

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended March 31, 2020 (Based on Japanese GAAP)

May 7, 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: May 7, 2020
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: No
 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, 2020 (from October 1, 2019 to March 31, 2020)

(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, 2020	1,110	(22.4)	281	(44.9)	283	(44.9)	180	(42.3)
Six months ended March 31, 2019	1,431	13.4	511	82.0	514	82.0	312	76.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended March 31, 2020	9.67	—
Six months ended March 31, 2019	16.76	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2020	2,569	2,243	87.3
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	—	0.00	—	—	—
Year ending September 30, 2020 (Forecast)	—	—	—	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
Full year	—	—	—	—	—	—	—	—	—

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, 2020	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 March 31, 2020	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)

Six months ended March 31, 2020	18,646,896 shares	Six months ended March 31, 2019	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 March 31, 2020
Assets		
Current assets		
Cash and deposits	2,281,192	2,250,433
Accounts receivable - trade	25,575	25,686
Accounts receivable - other	129,926	55,814
Other	23,755	21,857
Total current assets	2,460,449	2,353,792
Non-current assets		
Property, plant and equipment	51,483	48,339
Intangible assets	28,122	24,505
Investments and other assets		
Other	150,869	144,376
Allowance for doubtful accounts	—	(1,018)
Total investments and other assets	150,869	143,358
Total non-current assets	230,475	216,204
Total assets	2,690,925	2,569,997
Liabilities		
Current liabilities		
Accounts payable - trade	6,947	1,047
Accounts payable - other	171,098	69,216
Income taxes payable	264,918	105,267
Accrued consumption taxes	31,722	14,913
Advances received	8,621	7,125
Deposits received	34,236	18,561
Provision for bonuses	19,182	18,518
Other	44,253	43,592
Total current liabilities	580,979	278,241
Non-current liabilities		
Asset retirement obligations	29,342	29,436
Other	17,800	19,200
Total non-current liabilities	47,142	48,636
Total liabilities	628,122	326,878
Net assets		
Shareholders' equity		
Share capital	281,000	281,000
Capital surplus	276,000	276,000
Retained earnings	1,899,562	2,079,879
Treasury shares	(393,916)	(393,916)
Total shareholders' equity	2,062,646	2,242,962
Share acquisition rights	156	156
Total net assets	2,062,802	2,243,118
Total liabilities and net assets	2,690,925	2,569,997

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended March 31, 2019	Six months ended March 31, 2020
Net sales	1,431,008	1,110,167
Cost of sales	171,756	76,854
Gross profit	1,259,252	1,033,312
Selling, general and administrative expenses	747,762	751,399
Operating profit	511,489	281,912
Non-operating income		
Interest income	47	136
Gain on adjustment of account payable	2,560	–
Other	45	1,017
Total non-operating income	2,653	1,153
Non-operating expenses		
Other	66	–
Total non-operating expenses	66	–
Ordinary profit	514,076	283,066
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 -EL	3,596	–
Total extraordinary losses	13,728	–
Profit before income taxes	500,347	283,066
Income taxes - current	189,339	96,986
Income taxes - deferred	(1,582)	5,763
Total income taxes	187,756	102,750
Profit	312,590	180,316

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended March 31, 2019	Six months ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	500,347	283,066
Depreciation	7,326	8,952
Increase (decrease) in allowance for doubtful accounts	1,035	1,018
Increase (decrease) in provision for bonuses	(1,819)	(663)
Interest and dividend income	(47)	(136)
Impairment loss	10,010	–
Decrease (increase) in trade receivables	(20,834)	(111)
Decrease (increase) in accounts receivable - other	(108,524)	76,046
Increase (decrease) in trade payables	(8,385)	(5,900)
Increase (decrease) in accounts payable - other	(51,221)	(101,882)
Increase (decrease) in accrued consumption taxes	(7,655)	(16,809)
Increase (decrease) in advances received	(2,289)	(1,496)
Increase (decrease) in deposits received	(387)	(14,274)
Other, net	(1,950)	(3,124)
Subtotal	315,602	224,684
Interest and dividends received	47	136
Income taxes paid	(175,394)	(251,720)
Net cash provided by (used in) operating activities	140,254	(26,900)
Cash flows from investing activities		
Purchase of property, plant and equipment	(945)	(2,191)
Proceeds from sales of property, plant and equipment	80	–
Purchase of intangible assets	(26,909)	–
Proceeds from refund of leasehold and guarantee deposits	63	–
Purchase of shares of subsidiaries	(9,671)	–
Payments of loan advances to subsidiaries and associates	–	(10,000)
Collection of loans receivable from subsidiaries and affiliates	–	8,333
Net cash provided by (used in) investing activities	(37,384)	(3,858)
Net increase (decrease) in cash and cash equivalents	102,870	(30,758)
Cash and cash equivalents at beginning of period	1,661,816	2,281,192
Cash and cash equivalents at end of period	1,764,687	2,250,433