

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended April 30, 2022 (Based on Japanese GAAP)

June 14, 2022

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: June 14, 2022
 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 nine months ended April 30, 2022 (from August 1, 2021 to April 30, 2022)

(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	%
Nine months ended April 30, 2022	1,633	38.8	146	(35.6)	128	(41.5)	73	(47.2)
Nine months ended April 30, 2021	1,176	–	227	–	219	–	140	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended April 30, 2022	5.24		5.20	
Nine months ended April 30, 2021	10.01		9.85	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2022	2,771	2,168	75.5
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	–	0.00	–		
Year ending July 31, 2022 (Forecast)				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	2,169	32.7	88	(60.7)	40	(81.6)	(23)	–	(1.63)

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended April 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 April 30, 2022	14,132,700 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 April 30, 2022	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)

Nine months ended April 30, 2022	14,131,516 shares	Nine months ended April 30, 2021	14,009,161 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of July 31, 2021	As of April 30, 2022
Assets		
Current assets		
Cash and deposits	1,041,742	961,503
Accounts receivable - trade	312,219	–
Trade receivables and contract asset	–	430,683
Work in process	18,911	–
Supplies	691	691
Other	178,445	301,573
Allowance for doubtful accounts	(2,347)	(3,015)
Total current assets	1,549,663	1,691,437
Non-current assets		
Property, plant and equipment	194,439	167,250
Intangible assets		
Goodwill	268,165	246,422
Other	3,289	54,130
Total intangible assets	271,455	300,552
Investments and other assets		
Investment securities	455,915	483,431
Other	150,904	127,861
Total investments and other assets	606,820	611,292
Total non-current assets	1,072,715	1,079,094
Deferred assets	–	558
Total assets	2,622,378	2,771,091
Liabilities		
Current liabilities		
Accrued expenses	205,601	305,755
Income taxes payable	14,347	45,356
Provision for bonuses	–	29,573
Other	218,273	221,769
Total current liabilities	438,222	602,454
Total liabilities	438,222	602,454
Net assets		
Shareholders' equity		
Share capital	476,396	476,567
Capital surplus	475,396	362,660
Retained earnings	1,162,721	1,236,653
Treasury shares	(135)	(135)
Total shareholders' equity	2,114,379	2,075,746
Accumulated other comprehensive income		
Foreign currency translation adjustment	–	17,302
Total accumulated other comprehensive income	–	17,302
Share acquisition rights	420	420
Non-controlling interests	69,356	75,167
Total net assets	2,184,156	2,168,636
Total liabilities and net assets	2,622,378	2,771,091

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended April 30, 2021	Nine months ended April 30, 2022
Net sales	1,176,438	1,633,197
Cost of sales	385,439	572,086
Gross profit	790,999	1,061,111
Selling, general and administrative expenses	563,530	914,620
Operating profit	227,468	146,491
Non-operating income		
Interest income	13	34
Outsourcing service income	899	–
compensation received	4,000	–
Other	444	3,993
Total non-operating income	5,357	4,028
Non-operating expenses		
Interest expenses	6	–
Foreign exchange losses	345	547
Share of loss of entities accounted for using equity method	11,608	21,178
Office relocation expenses	1,087	130
Other	0	62
Total non-operating expenses	13,049	21,917
Ordinary profit	219,776	128,602
Extraordinary income		
Gain on change in equity	8,159	–
Total extraordinary income	8,159	–
Extraordinary losses		
Provision for extraordinary loss on office transfer	3,923	–
Total extraordinary losses	3,923	–
Profit before income taxes	224,012	128,602
Income taxes	77,171	69,893
Profit	146,840	58,708
Profit (loss) attributable to non-controlling interests	6,660	(15,278)
Profit attributable to owners of parent	140,179	73,987

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended April 30, 2021	Nine months ended April 30, 2022
Profit	146,840	58,708
Other comprehensive income		
Foreign currency translation adjustment	–	17,302
Total other comprehensive income	–	17,302
Comprehensive income	146,840	76,011
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	140,179	91,289
Comprehensive income attributable to non-controlling interests	6,660	(15,278)