

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended September 30, 2022 (Based on Japanese GAAP)

November 4, 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 Daisuke Matsuoka TEL 050(1741)2300
 Scheduled date of ordinary general meeting of shareholders: December 16, 2022
 Scheduled date to file Securities Report: December 16, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended September 30, 2022 (from October 1, 2021 to September 30, 2022)

(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, 2022	765	14.2	(304)	–	(300)	–	(312)	–
Year ended September 30, 2021	670	(53.1)	(317)	–	(313)	–	(376)	–

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2022	(16.71)	–	(20.2)	(16.5)	(39.8)
Year ended September 30, 2021	(20.17)	–	(20.0)	(14.9)	(47.4)

(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, 2022	1,689	1,393	82.5	74.51
As of September 30, 2021	1,942	1,692	87.1	90.77

(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, 2022	(269)	3	(0)	1,563
Year ended September 30, 2021	(149)	41	120	1,830

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, 2021	–	0.00	–	0.00	0.00	–	–	–
Year ended September 30, 2022	–	0.00	–	0.00	0.00	–	–	–
Year ending September 30, 2023 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of non-consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

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, 2023	–	–	–	–	–	–	–	–	–
Full year	1,201	57.1	10	–	10	–	10	–	0.55

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: Yes

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, 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 September 30, 2022	800,260 shares	As of September 30, 2021	853,104 shares
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Average number of shares during the period

Year ended September 30, 2022	18,680,629 shares	Year ended September 30, 2021	18,646,896 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	1,830,273	1,563,228
Accounts receivable - trade	8,333	25,027
Accounts receivable - other	23,196	36,035
Prepaid expenses	9,892	14,236
Current portion of long-term loans receivable from subsidiaries and associates	3,333	833
Income taxes refund receivable	1,143	–
Other	695	452
Allowance for doubtful accounts	–	(515)
Total current assets	1,876,868	1,639,298
Non-current assets		
Property, plant and equipment		
Buildings	10,157	10,157
Accumulated depreciation	(372)	(1,116)
Buildings, net	9,785	9,040
Tools, furniture and fixtures	10,553	10,085
Accumulated depreciation	(7,399)	(7,795)
Tools, furniture and fixtures, net	3,153	2,290
Total property, plant and equipment	12,939	11,331
Intangible assets		
Trademark right	67	–
Software	13,820	7,749
Total intangible assets	13,887	7,749
Investments and other assets		
Shares of subsidiaries and associates	9,671	9,671
Long-term loans receivable from subsidiaries and associates	833	–
Deferred tax assets	11,028	–
Guarantee deposits	2,200	2,200
Leasehold deposits	13,111	13,111
Long-term prepaid expenses	2,200	6,298
Distressed receivables	1,003	–
Allowance for doubtful accounts	(1,003)	–
Total investments and other assets	39,045	31,282
Total non-current assets	65,872	50,363
Total assets	1,942,740	1,689,661

(Thousands of yen)

	As of September 30, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	424	1,185
Current portion of long-term borrowings	831	3,047
Accounts payable - other	27,731	84,440
Accrued expenses	43,510	14,853
Income taxes payable	–	2,375
Accrued consumption taxes	4,115	5,916
Advances received	5,348	8,557
Deposits received	11,014	17,786
Provision for bonuses	17,521	16,445
Total current liabilities	110,497	154,609
Non-current liabilities		
Long-term borrowings	119,169	116,122
Asset retirement obligations	4,511	4,524
Deferred tax liabilities	–	1,241
Long-term guarantee deposits	15,900	19,700
Total non-current liabilities	139,580	141,587
Total liabilities	250,077	296,197

(Thousands of yen)

	As of September 30, 2021	As of September 30, 2022
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	1,529,517	1,205,959
Total retained earnings	1,529,517	1,205,959
Treasury shares	(393,916)	(369,555)
Total shareholders' equity	1,692,601	1,393,403
Share acquisition rights	61	61
Total net assets	1,692,662	1,393,464
Total liabilities and net assets	1,942,740	1,689,661

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Net sales	670,057	765,083
Cost of sales	42,163	36,230
Gross profit	627,894	728,852
Selling, general and administrative expenses	945,364	1,033,024
Operating loss	(317,469)	(304,171)
Non-operating income		
Interest income	146	78
Subsidy income	1,742	2,500
Compensation income	–	1,363
Interest on refund of income taxes	2,288	13
Other	7	307
Total non-operating income	4,184	4,263
Non-operating expenses		
Interest expenses	5	52
Other	–	144
Total non-operating expenses	5	196
Ordinary loss	(313,290)	(300,104)
Extraordinary losses		
Impairment losses	21,903	–
Loss on retirement of non-current assets	941	218
Loss on cancellation of rental contracts	9,432	–
Other	603	–
Total extraordinary losses	32,881	218
Loss before income taxes	(346,171)	(300,323)
Income taxes - current	543	534
Income taxes - refund	–	(929)
Income taxes - deferred	29,323	12,269
Total income taxes	29,867	11,874
Loss	(376,038)	(312,197)

Non-consolidated statements of changes in equity

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

Fiscal year ended September 30, 2022

(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	1,529,517	1,529,517	(393,916)	1,692,601	61	1,692,662
Changes during period									
Profit (loss)				(312,197)	(312,197)		(312,197)		(312,197)
Restricted stock				(11,361)	(11,361)	24,361	12,999		12,999
Total changes during period	–	–	–	(323,558)	(323,558)	24,361	(299,197)	–	(299,197)
Balance at end of period	281,000	276,000	276,000	1,205,959	1,205,959	(369,555)	1,393,403	61	1,393,464

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	(346,171)	(300,323)
Depreciation	15,248	7,779
Impairment losses	21,903	–
Increase (decrease) in allowance for doubtful accounts	–	(488)
Increase (decrease) in provision for bonuses	(964)	(1,075)
Interest and dividend income	(146)	(78)
Subsidy income	(1,742)	(2,500)
Interest expenses	5	52
Decrease (increase) in trade receivables	9,757	(16,693)
Decrease (increase) in accounts receivable - other	31,906	(12,838)
Increase (decrease) in trade payables	(601)	761
Increase (decrease) in accounts payable - other	(52,810)	56,709
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	12,694	2,121
Increase (decrease) in advances received	(1,340)	3,209
Increase (decrease) in deposits received	(10,396)	6,772
Other, net	5,821	(17,778)
Subtotal	(316,837)	(274,371)
Interest and dividends received	146	78
Interest paid	(5)	(52)
Subsidies received	1,742	2,500
Income taxes refund (paid)	165,709	2,549
Net cash provided by (used in) operating activities	(149,244)	(269,295)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,701)	(252)
Payments of leasehold and guarantee deposits	(13,111)	–
Proceeds from refund of leasehold and guarantee deposits	67,121	–
Collection of loans receivable from subsidiaries and affiliates	3,333	3,333
Payments for asset retirement obligations	(7,700)	–
Net cash provided by (used in) investing activities	41,941	3,081
Cash flows from financing activities		
Proceeds from long-term borrowings	120,000	–
Repayments of long-term borrowings	–	(831)
Net cash provided by (used in) financing activities	120,000	(831)
Net increase (decrease) in cash and cash equivalents	12,696	(267,045)
Cash and cash equivalents at beginning of period	1,817,576	1,830,273
Cash and cash equivalents at end of period	1,830,273	1,563,228