

## [REFERENCE TRANSLATION]

Please note that this translation is to be used solely as reference and the financial statements in this material are unaudited.

In case of any discrepancy between this translation and the Japanese original, the latter shall prevail.

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## Consolidated Financial Results for the Year Ended March 31, 2022 (Japanese GAAP)

May 16, 2022

Company name : Linical Co., Ltd.  
 Stock Listing : Tokyo Stock Exchange  
 Code No. : 2183  
 URL : <https://www.linical.co.jp/>  
 Representative : Kazuhiro Hatano, President & Chief Executive Officer  
 Contact : Akihiro Takahashi, Executive Vice President, Chief Financial Officer

Scheduled date of Ordinary General Meeting of Shareholders : June 23, 2022  
 Scheduled date of start of dividend payment : June 9, 2022  
 Scheduled date of filing Financial Report of fiscal Year ended Mar 2022 : June 24, 2022  
 Preparation of supplementary materials for the financial statements : Yes  
 Holding of presentation for the financial results : Yes  
 (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

#### (1) Consolidated Financial Results (cumulative)

(% figures show year-on-year change)

Year Ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	(¥ million)	change(%)	(¥ million)	change(%)	(¥ million)	change(%)	(¥ million)	change(%)
March 31, 2022	11,555	12.4	1,085	139.5	1,183	101.1	790	46.4
March 31, 2021	10,279	△6.0	453	△54.9	588	△35.9	539	11.8

(Note) Comprehensive income Year Ended March 31, 2022: ¥1,159 million (54.9%)  
 Year Ended March 31, 2021: ¥748 million (96.2%)

Year Ended	Net income per share (¥)	Diluted net income per share	Return on Equity (%)	Ratio of Ordinary profit to Total assets (%)	Ratio of Operating income to Net sales (%)
March 31, 2022	35.00	—	12.9	7.6	9.4
March 31, 2021	23.91	—	9.8	4.0	4.4

(Reference) Equity method investment gain or loss: Year Ended March 31, 2022: — million  
 Year Ended March 31, 2021: — million

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29) from the beginning of the current fiscal year.

#### (2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net asset per share (¥)
As of March 31, 2022	15,716	6,543	41.6	289.69
As of March 31, 2021	15,280	5,712	37.4	252.92

(Reference) Shareholder's equity: ¥ 6,543million  
¥ 5,712million

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29) from the beginning of the current fiscal year.

### (3) Consolidated Cash flow statement

Year Ended	Cash flow from operating activities (¥ million)	Cash flow from investing activities (¥ million)	Cash flow from financing activities (¥ million)	Cash and Cash equivalents at end of year (¥ million)
March 31,2022	1,631	20	△951	5,985
March 31,2021	23	169	△329	5,084

### 2. Dividends

	Dividends per share (¥)					Total Amount of Cash Dividends (annual) (¥ million)	Dividend Payout Ratio (consolidated) (%)	Ratio of Total Amount of Dividends to Shareholders' Equity (consolidated) (%)
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total			
Year Ended March 31, 2021	—	0.00	—	14.00	14.00	316	58.6	5.7
Year Ended March 31, 2022	—	0.00	—	14.00	14.00	316	40.0	5.2
Year Ending March 31, 2023(Forecast)	—	0.00	—	14.00	14.00		—	

### 3. Forecast of Consolidated Financial Result for the Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share (¥)
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	
Full year	12,440	7.7	1,224	12.7	1,204	1.7	871	10.2	38.56

#### ※ Notes

(1)Changes in significant subsidiaries during the period(changes in specified subsidiaries that caused changes in scope of consolidation) : No

New: - (Company Name) -  
Exclusion: - (Company Name) -

(2)Changes in accounting policies, accounting estimates and restatements

- 1)Changes in accounting policies resulting from the revision of the accounting standards and other regulations : Yes  
2)Changes in accounting policies other than 1) : No  
3)Changes in accounting estimates : No  
4)Restatements : No

(3)Number of issued shares (Common share)

(a)Number of issued shares at the end of the period (including treasury shares)

As of : 24,740,000 shares  
March 31, 2022 : 24,740,000 shares  
As of March 31, 2021

(b) Number of treasury shares at the end of the period

As of March 31, 2022 : 2,153,564 shares  
As of March 31, 2021 : 2,153,564 shares

(c) Average number of shares during the period

Year Ended March 31, 2022 : 22,586,436 shares

Year Ended March 31, 2021 : 22,586,491 shares

(Reference)

Non-Consolidated Financial Results for the Year Ended March 31, 2022

(April 1, 2021 to March 31, 2022)

(1) Non-Consolidated Financial Results

(% figures show year-on-year change)

Year Ended	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	change(%)	(¥ million)	change(%)	(¥ million)	change(%)	(¥ million)	change(%)
March 31, 2022	6,294	△2.9	506	80.1	684	69.3	360	36.7
March 31, 2021	6,483	△12.5	281	△70.5	404	△56.2	263	△50.0

Year Ended	Net income per share (¥)	Diluted net income per share
March 31, 2022	15.96	—
March 31, 2021	11.67	—

(2) Non-Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net asset per share (¥)
As of March 31, 2022	11,577	6,276	54.2	277.88
As of March 31, 2021	12,105	6,200	51.2	274.54

(Reference) Shareholder's equity: As of March 31, 2022: ¥6,276million

As of March 31, 2021: ¥6,200million

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29) from the beginning of the current fiscal year.

\* This release is outside the scope of the audit procedure by certified public accountants or audit firms.

\* Explanation on appropriate use of forecast and other special items

This material contains business forecast and other forward-looking statements which are based on available information and certain assumptions that are considered reasonable at the time of preparation. Various factors may cause actual results to be materially different from those expressed in these forward-looking statements.

## Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	5,084,201	5,985,618
Accounts receivable - trade	2,982,090	—
Accounts receivable - trade and contract	—	2,917,990
Prepaid expenses	153,407	197,784
Advances paid	1,183,907	987,891
Other	355,957	266,645
Allowance for doubtful accounts	△36,850	△34,842
Total current assets	9,722,712	10,321,087
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	93,410	95,045
Accumulated depreciation	△48,106	△39,854
Facilities attached to buildings, net	45,303	55,190
Tools, furniture and fixtures	312,484	319,493
Accumulated depreciation	△188,554	△209,128
Tools, furniture and fixtures, net	123,930	110,365
Leased assets	696,468	738,008
Accumulated depreciation	△164,538	△239,453
Leased assets, net	531,930	498,554
Total property, plant and equipment	701,164	664,111
Intangible assets		
Goodwill	3,463,418	3,406,633
Other	188,469	159,249
Total intangible assets	3,651,888	3,565,883
Investments and other assets		
Investment securities	294,423	347,652
Long-term prepaid expenses	4,368	5,461
Guarantee deposits	449,803	366,280
Deferred tax assets	456,286	445,992
Total investments and other assets	1,204,882	1,165,387
Total non-current assets	5,557,935	5,395,381
Total assets	15,280,647	15,716,469

## Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	610,799	600,000
Current portion of long-term borrowings	539,976	539,976
Accounts payable - other	665,588	533,842
Accrued expenses	455,003	402,485
Income taxes payable	203,409	193,650
Accrued consumption taxes	38,793	38,747
Advances received	1,909,343	2,147,272
Deposits received	635,639	688,038
Provision for bonuses	177,114	171,809
Other	98,155	162,279
Total current liabilities	5,333,824	5,478,102
Non-current liabilities		
Long-term borrowings	3,073,542	2,533,566
Lease liabilities	468,192	430,959
Retirement benefit liability	645,066	689,644
Other	47,400	41,028
Total non-current liabilities	4,234,202	3,695,198
Total liabilities	9,568,027	9,173,300
<b>Net assets</b>		
Shareholders' equity		
Share capital	214,043	214,043
Retained earnings	6,142,987	6,604,985
Treasury shares	△657,461	△657,461
Total shareholders' equity	5,699,568	6,161,567
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,084	42,339
Foreign currency translation adjustment	△1,451	322,124
Remeasurements of defined benefit plans	3,418	17,138
Total accumulated other comprehensive income	13,052	381,601
Total net assets	5,712,620	6,543,169
<b>Total liabilities and net assets</b>	<b>15,280,647</b>	<b>15,716,469</b>

## Consolidated statements of income (cumulative)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	10,279,314	11,555,088
Cost of sales	7,511,706	7,943,518
Gross profit	2,767,608	3,611,570
Selling, general and administrative expenses	2,314,173	2,525,666
Operating profit	453,434	1,085,903
Non-operating income		
Interest income	10,217	598
Foreign exchange gains	14,778	100,596
Gain on valuation of investment securities	2,671	11,781
Subsidy income	126,792	—
Total non-operating income	154,460	112,977
Non-operating expenses		
Interest expenses	15,407	14,180
Other	3,852	1,106
Total non-operating expenses	19,260	15,286
Ordinary profit	588,634	1,183,594
Extraordinary income		
Insurance claim income	101,959	—
Settlement received	—	162,329
Total extraordinary income	101,959	162,329
Extraordinary losses		
Arbitration related expenses	198,701	145,912
Settlement money	133,166	—
Information security expenses	—	168,069
Total extraordinary losses	331,867	313,981
Profit before income taxes	358,725	1,031,942
Income taxes - current	381,544	249,821
Income taxes - refund	△285,106	—
Income taxes - deferred	△277,680	△8,367
Total income taxes	△181,242	241,454
Profit	539,968	790,487
Profit attributable to owners of parent	539,968	790,487

## Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	539,968	790,487
Other comprehensive income		
Valuation difference on available-for-sale securities	△21,419	31,254
Foreign currency translation adjustment	220,875	323,575
Remeasurements of defined benefit plans, net of tax	9,043	13,719
Total other comprehensive income	208,499	368,549
Comprehensive income	748,467	1,159,037
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	748,467	1,159,037
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated Statements of Shareholders' Equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	214,043	50,423	5,927,102	△657,371	5,534,198
Changes during period					
Dividends of surplus			△316,211		△316,211
Profit attributable to owners of parent			539,968		539,968
Increase or decrease by reorganization		△50,423	△7,872		△58,295
Purchase of treasury shares				△89	△89
Net changes in items other than shareholders' equity					
Total changes during period	—	△50,423	215,884	△89	165,370
Balance at end of period	214,043	—	6,142,987	△657,461	5,699,568

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	32,503	△222,327	△5,624	△195,447	5,338,750
Changes during period					
Dividends of surplus					△316,211
Profit attributable to owners of parent					539,968
Increase or decrease by reorganization					△58,295
Purchase of treasury shares					△89
Net changes in items other than shareholders' equity	△21,419	220,875	9,043	208,499	208,499
Total changes during period	△21,419	220,875	9,043	208,499	373,869
Balance at end of period	11,084	△1,451	3,418	13,052	5,712,620



## Consolidated Statements of Shareholders' Equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	214,043	6,142,987	△657,461	5,699,568
Cumulative effects of changes in accounting policies		△12,279		△12,279
Restated balance	214,043	6,130,708	△657,461	5,687,289
Changes during period				
Dividends of surplus		△316,210		△316,210
Profit attributable to owners of parent		790,487		790,487
Net changes in items other than shareholders' equity				
Total changes during period	—	474,277	—	474,277
Balance at end of period	214,043	6,604,985	△657,461	6,161,567

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	11,084	△1,451	3,418	13,052	5,712,620
Cumulative effects of changes in accounting policies					△12,279
Restated balance	11,084	△1,451	3,418	13,052	5,700,341
Changes during period					
Dividends of surplus					△316,210
Profit attributable to owners of parent					790,487
Net changes in items other than shareholders' equity	31,254	323,575	13,719	368,549	368,549
Total changes during period	31,254	323,575	13,719	368,549	842,827
Balance at end of period	42,339	322,124	17,138	381,601	6,543,169

## Consolidated statements of cash flows (cumulative)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	358,725	1,031,942
Depreciation	194,909	168,770
Amortization of goodwill	228,002	271,810
Amortization of long-term prepaid expenses	4,336	18,198
Arbitration related expenses	198,701	145,912
Information security expenses	—	168,069
Settlement payments	—	△162,329
Settlement Money	133,166	—
Insurance claim income	△101,959	—
Increase (decrease) in provision for bonuses	△7,437	△6,634
Increase (decrease) in allowance for doubtful accounts	3,961	△5,210
Increase (decrease) in retirement benefit liability	82,208	49,841
Interest and dividend income	△10,217	△598
Interest expenses	15,407	14,180
Loss (gain) on valuation of investment securities	△2,671	△11,781
Subsidy income	△126,792	—
Foreign exchange losses (gains)	31,045	△89,297
Decrease (increase) in trade receivables	△848,050	—
Decrease (increase) in trade receivables and contract assets	—	126,088
Decrease (increase) in advances paid	△328,880	225,117
Decrease (increase) in prepaid expenses	△8,889	△36,874
Increase (decrease) in accounts payable - other	△28,186	△133,471
Increase (decrease) in accrued expenses	35,498	△76,180
Increase (decrease) in advances received	296,686	96,016
Increase (decrease) in deposits received	△31,739	33,508
Other, net	△38,147	398,654
Subtotal	49,677	2,225,730
Interest and dividends received	10,227	598
Interest paid	△15,410	△14,082
Income taxes paid	△222,910	△399,361
Income taxes refund	285,106	—
Subsidies received	126,792	—
Proceeds from insurance income	101,959	—
Settlement money paid	△133,166	—
Settlement received	—	162,329
Information security expenses paid	—	△154,144
Arbitration related expenses paid	△178,665	△189,275
Net cash provided by (used in) operating activities	23,610	1,631,794

## Consolidated statements of cash flows (cumulative)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Cash flows from investing activities</b>		
Purchase of investment securities	△60,000	△50,000
Purchase of property, plant and equipment	△22,364	△45,137
Purchase of intangible assets	△46,137	△1,336
Purchase of long-term prepaid expenses	△4,509	△4,011
Proceeds from distributions from investment partnerships	28,784	52,898
Payments of guarantee deposits	△4,622	△32,478
Proceeds from refund of guarantee deposits	11,768	100,822
Proceeds from a partial refund of consideration for acquisition from the seller by adjusting the consideration of shares of subsidiaries	266,084	—
Net cash provided by (used in) investing activities	169,003	20,756
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings	△439,200	△10,799
Proceeds from long-term borrowings	930,000	—
Repayments of long-term borrowings	△419,976	△539,976
Purchase of treasury shares	△89	—
Dividends paid	△316,293	△316,042
Repayments of lease liabilities	△84,001	△84,729
Net cash provided by (used in) financing activities	△329,560	△951,548
Effect of exchange rate change on cash and cash equivalents	10,244	200,414
Net increase (decrease) in cash and cash equivalents	△126,701	901,417
Cash and cash equivalents at beginning of period	5,210,902	5,084,201
Cash and cash equivalents at end of period	5,084,201	5,985,618