

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended April 30, 2023 (Based on Japanese GAAP)

June 14, 2023

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, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended April 30, 2023 (from August 1, 2022 to April 30, 2023)

(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, 2023	2,333	42.9	360	146.1	321	150.2	133	80.8
Nine months ended April 30, 2022	1,633	38.8	146	(35.6)	128	(41.5)	73	(47.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended April 30, 2023	9.46		9.40	
Nine months ended April 30, 2022	5.24		5.20	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2023	3,765	2,237	58.3
As of July 31, 2022	2,860	2,130	71.9

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, 2022	–	0.00	–	0.00	0.00
Year ending July 31, 2023	–	0.00	–		
Year ending July 31, 2023 (Forecast)				0.00	0.00

3. Forecast of consolidated financial results for the year ending July 31, 2023 (from August 1, 2022 to July 31, 2023)

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	3,006	32.1	406	245.5	358	313.9	145	330.2	10.30

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended April 30, 2023
 (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: No
- 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, 2023	14,171,700 shares	As of July 31, 2022	14,132,700 shares
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Number of treasury shares at the end of the period

As of April 30, 2023	68 shares	As of July 31, 2022	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, 2023	14,134,203 shares	Nine months ended April 30, 2022	14,131,516 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of July 31, 2022	As of April 30, 2023
Assets		
Current assets		
Cash and deposits	923,961	1,535,829
Trade receivables and contract asset	538,186	714,023
Supplies	691	622
Other	324,669	407,483
Allowance for doubtful accounts	(4,529)	(1,436)
Total current assets	1,782,981	2,656,522
Non-current assets		
Property, plant and equipment	174,796	143,887
Intangible assets		
Goodwill	239,174	248,827
Other	51,885	41,872
Total intangible assets	291,059	290,699
Investments and other assets		
Investment securities	452,004	530,453
Other	159,085	143,043
Total investments and other assets	611,089	673,496
Total non-current assets	1,076,945	1,108,083
Deferred assets	496	628
Total assets	2,860,423	3,765,234
Liabilities		
Current liabilities		
Accrued expenses	371,257	385,123
Current portion of long-term borrowings	–	27,960
Income taxes payable	30,568	93,673
Provision for bonuses	7,610	72,191
Other	320,229	360,285
Total current liabilities	729,665	939,233
Non-current liabilities		
Long-term borrowings	–	588,740
Total non-current liabilities	–	588,740
Total liabilities	729,665	1,527,973
Net assets		
Shareholders' equity		
Share capital	476,567	477,054
Capital surplus	362,660	368,957
Retained earnings	1,196,515	1,330,277
Treasury shares	(135)	(135)
Total shareholders' equity	2,035,607	2,176,153
Accumulated other comprehensive income		
Foreign currency translation adjustment	21,860	20,784
Total accumulated other comprehensive income	21,860	20,784
Share acquisition rights	420	420
Non-controlling interests	72,870	39,902
Total net assets	2,130,758	2,237,261
Total liabilities and net assets	2,860,423	3,765,234

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, 2022	Nine months ended April 30, 2023
Net sales	1,633,197	2,333,966
Cost of sales	572,086	1,052,024
Gross profit	1,061,111	1,281,941
Selling, general and administrative expenses	914,620	921,412
Operating profit	146,491	360,529
Non-operating income		
Interest income	34	124
Subsidy income	–	9,799
Other	3,993	2,113
Total non-operating income	4,028	12,036
Non-operating expenses		
Interest expenses	–	2,815
Foreign exchange losses	547	2,607
Share of loss of entities accounted for using equity method	21,178	31,280
anngousisann	–	13,793
Office relocation expenses	130	–
Other	62	244
Total non-operating expenses	21,917	50,740
Ordinary profit	128,602	321,825
Extraordinary income		
Subsidy income	–	5,960
Total extraordinary income	–	5,960
Extraordinary losses		
Loss on retirement of non-current assets	–	1,653
Loss on tax purpose reduction entry of non-current assets	–	4,276
Loss on valuation of investment securities	–	41,645
Loss on step acquisitions	–	29,501
Total extraordinary losses	–	77,076
Profit before income taxes	128,602	250,709
Income taxes	69,893	120,493
Profit	58,708	130,216
hisihai	(15,278)	(3,545)
Profit attributable to owners of parent	73,987	133,761

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended April 30, 2022	Nine months ended April 30, 2023
Profit	58,708	130,216
Other comprehensive income		
Foreign currency translation adjustment	17,302	(1,075)
Total other comprehensive income	17,302	(1,075)
Comprehensive income	76,011	129,140
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	91,289	132,686
Comprehensive income attributable to non-controlling interests	(15,278)	(3,545)