



Company Name: Linical Co., Ltd.
Representative: Kazuhiro Hatano
President & CEO
(TSE code: 2183)

May 15, 2026

Notice Concerning Recording of Impairment Loss (Consolidated and Non-consolidated) and Loss on Valuation of Shares in Affiliates (Non-consolidated), and Difference between Full-Year Consolidated Earnings Forecast and Actual Results

In the fourth quarter of the fiscal year ended March 2026, Linical Co., Ltd. (the Company) recorded an impairment loss (consolidated and non-consolidated) and a loss on valuation of shares in affiliates (non-consolidated). In addition, the Company hereby announces that there is a difference between the consolidated earnings forecast for the fiscal year ended March 2026 (April 1, 2025 to March 31, 2026) announced on March 18, 2026 and the actual results announced today.

1. Recording of impairment loss (consolidated and non-consolidated)

While the Company's business in Japan and Europe continues to face severe business conditions due to cancellations and delayed start of large-scale projects, the Company is reducing expenses, mainly personnel costs, by reducing personnel in Europe and restricting recruitment in Japan, while recruiting sales personnel and strengthening its global structure. However, profit and loss arising from the sales activities of the asset group continues to be negative. As a result of examining the collectability of fixed assets and goodwill, it was decided to record a total of 989 million yen, consisting of impairment loss on fixed assets of 159 million yen for the Japanese business and impairment loss on goodwill of 829 million yen for the European business.

In addition, an impairment loss on fixed assets of 161 million yen was recorded for this case in the non-consolidated financial statements.

2. Recording of loss on valuation of shares of affiliates (non-consolidated financial statements)

In connection with item 1 above, the real value of shares of LINICAL Holding GmbH held by the Company has declined significantly. Based on the "Accounting Standard for Financial Instruments" under Japanese GAAP, a loss on valuation of shares of affiliates of 1,333 million yen was recorded as an extraordinary loss in the non-consolidated financial statements for the fiscal year ended March 2026.

The loss on valuation of shares of subsidiaries and affiliates is recorded only in the non-consolidated financial statements of the Company and eliminated in the consolidated financial statements. Therefore, there is no impact on the full-year consolidated financial results for the fiscal year ended March 2026.

3. Difference between forecast and actual results

(1) Difference between full-year consolidated earnings forecast and actual results for the fiscal year Ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(Unit: million yen)

	Sales	Operating profit	Ordinary profit	Net profit attributable to owners of the parent	Net profit per share
Previously announced forecast (A)	8,663	△2,138	△2,101	△2,377	△105.24 yen
Actual Results (B)	8,665	△2,073	△2,023	△3,329	△147.41 yen
Change (B-A)	2	64	77	△952	
Change (%)	0.0	-	-	-	
(Reference) Results for the previous fiscal year (Fiscal year ended March 2025)	10,437	△583	△498	△539	△23.87 yen

(2) Reason for the difference

Although sales, operating profit and ordinary profit improved slightly from the previous forecast due to cost containment, net profit attributable to owners of the parent fell short of the previous forecast due to the recording of impairment loss as an extraordinary loss as mentioned above.

For details of consolidated results for the fiscal year ended March 2026, please refer to "Consolidated Financial Results for the Year Ended March 31, 2026 (Japanese GAAP)" announced today.

End

(Note)

This is a translation of the press release originally drafted in Japanese for the disclosure required in compliance with the TSE regulations.