

[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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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Japanese GAAP)

August 14, 2023

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 filing of quarterly report : August 14, 2023
Scheduled date of start of dividend payment : —
Preparation of supplementary materials for the quarterly financial statements : Yes
Holding of presentation quarterly financial results : No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated Financial Results (cumulative)

(% figures show year-on-year change)

Three Months Ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	(¥ million)	change(%)	(¥ million)	change(%)	(¥ million)	change(%)	(¥ million)	change(%)
June 30, 2023	3,082	7.4	112	—	168	87.5	3	△95.4
June 30, 2022	2,868	3.0	△26	—	89	△36.0	76	13.8

(Note) Comprehensive income Three Months Ended June 30, 2023: ¥419 million (△7.2%)
Three Months Ended June 30, 2022: ¥451 million (427.6%)

Three Months Ended	Net income per share	Diluted net income per share
	(¥)	(¥)
June 30, 2023	0.16	—
June 30, 2022	3.41	—

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net asset per share (¥)
As of June 30, 2023	17,660	7,684	43.5	340.21
As of March 31, 2023	17,464	7,581	43.4	335.65

(Reference) Shareholder's equity: As of June 30, 2023: ¥7,684 million
As of March 31, 2023: ¥7,581 million

2. Dividends

	Annual dividends per share (¥)				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total
Year Ended March 31, 2023	—	0.00	—	14.00	14.00
Year Ending March 31, 2024	—				
Year Ending March 31, 2024(Forecast)		0.00	—	15.00	15.00

(Note) Change in the dividend forecast from the most recent announcement: No

3. Forecast of Consolidated Financial Result for the Year Ending March 31, 2024

(April 1, 2023 to March 31, 2024)

(% 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	13,300	6.3	1,400	11.4	1,400	9.1	1,008	0.4	44.63

(Note) Change in forecasts of consolidated financial results from the most recent announcement: No

※ 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)Adoption of accounting methods specific to the preparation of quarterly consolidated financial statements : No

(3)Changes in accounting policies, accounting estimates and restatement of corrections

1)Changes in accounting policies resulting from the revision of the accounting standards and other regulations : No

2)Changes in accounting policies other than 1) : No

3)Changes in accounting estimates : No

4)Restatement of corrections : No

(4)Number of issued shares (Common share)

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

As of June 30, 2023 : 24,740,000 shares

As of March 31, 2023 : 24,740,000 shares

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

As of June 30, 2023 : 2,153,564 shares

As of March 31, 2023 : 2,153,564 shares

(c) Average number of shares during the period

Three Months Ended June 30, 2023 : 22,586,436 shares

Three Months Ended June 30, 2022 : 22,586,436 shares

* This release is outside the scope of the external auditor's quarterly review procedure.

* 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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	7,042,100	6,264,833
Accounts receivable - trade and contract assets	3,427,995	3,802,992
Prepaid expenses	243,216	196,838
Advances paid	1,037,607	1,413,268
Other	270,534	275,232
Allowance for doubtful accounts	△12,786	△13,316
Total current assets	12,008,667	11,939,848
Non-current assets		
Property, plant and equipment	625,008	620,985
Intangible assets		
Goodwill	3,384,139	3,592,918
Other	127,054	135,355
Total intangible assets	3,511,194	3,728,273
Investments and other assets		
Investment securities	372,806	376,081
Long-term prepaid expenses	999	498
Guarantee deposits	374,096	382,887
Deferred tax assets	571,835	611,651
Total investments and other assets	1,319,737	1,371,119
Total non-current assets	5,455,940	5,720,378
Total assets	17,464,607	17,660,227

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Short-term borrowings	600,000	600,000
Current portion of long-term borrowings	539,976	539,976
Accounts payable – other	579,604	541,644
Accrued expenses	375,821	452,973
Income taxes payable	311,502	157,407
Accrued consumption taxes	86,222	91,385
Advances received	2,207,195	2,345,294
Deposits received	1,700,434	2,005,305
Provision for bonuses	159,922	81,843
Other	174,834	137,292
Total current liabilities	6,735,513	6,953,122
Non-current liabilities		
Long-term borrowings	1,993,590	1,858,596
Lease liabilities	408,621	405,727
Retirement benefit liability	718,354	735,630
Other	27,313	23,103
Total non-current liabilities	3,147,878	3,023,057
Total liabilities	9,883,392	9,976,179
Net assets		
Shareholders' equity		
Share capital	214,043	214,043
Retained earnings	7,293,144	6,980,467
Treasury shares	△657,461	△657,461
Total shareholders' equity	6,849,726	6,537,048
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	78,152	74,828
Foreign currency translation adjustment	616,973	1,038,010
Remeasurements of defined benefit plans	36,362	34,160
Total accumulated other comprehensive income	731,489	1,146,999
Total net assets	7,581,215	7,684,047
Total liabilities and net assets	17,464,607	17,660,227

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	2,868,964	3,082,097
Cost of sales	2,138,867	2,134,705
Gross profit	730,097	947,392
Selling, general and administrative expenses	756,908	835,339
Operating profit (loss)	△26,810	112,052
Non-operating income		
Interest income	91	3,991
Foreign exchange gains	124,595	58,688
Total non-operating income	124,686	62,680
Non-operating expenses		
Interest expenses	3,385	4,536
Loss on valuation of investment securities	3,721	1,759
Other	921	-
Total non-operating expenses	8,027	6,296
Ordinary profit	89,848	168,436
Extraordinary income		
Insurance claim income	50,000	-
Total extraordinary income	50,000	-
Extraordinary losses		
Business restructuring expenses	-	104,293
Total extraordinary losses	-	104,293
Profit before income taxes	139,848	64,142
Income taxes - current	37,557	64,897
Income taxes - deferred	25,330	△4,287
Total income taxes	62,887	60,609
Profit	76,960	3,532
Profit attributable to owners of parent	76,960	3,532

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	76,960	3,532
Other comprehensive income		
Valuation difference on available-for-sale securities	△10,018	△3,324
Foreign currency translation adjustment	384,788	421,036
Remeasurements of defined benefit plans, net of tax	△328	△2,202
Total other comprehensive income	374,441	415,509
Comprehensive income	451,402	419,042
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	451,402	419,042