

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended March 31, 2023 (Based on Japanese GAAP)

May 10, 2023

Company name: LINKBAL INC
 Stock exchange listing: Tokyo
 Stock code: 6046 URL <https://linkbal.co.jp>
 Representative: CEO & President Yoshihiro Kazumasa
 Inquiries: Director Daisuke Matsuoka TEL 050(1741)2300
 Scheduled date to file Quarterly Securities Report: May 10, 2023
 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, 2023 (from October 1, 2022 to March 31, 2023)

(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, 2023	430	29.4	(118)	–	(117)	–	(118)	–
Six months ended March 31, 2022	332	(11.3)	(180)	–	(176)	–	(175)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2023	(6.32)		–	
Six months ended March 31, 2022	(9.42)		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	1,670	1,278	76.5
As of September 30, 2022	1,689	1,393	82.5

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, 2022	–	0.00	–	0.00	0.00
Year ending September 30, 2023	–	0.00			
Year ending September 30, 2023 (Forecast)			–	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
Full year	1,201	57.1	10	–	10	–	10	–	0.55

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: No

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, 2023	19,500,000 shares	As of September 30, 2022	19,500,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	785,698 shares	As of September 30, 2022	800,260 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, 2023	18,704,461 shares	Six months ended March 31, 2022	18,661,414 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	1,563,228	1,485,322
Accounts receivable - trade	25,027	34,478
Accounts receivable - other	36,035	34,764
Other	15,522	23,327
Allowance for doubtful accounts	(515)	(381)
Total current assets	1,639,298	1,577,512
Non-current assets		
Property, plant and equipment	11,331	42,012
Intangible assets	7,749	4,714
Investments and other assets	31,282	46,350
Total non-current assets	50,363	93,076
Total assets	1,689,661	1,670,589
Liabilities		
Current liabilities		
Accounts payable - trade	1,185	1,437
Short-term borrowings	–	100,000
Current portion of long-term borrowings	3,047	3,047
Accounts payable - other	84,440	82,098
Income taxes payable	2,375	265
Accrued consumption taxes	5,916	5,063
Advances received	8,557	14,206
Deposits received	17,786	16,090
Provision for bonuses	16,445	16,350
Other	14,853	13,485
Total current liabilities	154,609	252,044
Non-current liabilities		
Long-term borrowings	116,122	114,460
Asset retirement obligations	4,524	4,530
Long-term guarantee deposits	19,700	19,950
Other	1,241	1,311
Total non-current liabilities	141,587	140,251
Total liabilities	296,197	392,296
Net assets		
Shareholders' equity		
Share capital	281,000	50,000
Capital surplus	276,000	503,286
Retained earnings	1,205,959	1,087,787
Treasury shares	(369,555)	(362,842)
Total shareholders' equity	1,393,403	1,278,232
Share acquisition rights	61	61
Total net assets	1,393,464	1,278,293
Total liabilities and net assets	1,689,661	1,670,589

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Net sales	332,527	430,115
Cost of sales	15,410	27,082
Gross profit	317,116	403,032
Selling, general and administrative expenses	497,340	521,046
Operating loss	(180,223)	(118,013)
Non-operating income		
Interest income	48	78
Subsidy income	2,500	–
compensation received	1,363	–
Interest on refund of income taxes	13	–
Reversal of allowance for doubtful accounts	–	134
Other	10	1
Total non-operating income	3,936	213
Non-operating expenses		
Interest expenses	42	35
Other	144	–
Total non-operating expenses	186	35
Ordinary loss	(176,474)	(117,835)
Extraordinary losses		
Loss on retirement of non-current assets	218	–
Total extraordinary losses	218	–
Loss before income taxes	(176,692)	(117,835)
Income taxes - current	271	266
Income taxes - refund	(929)	–
Income taxes - deferred	(296)	69
Total income taxes	(955)	335
Loss	(175,737)	(118,171)

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Cash flows from operating activities		
Loss before income taxes	(176,692)	(117,835)
Depreciation	3,981	4,473
Increase (decrease) in allowance for doubtful accounts	–	(134)
Increase (decrease) in provision for bonuses	(1,168)	(95)
Interest and dividend income	(48)	(78)
Interest expenses	42	35
Subsidy income	(2,500)	–
Decrease (increase) in trade receivables	(3,427)	(9,451)
Decrease (increase) in accounts receivable - other	(3,185)	1,271
Increase (decrease) in trade payables	52	251
Increase (decrease) in accounts payable - other	23,796	(2,342)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(943)	(853)
Increase (decrease) in advances received	1,804	5,648
Increase (decrease) in deposits received	943	(1,696)
Other, net	(24,752)	(2,502)
Subtotal	(182,095)	(123,307)
Interest and dividends received	48	78
Interest paid	(42)	(35)
Subsidies received	2,500	–
Income taxes refund (paid)	2,549	(531)
Net cash provided by (used in) operating activities	(177,040)	(123,796)
Cash flows from investing activities		
Purchase of property, plant and equipment	–	(32,119)
Payments of leasehold deposits	–	(12,272)
Loan advances to subsidiaries and associates	–	(10,000)
Collection of loans receivable from subsidiaries and affiliates	1,666	1,944
Net cash provided by (used in) investing activities	1,666	(52,446)
Cash flows from financing activities		
Proceeds from short-term borrowings	100,000	100,000
Repayments of long-term borrowings	–	(1,662)
Net cash provided by (used in) financing activities	100,000	98,338
Net increase (decrease) in cash and cash equivalents	(75,374)	(77,905)
Cash and cash equivalents at beginning of period	1,830,273	1,563,228
Cash and cash equivalents at end of period	1,754,899	1,485,322