

[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 Nine Months Ended December 31, 2023 (Japanese GAAP)

February 14, 2024

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

Scheduled date of filing of quarterly report : February 14, 2024
 Scheduled date of start of dividend payment : —
 Preparation of supplementary materials for the quarterly financial statements : Yes
 Holding of presentation for the quarterly financial results : No

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(1) Consolidated Financial Results (cumulative)

(% figures show year-on-year change)

Nine Months Ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	(¥ million)	change(%)	(¥ million)	change(%)	(¥ million)	change(%)	(¥ million)	change(%)
December 31, 2023	9,248	0.0	641	△13.4	632	△17.7	253	△56.1
December 31, 2022	9,246	7.3	740	△11.5	768	△9.2	577	10.0

(Note) Comprehensive income Nine Months Ended December 31, 2023: ¥558 million (△28.2%)
 Nine Months Ended December 31, 2022: ¥778 million (15.5%)

Nine Months Ended	Net income per share (¥)	Diluted net income per share (¥)
December 31, 2023	11.23	—
December 31, 2022	25.57	—

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net asset per share (¥)
As of December 31, 2023	17,681	7,823	44.2	346.38
As of March 31, 2023	17,464	7,581	43.4	335.65

(Reference) Shareholder's equity: As of December 31, 2023: ¥7,823 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	—	0.00	—		
Year Ending March 31, 2024(Forecast)				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	11,900	△4.9	340	△72.9	330	△74.3	0	△100.0	0.00

(Note) Change in forecasts of consolidated financial results from the most recent announcement: Yes

※ 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 restatements

- 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)Restatements : No

(4)Number of issued shares (Common share)

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

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

(c) Average number of shares during the period

Nine Months Ended December 31, 2023 : 22,586,436 shares
Nine Months Ended December 31, 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

The forward-looking statements herein are based on information currently available to the Company and certain assumptions determined to be reasonable. Actual results may differ significantly from these forecasts due to various factors.

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	7,042,100	7,341,788
Accounts receivable - trade and contrac	3,427,995	3,257,146
Prepaid expenses	243,216	242,702
Advances paid	1,037,607	1,059,748
Other	270,534	465,685
Allowance for doubtful accounts	△12,786	△13,142
Total current assets	12,008,667	12,353,929
Non-current assets		
Property, plant and equipment	625,008	509,491
Intangible assets		
Goodwill	3,384,139	3,408,656
Other	127,054	114,543
Total intangible assets	3,511,194	3,523,200
Investments and other assets		
Investment securities	372,806	290,979
Long-term prepaid expenses	999	1,287
Guarantee deposits	374,096	384,391
Deferred tax assets	571,835	618,073
Total investments and other assets	1,319,737	1,294,731
Total non-current assets	5,455,940	5,327,423
Total assets	17,464,607	17,681,353

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Short-term borrowings	600,000	600,000
Current portion of long-term borrowings	539,976	528,632
Accounts payable - other	579,604	580,592
Accrued expenses	375,821	334,960
Income taxes payable	311,502	121,312
Accrued consumption taxes	86,222	13,801
Advances received	2,207,195	2,429,153
Deposits received	1,700,434	2,309,289
Provision for bonuses	159,922	121,412
Other	174,834	176,041
Total current liabilities	6,735,513	7,215,195
Non-current liabilities		
Long-term borrowings	1,993,590	1,599,952
Lease liabilities	408,621	303,395
Retirement benefit liability	718,354	713,232
Other	27,313	26,152
Total non-current liabilities	3,147,878	2,642,732
Total liabilities	9,883,392	9,857,928
Net assets		
Shareholders' equity		
Share capital	214,043	214,043
Retained earnings	7,293,144	7,230,481
Treasury shares	△657,461	△657,461
Total shareholders' equity	6,849,726	6,787,062
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	78,152	45,188
Foreign currency translation adjustment	616,973	961,416
Remeasurements of defined benefit plans	36,362	29,756
Total accumulated other comprehensive income	731,489	1,036,361
Total net assets	7,581,215	7,823,424
Total liabilities and net assets	17,464,607	17,681,353

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	9,246,539	9,248,662
Cost of sales	6,256,857	6,276,497
Gross profit	2,989,682	2,972,165
Selling, general and administrative expenses	2,249,346	2,330,944
Operating profit	740,336	641,221
Non-operating income		
Interest income	441	31,409
Foreign exchange gains	57,453	-
Total non-operating income	57,895	31,409
Non-operating expenses		
Interest expenses	9,962	13,317
Foreign exchange losses	-	14,929
Loss on valuation of investment securities	19,864	11,867
Total non-operating expenses	29,826	40,115
Ordinary profit	768,404	632,515
Extraordinary income		
Insurance claim income	66,202	-
Gain on liquidation of subsidiaries	35,358	36,799
Total extraordinary income	101,560	36,799
Extraordinary losses		
Loss on cancellation of leases	20,478	-
Business restructuring expenses	26,619	148,495
Total extraordinary losses	47,098	148,495
Profit before income taxes	822,867	520,819
Income taxes - current	239,607	275,868
Income taxes - deferred	5,739	△8,596
Total income taxes	245,347	267,272
Profit	577,519	253,546
Profit attributable to owners of parent	577,519	253,546

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	577,519	253,546
Other comprehensive income		
Valuation difference on available-for-sale securities	△2,099	△32,964
Foreign currency translation adjustment	203,809	344,443
Remeasurements of defined benefit plans, net of tax	△986	△6,606
Total other comprehensive income	200,723	304,872
Comprehensive income	778,243	558,419
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	778,243	558,419