in accounts payable - other	(29,345)	23,796
Decrease/increase in consumption taxes receivable/payable	11,591	(943)
Increase (decrease) in advances received	(412)	1,804
Increase (decrease) in deposits received	(7,892)	943
Other, net	(12,299)	(24,752)
Subtotal	(152,026)	(182,095)
Interest and dividends received	81	48
Interest paid	–	(42)
Subsidies received	1,742	2,500
Income taxes refund	166,810	2,549
Net cash provided by (used in) operating activities	16,607	(177,040)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,238)	–
Payments of leasehold deposits	(13,111)	–
Collection of loans receivable from subsidiaries and affiliates	1,666	1,666
Net cash provided by (used in) investing activities	(12,683)	1,666
Cash flows from financing activities		
Proceeds from short-term borrowings	–	100,000
Net cash provided by (used in) financing activities	–	100,000
Net increase (decrease) in cash and cash equivalents	3,923	(75,374)
Cash and cash equivalents at beginning of period	1,817,576	1,830,273
Cash and cash equivalents at end of period	1,821,500	1,754,899