

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended September 30, 2023 (Based on Japanese GAAP)

November 8, 2023

Company name: LINKBAL INC
 Stock exchange listing: Tokyo
 Stock code: 6046 URL <https://linkbal.co.jp>
 Representative: CEO & President Yoshihiro Kazumasa
 Inquiries: Financial accounting Dept. Director Daisuke Matsuoka TEL 050(1741)2300
 Scheduled date of ordinary general meeting of shareholders: December 22, 2023
 Scheduled date to file Securities Report: December 22, 2023
 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, 2023 (from October 1, 2022 to September 30, 2023)

(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, 2023	891	16.5	(249)	–	(251)	–	(266)	–
Year ended September 30, 2022	765	14.2	(304)	–	(300)	–	(312)	–

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2023	(14.22)	–	(21.1)	(15.9)	(28.0)
Year ended September 30, 2022	(16.71)	–	(20.2)	(16.5)	(39.8)

(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, 2023	1,468	1,130	77.0	60.40
As of September 30, 2022	1,689	1,393	82.5	74.51

(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, 2023	(233)	(172)	(3)	1,154
Year ended September 30, 2022	(269)	3	(0)	1,563

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, 2022	–	0.00	–	0.00	0.00	–	–	–
Year ended September 30, 2023	–	0.00	–	0.00	0.00	–	–	–
Year ending September 30, 2024 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of non-consolidated financial results for the year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

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, 2024	–	–	–	–	–	–	–	–	–
Full year	1,208	35.6	2	–	2	–	0	–	0.05

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: No

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, 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 September 30, 2023	785,698 shares	As of September 30, 2022	800,260 shares
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Average number of shares during the period

Year ended September 30, 2023	18,709,395 shares	Year ended September 30, 2022	18,680,629 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	1,563,228	1,154,420
Accounts receivable - trade	25,027	35,818
Advance payments to suppliers	–	660
Accounts receivable - other	36,035	62,915
Prepaid expenses	14,236	17,248
Current portion of long-term loans receivable from subsidiaries and associates	833	6,314
Other	452	2,819
Allowance for doubtful accounts	(515)	(367)
Total current assets	1,639,298	1,279,829
Non-current assets		
Property, plant and equipment		
Buildings	10,157	113,213
Accumulated depreciation	(1,116)	(4,696)
Buildings, net	9,040	108,517
Tools, furniture and fixtures	10,085	17,891
Accumulated depreciation	(7,795)	(10,326)
Tools, furniture and fixtures, net	2,290	7,565
Total property, plant and equipment	11,331	116,082
Intangible assets		
Software	7,749	1,793
Total intangible assets	7,749	1,793
Investments and other assets		
Shares of subsidiaries and associates	9,671	30,000
Long-term loans receivable from subsidiaries and associates	–	1,185
Guarantee deposits	2,200	2,200
Leasehold deposits	13,111	33,965
Long-term prepaid expenses	6,298	4,679
Allowance for doubtful accounts	–	(1,185)
Total investments and other assets	31,282	70,844
Total non-current assets	50,363	188,721
Total assets	1,689,661	1,468,551

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,185	2,140
Current portion of long-term borrowings	3,047	3,601
Accounts payable - other	84,440	102,691
Accrued expenses	14,853	19,277
Income taxes payable	2,375	569
Accrued consumption taxes	5,916	–
Advances received	8,557	17,674
Deposits received	17,786	19,196
Provision for bonuses	16,445	16,925
Other	–	210
Total current liabilities	154,609	182,286
Non-current liabilities		
Long-term borrowings	116,122	112,521
Asset retirement obligations	4,524	18,853
Deferred tax liabilities	1,241	5,884
Long-term guarantee deposits	19,700	18,400
Total non-current liabilities	141,587	155,658
Total liabilities	296,197	337,945

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	281,000	50,000
Capital surplus		
Legal capital surplus	276,000	276,000
Other capital surplus	–	227,286
Total capital surplus	276,000	503,286
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,205,959	939,923
Total retained earnings	1,205,959	939,923
Treasury shares	(369,555)	(362,842)
Total shareholders' equity	1,393,403	1,130,367
Share acquisition rights	61	238
Total net assets	1,393,464	1,130,606
Total liabilities and net assets	1,689,661	1,468,551

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Net sales	765,083	891,212
Cost of sales	36,230	69,109
Gross profit	728,852	822,102
Selling, general and administrative expenses	1,033,024	1,071,486
Operating loss	(304,171)	(249,384)
Non-operating income		
Interest income	78	159
Reversal of allowance for doubtful accounts	–	148
Subsidy income	2,500	–
Compensation income	1,363	–
Interest on refund of income taxes	13	–
Other	307	2
Total non-operating income	4,263	309
Non-operating expenses		
Interest expenses	52	43
Provision of allowance for doubtful accounts	–	1,185
Loss on midterm cancellation of contracts	–	913
Other	144	3
Total non-operating expenses	196	2,144
Ordinary loss	(300,104)	(251,219)
Extraordinary income		
Gain on reversal of share acquisition rights	–	71
Total extraordinary income	–	71
Extraordinary losses		
Loss on retirement of non-current assets	218	0
Loss on valuation of shares of subsidiaries and associates	–	9,671
Total extraordinary losses	218	9,671
Loss before income taxes	(300,323)	(260,820)
Income taxes - current	534	572
Income taxes - refund	(929)	–
Income taxes - deferred	12,269	4,642
Total income taxes	11,874	5,215
Loss	(312,197)	(266,035)

Non-consolidated statements of changes in equity

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	Other 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
Issuance of share acquisition rights										
Forfeiture of share acquisition rights										
Capital reduction										
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

Fiscal year ended September 30, 2023

(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	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings				
Balance at beginning of period	281,000	276,000	–	276,000	1,205,959	1,205,959	(369,555)	1,393,403	61	1,393,464
Changes during period										
Profit (loss)					(266,035)	(266,035)		(266,035)		(266,035)
Restricted stock			(3,713)	(3,713)			6,713	2,999		2,999
Issuance of share acquisition rights									249	249
Forfeiture of share acquisition rights									(71)	(71)
Capital reduction	(231,000)		231,000	231,000						
Total changes during period	(231,000)	–	227,286	227,286	(266,035)	(266,035)	6,713	(263,036)	177	(262,858)
Balance at end of period	50,000	276,000	227,286	503,286	939,923	939,923	(362,842)	1,130,367	238	1,130,606

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Cash flows from operating activities		
Loss before income taxes	(300,323)	(260,820)
Depreciation	7,779	12,528
Increase (decrease) in allowance for doubtful accounts	(488)	1,037
Increase (decrease) in provision for bonuses	(1,075)	480
Interest and dividend income	(78)	(159)
Subsidy income	(2,500)	–
Interest expenses	52	43
Loss on valuation of shares of subsidiaries and associates	–	9,671
Gain on reversal of share acquisition rights	–	(71)
Decrease (increase) in trade receivables	(16,693)	(10,790)
Decrease (increase) in accounts receivable - other	(12,838)	(26,879)
Increase (decrease) in trade payables	761	954
Increase (decrease) in accounts payable - other	56,709	18,250
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	2,121	(5,916)
Increase (decrease) in advances received	3,209	9,116
Increase (decrease) in deposits received	6,772	1,409
Other, net	(17,778)	17,826
Subtotal	(274,371)	(233,319)
Interest and dividends received	78	159
Interest paid	(52)	(43)
Subsidies received	2,500	–
Income taxes refund (paid)	2,549	(533)
Net cash provided by (used in) operating activities	(269,295)	(233,737)
Cash flows from investing activities		
Purchase of property, plant and equipment	(252)	(111,324)
Purchase of shares of subsidiaries	–	(30,000)
Payments of leasehold and guarantee deposits	–	(24,032)
Loan advances to subsidiaries and associates	–	(10,000)
Collection of loans receivable from subsidiaries and affiliates	3,333	3,333
Net cash provided by (used in) investing activities	3,081	(172,022)
Cash flows from financing activities		
Repayments of long-term borrowings	(831)	(3,047)
Net cash provided by (used in) financing activities	(831)	(3,047)
Net increase (decrease) in cash and cash equivalents	(267,045)	(408,807)
Cash and cash equivalents at beginning of period	1,830,273	1,563,228
Cash and cash equivalents at end of period	1,563,228	1,154,420