

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended March 31, 2021 (Based on Japanese GAAP)

May 7, 2021

Company name: LINKBAL INC
 Stock exchange listing: Tokyo
 Stock code: 6046 URL <https://linkbal.co.jp>
 Representative: CEO & President Yoshihiro Kazumasa
 Inquiries: Director & General Manager Jun Narusawa TEL 050(1741)2300
 Scheduled date to file Quarterly Securities Report: May 7, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended March 31, 2021 (from October 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results (cumulative)

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	%
Six months ended March 31, 2021	374	(66.2)	(139)	–	(135)	–	(147)	–
Six months ended March 31, 2020	1,110	(22.4)	281	(44.9)	283	(44.9)	180	(42.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2021	(7.89)		–	
Six months ended March 31, 2020	9.67		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2021	2,075	1,921	92.6
As of September 30, 2020	2,269	2,068	91.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended September 30, 2020	–	0.00	–	0.00	0.00
Year ending September 30, 2021	–	0.00			
Year ending September 30, 2021 (Forecast)			–	0.00	0.00

3. Forecast of non-consolidated financial results for the year ending September 30, 2021 (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
Full year	–	–	–	–	–	–	–	–	–

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021	19,500,000 shares	As of September 30, 2020	19,500,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	853,104 shares	As of September 30, 2020	853,104 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended March 31, 2021	18,646,896 shares	Six months ended March 31, 2020	18,646,896 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	1,817,576	1,821,500
Accounts receivable - trade	18,090	15,518
Accounts receivable - other	63,953	34,744
Income taxes receivable	166,226	—
Other	94,475	86,259
Total current assets	2,160,322	1,958,023
Non-current assets		
Property, plant and equipment	3,663	8,508
Intangible assets	49,050	42,368
Investments and other assets		
Distressed receivables	1,003	1,003
Other	56,390	66,624
Allowance for doubtful accounts	(1,003)	(1,003)
Total investments and other assets	56,390	66,624
Total non-current assets	109,104	117,501
Total assets	2,269,426	2,075,524
Liabilities		
Current liabilities		
Accounts payable - trade	1,026	270
Accounts payable - other	80,541	63,358
Income taxes payable	—	2,745
Accrued consumption taxes	—	3,012
Advances received	6,688	6,276
Deposits received	21,410	13,518
Provision for bonuses	18,486	16,876
Asset retirement obligations	23,103	—
Other	32,467	33,606
Total current liabilities	183,725	139,664
Non-current liabilities		
Long-term guarantee deposits	17,000	14,300
Total non-current liabilities	17,000	14,300
Total liabilities	200,725	153,964
Net assets		
Shareholders' equity		
Share capital	281,000	281,000
Capital surplus	276,000	276,000
Retained earnings	1,905,556	1,758,415
Treasury shares	(393,916)	(393,916)
Total shareholders' equity	2,068,640	1,921,499
Share acquisition rights	61	61
Total net assets	2,068,701	1,921,560
Total liabilities and net assets	2,269,426	2,075,524

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended March 31, 2020	Six months ended March 31, 2021
Net sales	1,110,167	374,790
Cost of sales	76,854	23,821
Gross profit	1,033,312	350,968
Selling, general and administrative expenses	751,399	490,634
Operating profit (loss)	281,912	(139,665)
Non-operating income		
Interest income	136	81
Interest on refund of income taxes	—	2,288
Subsidy income	—	1,742
Other	1,017	7
Total non-operating income	1,153	4,119
Ordinary profit (loss)	283,066	(135,545)
Extraordinary losses		
Loss on cancellation of rental contracts	—	9,432
Other	—	603
Total extraordinary losses	—	10,036
Profit (loss) before income taxes	283,066	(145,582)
Income taxes - current	96,986	347
Income taxes - deferred	5,763	1,211
Total income taxes	102,750	1,558
Profit (loss)	180,316	(147,141)

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended March 31, 2020	Six months ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	283,066	(145,582)
Depreciation	8,952	7,538
Increase (decrease) in allowance for doubtful accounts	1,018	–
Increase (decrease) in provision for bonuses	(663)	(1,610)
Interest and dividend income	(136)	(81)
Subsidy income	–	(1,742)
Decrease (increase) in trade receivables	(111)	2,572
Decrease (increase) in accounts receivable - other	76,046	25,994
Increase (decrease) in trade payables	(5,900)	(756)
Increase (decrease) in accounts payable - other	(101,882)	(29,345)
Decrease/increase in consumption taxes receivable/payable	(16,809)	11,591
Increase (decrease) in advances received	(1,496)	(412)
Increase (decrease) in deposits received	(14,274)	(7,892)
Other, net	(3,124)	(12,299)
Subtotal	224,684	(152,026)
Interest and dividends received	136	81
Proceeds from subsidy income	–	1,742
Income taxes (paid) refund	(251,720)	166,810
Net cash provided by (used in) operating activities	(26,900)	16,607
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,191)	(1,238)
Payments of leasehold deposits	–	(13,111)
Loan advances to subsidiaries and associates	(10,000)	–
Collection of loans receivable from subsidiaries and affiliates	8,333	1,666
Net cash provided by (used in) investing activities	(3,858)	(12,683)
Net increase (decrease) in cash and cash equivalents	(30,758)	3,923
Cash and cash equivalents at beginning of period	2,281,192	1,817,576
Cash and cash equivalents at end of period	2,250,433	1,821,500