

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended September 30, 2020 (Based on Japanese GAAP)

November 4, 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 of ordinary general meeting of shareholders: December 18, 2020
 Scheduled date to file Securities Report: December 18, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended September 30, 2020 (from October 1, 2019 to September 30, 2020)

(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, 2020	1,427	(47.5)	50	(95.1)	59	(94.2)	5	(99.1)
Year ended September 30, 2019	2,719	(1.8)	1,026	39.5	1,028	39.4	632	37.8

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2020	0.32	–	0.3	2.4	3.5
Year ended September 30, 2019	33.92	–	36.2	43.2	37.7

(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, 2020	2,269	2,068	91.2	110.94
As of September 30, 2019	2,690	2,062	76.7	110.62

(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, 2020	(431)	(31)	–	1,817
Year ended September 30, 2019	669	(50)	–	2,281

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, 2019	–	0.00	–	0.00	0.00	–	–	–
Year ended September 30, 2020	–	0.00	–	0.00	0.00	–	–	–
Year ending September 30, 2021 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of non-consolidated financial results for the year ending September 30, 2020 (from October 1, 2020 to September 30, 2021)

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, 2021	—	—	—	—	—	—	—	—	—
Full year	—	—	—	—	—	—	—	—	—

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, 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 September 30, 2020	853,104 shares	As of September 30, 2019	853,104 shares
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Average number of shares during the period

Year ended September 30, 2020	18,646,896 shares	Year ended September 30, 2019	18,646,896 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2019	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	2,281,192	1,817,576
Accounts receivable - trade	25,575	18,090
Accounts receivable - other	129,926	63,953
Advance payments - trade	1,215	—
Prepaid expenses	13,817	13,427
Short-term loans receivable from subsidiaries and associates	7,500	—
Current portion of long-term loans receivable from subsidiaries and associates	—	3,333
Income taxes receivable	—	166,226
Other	1,222	77,713
Total current assets	2,460,449	2,160,322
Non-current assets		
Property, plant and equipment		
Buildings	76,984	2,200
Accumulated depreciation	(34,002)	(1,271)
Buildings, net	42,981	928
Tools, furniture and fixtures	25,735	15,675
Accumulated depreciation	(17,232)	(12,941)
Tools, furniture and fixtures, net	8,502	2,734
Total property, plant and equipment	51,483	3,663
Intangible assets		
Trademark right	270	168
Software	27,852	26,381
Other	—	22,500
Total intangible assets	28,122	49,050
Investments and other assets		
Shares of subsidiaries and associates	9,671	9,671
Long-term loans receivable from subsidiaries and associates	—	4,166
Deferred tax assets	54,443	40,352
Guarantee deposits	2,200	2,200
Leasehold deposits	78,938	—
Distressed receivables	—	1,003
Allowance for doubtful accounts	—	(1,003)
Other	5,616	—
Total investments and other assets	150,869	56,390
Total non-current assets	230,475	109,104
Total assets	2,690,925	2,269,426

(Thousands of yen)

	As of September 30, 2019	As of September 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	6,947	1,026
Accounts payable - other	171,098	80,541
Accrued expenses	44,253	32,467
Income taxes payable	264,918	—
Accrued consumption taxes	31,722	—
Advances received	8,621	6,688
Deposits received	34,236	21,410
Provision for bonuses	19,182	18,486
Asset retirement obligations	—	23,103
Total current liabilities	580,979	183,725
Non-current liabilities		
Asset retirement obligations	29,342	—
Long-term guarantee deposits	17,800	17,000
Total non-current liabilities	47,142	17,000
Total liabilities	628,122	200,725
Net assets		
Shareholders' equity		
Share capital	281,000	281,000
Capital surplus		
Legal capital surplus	276,000	276,000
Total capital surpluses	276,000	276,000
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,899,562	1,905,556
Total retained earnings	1,899,562	1,905,556
Treasury shares	(393,916)	(393,916)
Total shareholders' equity	2,062,646	2,068,640
Share acquisition rights	156	61
Total net assets	2,062,802	2,068,701
Total liabilities and net assets	2,690,925	2,269,426

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended September 30, 2019	Fiscal year ended September 30, 2020
Net sales	2,719,629	1,427,708
Cost of sales	268,730	108,652
Gross profit	2,450,898	1,319,055
Selling, general and administrative expenses	1,424,842	1,268,600
Operating profit	1,026,056	50,455
Non-operating income		
Interest income	95	245
Subsidy income	—	8,000
Gain on adjustment of account payable	2,837	—
Other	51	1,017
Total non-operating income	2,985	9,262
Non-operating expenses		
Other	77	400
Total non-operating expenses	77	400
Ordinary profit	1,028,964	59,318
Extraordinary income		
Gain on reversal of asset retirement obligations	—	6,427
Other	—	95
Total extraordinary income	—	6,522
Extraordinary losses		
Impairment loss	10,010	38,955
Differences between the asset retirement liability balance and the actual retirement cost	3,596	—
Other	121	4,670
Total extraordinary losses	13,728	43,625
Profit before income taxes	1,015,235	22,214
Income taxes - current	389,895	2,129
Income taxes - deferred	(7,246)	14,091
Total income taxes	382,648	16,220
Profit	632,586	5,994

Non-consolidated statements of changes in equity

Fiscal year ended September 30, 2019

(Thousands of yen)

(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	Total capital surplus	Other retained earnings	Total retained earnings				
				Retained earnings brought forward					
Balance at beginning of period	281,000	276,000	276,000	1,266,976	1,266,976	(393,916)	1,430,059	156	1,430,215
Changes during period									
Profit				632,586	632,586		632,586		632,586
Total changes during period	—	—	—	632,586	632,586	—	632,586	—	632,586
Balance at end of period	281,000	276,000	276,000	1,899,562	1,899,562	(393,916)	2,062,646	156	2,062,802

Fiscal year ended September 30, 2020

(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	Total capital surplus	Other retained earnings	Total retained earnings				
				Retained earnings brought forward					
Balance at beginning of period	281,000	276,000	276,000	1,899,562	1,899,562	(393,916)	2,062,646	156	2,062,802
Changes during period									
Profit				5,994	5,994		5,994		5,994
Forfeiture of share acquisition rights								(95)	(95)
Total changes during period	—	—	—	5,994	5,994	—	5,994	(95)	5,899
Balance at end of period	281,000	276,000	276,000	1,905,556	1,905,556	(393,916)	2,068,640	61	2,068,701

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2019	Fiscal year ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	1,015,235	22,214
Depreciation	16,874	21,139
Impairment loss	10,010	38,955
Increase (decrease) in allowance for doubtful accounts	–	1,003
Increase (decrease) in provision for bonuses	(4,063)	(695)
Interest and dividend income	(95)	(245)
Subsidy income	–	(8,000)
Decrease (increase) in trade receivables	1,467	7,484
Decrease (increase) in accounts receivable - other	10,653	65,972
Increase (decrease) in trade payables	(12,954)	(5,921)
Increase (decrease) in accounts payable - other	(61,792)	(90,556)
Increase (decrease) in accrued consumption taxes	12	(31,521)
Increase (decrease) in advances received	(2,144)	(1,932)
Increase (decrease) in deposits received	2,579	(12,825)
Other, net	7,615	(24,725)
Subtotal	983,397	(19,654)
Interest and dividends received	95	245
Proceeds from subsidy income	–	8,000
Income taxes (paid) refund	(313,881)	(420,339)
Net cash provided by (used in) operating activities	669,611	(431,748)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,431)	(2,511)
Proceeds from sales of property, plant and equipment	80	–
Purchase of intangible assets	(26,909)	(31,290)
Purchase of shares of subsidiaries	(9,671)	–
Payments of leasehold and guarantee deposits	(2,200)	–
Proceeds from refund of leasehold and guarantee deposits	2,905	1,934
Loan advances to subsidiaries and associates	(7,500)	(10,000)
Payments for asset retirement obligations	(5,508)	–
Collection of loans receivable from subsidiaries and affiliates	–	9,999
Net cash provided by (used in) investing activities	(50,236)	(31,867)
Net increase (decrease) in cash and cash equivalents	619,375	(463,615)
Cash and cash equivalents at beginning of period	1,661,816	2,281,192
Cash and cash equivalents at end of period	2,281,192	1,817,576