

[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.

This translation is subject to change without notice. Linical Co., Ltd. shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, misunderstanding, or changes with regard to this translation.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Japanese GAAP)

August 12, 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 filing of quarterly report : August 15, 2022
Scheduled date of start of dividend payment : —
Preparation of supplementary materials for the quarterly financial statements : No
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, 2022 (April 1, 2022 to June 30, 2022)

(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, 2022	2,868	3.0	△26	—	89	△36.0	76	13.8
June 30, 2021	2,784	14.9	145	—	140	—	67	—

(Note) Comprehensive income Three Months Ended June 30, 2022: ¥451 million (427.6%)
Three Months Ended June 30, 2021: ¥85 million (—%)

Three Months Ended	Net income per share	Diluted net income per share
	(¥)	(¥)
June 30, 2022	3.41	—
June 30, 2021	3.00	—

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net asset per share (¥)
As of June 30, 2022	16,328	6,678	40.9	295.68
As of March 31, 2022	15,716	6,543	41.6	289.69

(Reference) Shareholder's equity: As of June 30, 2022: ¥6,678 million
As of March 31, 2022: ¥6,543 million

2. Dividends

	Annual dividends per share (¥)				
	1st Quarter End	2nd Quarter End	3rd Quarter End	Fiscal Year End	Total
Year Ended March 31, 2022	—	0.00	—	14.00	14.00
Year Ending March 31, 2023	—				
Year Ending March 31, 2023(Forecast)		0.00	—	14.00	14.00

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

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

(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 : Yes

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, 2022 : 24,740,000 shares

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

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

As of June 30, 2022 : 2,153,564 shares

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

(c) Average number of shares during the period

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

Three Months Ended June 30, 2021 : 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, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	5,985,618	6,031,863
Accounts receivable - trade and contract assets	2,917,990	2,962,095
Prepaid expenses	197,784	184,307
Advances paid	987,891	1,169,614
Other	266,645	312,888
Allowance for doubtful accounts	△34,842	△11,911
Total current assets	10,321,087	10,648,857
Non-current assets		
Property, plant and equipment	664,111	698,727
Intangible assets		
Goodwill	3,406,633	3,673,348
Other	159,249	158,462
Total intangible assets	3,565,883	3,831,810
Investments and other assets		
Investment securities	347,652	329,313
Long-term prepaid expenses	5,461	2,722
Guarantee deposits	366,280	368,122
Deferred tax assets	445,992	448,578
Total investments and other assets	1,165,387	1,148,737
Total non-current assets	5,395,381	5,679,275
Total assets	15,716,469	16,328,133

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Short-term borrowings	600,000	600,000
Current portion of long-term borrowings	539,976	539,976
Accounts payable - other	533,842	566,349
Accrued expenses	402,485	320,782
Income taxes payable	193,650	128,961
Accrued consumption taxes	38,747	76,189
Advances received	2,147,272	2,247,616
Deposits received	688,038	1,359,166
Provision for bonuses	171,809	87,903
Other	162,279	129,599
Total current liabilities	5,478,102	6,056,545
Non-current liabilities		
Long-term borrowings	2,533,566	2,398,572
Lease liabilities	430,959	457,273
Retirement benefit liability	689,644	704,990
Other	41,028	32,390
Total non-current liabilities	3,695,198	3,593,226
Total liabilities	9,173,300	9,649,772
Net assets		
Shareholders' equity		
Share capital	214,043	214,043
Retained earnings	6,604,985	6,365,735
Treasury shares	△657,461	△657,461
Total shareholders' equity	6,161,567	5,922,317
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42,339	32,321
Foreign currency translation adjustment	322,124	706,913
Remeasurements of defined benefit plans	17,138	16,809
Total accumulated other comprehensive income	381,601	756,043
Total net assets	6,543,169	6,678,360
Total liabilities and net assets	15,716,469	16,328,133

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	2,784,738	2,868,964
Cost of sales	2,072,164	2,138,867
Gross profit	712,574	730,097
Selling, general and administrative expenses	566,843	756,908
Operating profit (loss)	145,730	△26,810
Non-operating income		
Interest income	129	91
Foreign exchange gains	-	124,595
Gain on valuation of investment securities	8,997	-
Total non-operating income	9,126	124,686
Non-operating expenses		
Interest expenses	4,034	3,385
Foreign exchange losses	10,356	-
Loss on valuation of investment securities	-	3,721
Other	7	921
Total non-operating expenses	14,398	8,027
Ordinary profit	140,458	89,848
Extraordinary income		
Insurance claim income	-	50,000
Total extraordinary income	-	50,000
Extraordinary losses		
Arbitration related expenses	46,152	-
Total extraordinary losses	46,152	-
Profit before income taxes	94,305	139,848
Income taxes - current	33,879	37,557
Income taxes - deferred	△7,225	25,330
Total income taxes	26,654	62,887
Profit	67,651	76,960
Profit attributable to owners of parent	67,651	76,960

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	67,651	76,960
Other comprehensive income		
Valuation difference on available-for-sale securities	15,403	△10,018
Foreign currency translation adjustment	1,959	384,788
Remeasurements of defined benefit plans, net of tax	545	△328
Total other comprehensive income	17,908	374,441
Comprehensive income	85,559	451,402
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	85,559	451,402