

Translation

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

February 5, 2020

Company name: LINKBAL INC
 Stock exchange listing: Tokyo
 Stock code: 6046 URL <https://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: February 5, 2020
 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 three months ended December 31, 2019 (from October 1, 2019 to December 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	%
Three months ended December 31, 2019	603	(20.4)	171	(34.1)	172	(34.2)	110	(30.2)
Three months ended December 31, 2018	758	21.9	260	89.7	261	89.8	158	78.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2019	5.93		—	
Three months ended December 31, 2018	8.50		—	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	2,613	2,173	83.2
As of September 30, 2019	2,690	2,062	76.7

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, 2019	—	0.00	—	0.00	0.00
Year ending September 30, 2020	—				
Year ending September 30, 2020 (Forecast)		0.00	—	0.00	0.00

3. Forecast of non-consolidated financial results for the year ending September 30, 2020 (from October 1, 2019 to September 30, 2020)

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, 2020	1,301	(9.0)	301	(41.0)	301	(41.3)	187	(40.1)	10.04
Full year	2,804	3.1	527	(48.5)	527	(48.7)	327	(48.3)	17.55

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 December 31, 2019	19,500,000 shares	As of September 30, 2019	19,500,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	853,104 shares	As of September 30, 2019	853,104 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2019	18,646,896 shares	Three months ended December 31, 2018	18,646,896 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	2,281,192	2,116,797
Accounts receivable - trade	25,575	19,582
Accounts receivable - other	129,926	235,118
Other	23,755	25,754
Allowance for doubtful accounts	–	(1,003)
Total current assets	2,460,449	2,396,250
Non-current assets		
Property, plant and equipment	51,483	49,921
Intangible assets	28,122	26,314
Investments and other assets	150,869	140,773
Total non-current assets	230,475	217,009
Total assets	2,690,925	2,613,259
Liabilities		
Current liabilities		
Accounts payable - trade	6,947	6,628
Accounts payable - other	171,098	174,227
Income taxes payable	264,918	53,933
Accrued consumption taxes	31,722	31,354
Advances received	8,621	7,041
Deposits received	34,236	35,914
Provision for bonuses	19,182	10,654
Other	44,253	72,733
Total current liabilities	580,979	392,487
Non-current liabilities		
Asset retirement obligations	29,342	29,389
Other	17,800	18,000
Total non-current liabilities	47,142	47,389
Total liabilities	628,122	439,877
Net assets		
Shareholders' equity		
Share capital	281,000	281,000
Capital surplus	276,000	276,000
Retained earnings	1,899,562	2,010,142
Treasury shares	(393,916)	(393,916)
Total shareholders' equity	2,062,646	2,173,225
Share acquisition rights	156	156
Total net assets	2,062,802	2,173,381
Total liabilities and net assets	2,690,925	2,613,259

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended December 31, 2018	Three months ended December 31, 2019
Net sales	758,026	603,724
Cost of sales	102,318	45,207
Gross profit	655,707	558,517
Selling, general and administrative expenses	395,530	387,076
Operating profit	260,177	171,440
Non-operating income		
Interest income	21	53
Gain on adjustment of account payable	1,351	—
Other	40	706
Total non-operating income	1,414	760
Non-operating expenses		
Other	38	—
Total non-operating expenses	38	—
Ordinary profit	261,552	172,200
Extraordinary losses		
Loss on retirement of non-current assets	121	—
Impairment loss	9,711	—
Total extraordinary losses	9,833	—
Profit before income taxes	251,718	172,200
Income taxes - current	90,365	50,489
Income taxes - deferred	2,914	11,131
Total income taxes	93,280	61,621
Profit	158,438	110,579