

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended March 31, 2019 (Based on Japanese GAAP)

May 8, 2019

Company name: LINKBAL INC
 Stock exchange listing: Tokyo
 Stock code: 6046 URL <http://linkbal.co.jp>
 Representative: CEO & President Yoshihiro Kazumasa
 Inquiries: Senior Managing Director Baba Hiroaki TEL 03(6222)6827
 Scheduled date to file Quarterly Securities Report: May 8, 2019
 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. Non-consolidated financial results for the six months ended March 31, 2019 (from October 1, 2018 to March 31, 2019)

(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, 2019	1,431	13.4	511	82.0	514	82.0	312	76.5
Six months ended March 31, 2018	1,261	(0.3)	280	16.2	282	4.1	177	5.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2019	16.76		—	
Six months ended March 31, 2018	9.29		—	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2019	2,319	1,742	75.1
As of September 30, 2018	2,074	1,430	68.9

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, 2018	—	0.00	—	0.00	0.00
Year ending September 30, 2019	—	0.00			
Year ending September 30, 2019 (Forecast)			—	0.00	0.00

3. Forecast of non-consolidated financial results for the year ending September 30, 2019 (from October 1, 2018 to September 30, 2019)

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	3,347	20.9	1,030	40.1	1,030	39.6	638	39.2	33.71

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, 2019	19,500,000 shares	As of September 30, 2018	19,500,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	853,104 shares	As of September 30, 2018	853,104 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, 2019	18,646,896 shares	Six months ended March 31, 2018	19,061,709 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	1,661,816	1,764,687
Accounts receivable - trade	27,042	47,877
Accounts receivable - other	140,579	249,559
Other	34,285	27,675
Allowance for doubtful accounts	—	(1,035)
Total current assets	1,863,724	2,088,764
Non-current assets		
Property, plant and equipment	71,401	56,779
Intangible assets	6,951	31,888
Investments and other assets	132,543	142,306
Total non-current assets	210,895	230,975
Total assets	2,074,619	2,319,739
Liabilities		
Current liabilities		
Accounts payable - trade	19,902	11,516
Accounts payable - other	232,890	188,429
Income taxes payable	186,742	200,867
Accrued consumption taxes	32,210	24,054
Advances received	10,766	8,476
Deposits received	49,456	49,068
Provision for bonuses	23,246	21,426
Other	57,827	43,843
Total current liabilities	613,042	547,683
Non-current liabilities		
Asset retirement obligations	31,361	29,249
Total non-current liabilities	31,361	29,249
Total liabilities	644,404	576,933
Net assets		
Shareholders' equity		
Capital stock	281,000	281,000
Capital surplus	276,000	276,000
Retained earnings	1,266,976	1,579,566
Treasury shares	(393,916)	(393,916)
Total shareholders' equity	1,430,059	1,742,650
Share acquisition rights	156	156
Total net assets	1,430,215	1,742,806
Total liabilities and net assets	2,074,619	2,319,739

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended March 31, 2018	Six months ended March 31, 2019
Net sales	1,261,586	1,431,008
Cost of sales	209,208	171,756
Gross profit	1,052,378	1,259,252
Selling, general and administrative expenses	771,411	747,762
Operating profit	280,966	511,489
Non-operating income		
Interest income	30	47
Gain on adjustment of account payable	1,513	2,560
Other	30	45
Total non-operating income	1,574	2,653
Non-operating expenses		
Other	89	66
Total non-operating expenses	89	66
Ordinary profit	282,451	514,076
Extraordinary losses		
Loss on retirement of non-current assets	—	121
Impairment loss	—	10,010
Differences between the asset retirement liability balance and the actual retirement cost	—	3,596
Total extraordinary losses	—	13,728
Profit before income taxes	282,451	500,347
Income taxes - current	104,446	189,339
Income taxes - deferred	908	(1,582)
Total income taxes	105,354	187,756
Profit	177,096	312,590

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended March 31, 2018	Six months ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	282,451	500,347
Depreciation	6,605	7,326
Increase (decrease) in allowance for doubtful accounts	(591)	1,035
Increase (decrease) in provision for bonuses	(5,128)	(1,819)
Interest and dividend income	(30)	(47)
Impairment loss	–	10,010
Decrease (increase) in notes and accounts receivable - trade	(3,030)	(20,834)
Decrease (increase) in accounts receivable - other	(139,547)	(108,524)
Increase (decrease) in notes and accounts payable - trade	(9,549)	(8,385)
Increase (decrease) in accounts payable - other	(15,756)	(51,221)
Increase (decrease) in accrued consumption taxes	(12,773)	(7,655)
Increase (decrease) in advances received	(3,700)	(2,289)
Increase (decrease) in deposits received	(5,508)	(387)
Other, net	(30,334)	(1,950)
Subtotal	63,105	315,602
Interest and dividend income received	30	47
Income taxes paid	(138,846)	(175,394)
Net cash provided by (used in) operating activities	(75,710)	140,254
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,096)	(945)
Proceeds from sales of property, plant and equipment	–	80
Purchase of intangible assets	–	(26,909)
Proceeds from collection of lease and guarantee deposits	83	63
Purchase of shares of subsidiaries	–	(9,671)
Net cash provided by (used in) investing activities	(3,013)	(37,384)
Cash flows from financing activities		
Purchase of treasury shares	(67)	–
Proceeds from issuance of share acquisition rights	156	–
Net cash provided by (used in) financing activities	88	–
Net increase (decrease) in cash and cash equivalents	(78,635)	102,870
Cash and cash equivalents at beginning of period	1,459,631	1,661,816
Cash and cash equivalents at end of period	1,380,995	1,764,687