

# Translation

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## Summary of Non-Consolidated Financial Results for the Year Ended September 30, 2019 (Based on Japanese GAAP)

November 6, 2019

Company name: LINKBAL INC  
 Stock exchange listing: Tokyo  
 Stock code: 6046 URL <https://linkbal.co.jp>  
 Representative: CEO & President Yoshihiro Kazumasa  
 Inquiries: Senior Managing Director Baba Hiroaki TEL 03(6222)6827  
 Scheduled date of ordinary general meeting of shareholders: December 20, 2019  
 Scheduled date to file Securities Report: December 20, 2019  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Non-consolidated financial results for the year ended September 30, 2019 (from October 1, 2018 to September 30, 2019)

#### (1) Non-consolidated operating results

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	%
Year ended September 30, 2019	2,719	(1.8)	1,026	39.5	1,028	39.4	632	37.8
Year ended September 30, 2018	2,769	4.4	735	58.2	738	49.5	458	46.6

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2019	33.92	–	36.2	43.2	37.7
Year ended September 30, 2018	24.22	–	34.6	37.8	26.6

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2019	2,690	2,062	76.7	110.62
As of September 30, 2018	2,074	1,430	68.9	76.70

#### (3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2019	669	(50)	–	2,281
Year ended September 30, 2018	461	(9)	(249)	1,661

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2018	–	0.00	–	0.00	0.00	–	–	–
Year ended September 30, 2019	–	0.00	–	0.00	0.00	–	–	–
Year ending September 30, 2020 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of non-consolidated financial results for the year ending September 30, 2020 (from October 1, 2019 to September 30, 2020)

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
Six months ending March 31, 2020	1,301	(9.0)	301	(41.0)	301	(41.3)	187	(40.1)	10.04
Full year	2,804	3.1	527	(48.5)	527	(48.7)	327	(48.3)	17.55

4. Notes

(1) 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

(2) Number of issued shares (common shares)

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

As of September 30, 2019	19,500,000 shares	As of September 30, 2018	19,500,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	853,104 shares	As of September 30, 2018	853,104 shares
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Average number of shares during the period

Year ended September 30, 2019	18,646,896 shares	Year ended September 30, 2018	18,950,286 shares
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**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of September 30, 2018	As of September 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	1,661,816	2,281,192
Accounts receivable - trade	27,042	25,575
Accounts receivable - other	140,579	129,926
Advance payments - trade	6,898	1,215
Prepaid expenses	22,574	13,817
Short-term loans receivable from subsidiaries and associates	—	7,500
Other	4,813	1,222
Total current assets	1,863,724	2,460,449
Non-current assets		
Property, plant and equipment		
Buildings	87,781	76,984
Accumulated depreciation	(28,073)	(34,002)
Buildings, net	59,708	42,981
Tools, furniture and fixtures	24,993	25,735
Accumulated depreciation	(13,786)	(17,232)
Tools, furniture and fixtures, net	11,206	8,502
Construction in progress	486	—
Total property, plant and equipment	71,401	51,483
Intangible assets		
Trademark right	371	270
Software	6,579	27,852
Total intangible assets	6,951	28,122
Investments and other assets		
Shares of subsidiaries and associates	—	9,671
Guarantee deposits	—	2,200
Leasehold deposits	82,106	78,938
Deferred tax assets	47,196	54,443
Other	3,240	5,616
Total investments and other assets	132,543	150,869
Total non-current assets	210,895	230,475
Total assets	2,074,619	2,690,925
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	19,902	6,947
Accounts payable - other	232,890	171,098
Accrued expenses	57,827	44,253
Income taxes payable	186,742	264,918
Accrued consumption taxes	32,210	31,722
Advances received	10,766	8,621
Deposits received	49,456	52,036
Provision for bonuses	23,246	19,182
Total current liabilities	613,042	598,779
Non-current liabilities		
Asset retirement obligations	31,361	29,342
Total non-current liabilities	31,361	29,342
Total liabilities	644,404	628,122

	(Thousands of yen)	
	As of September 30, 2018	As of September 30, 2019
Net assets		
Shareholders' equity		
Capital stock	281,000	281,000
Capital surplus		
Legal capital surplus	276,000	276,000
Total capital surpluses	276,000	276,000
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,266,976	1,899,562
Total retained earnings	1,266,976	1,899,562
Treasury shares	(393,916)	(393,916)
Total shareholders' equity	1,430,059	2,062,646
Share acquisition rights	156	156
Total net assets	1,430,215	2,062,802
Total liabilities and net assets	2,074,619	2,690,925

## Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended September 30, 2018	Fiscal year ended September 30, 2019
Net sales	2,769,949	2,719,629
Cost of sales	479,799	268,730
Gross profit	2,290,150	2,450,898
Selling, general and administrative expenses	1,554,768	1,424,842
Operating profit	735,381	1,026,056
Non-operating income		
Interest income	76	95
Gain on adjustment of account payable	3,908	2,837
Other	70	51
Total non-operating income	4,056	2,985
Non-operating expenses		
Commission expenses	889	—
Other	174	77
Total non-operating expenses	1,064	77
Ordinary profit	738,374	1,028,964
Extraordinary losses		
Impairment loss	2,500	10,010
Differences between the asset retirement liability balance and the actual retirement cost	—	3,596
Other	—	121
Total extraordinary losses	2,500	13,728
Profit before income taxes	735,874	1,015,235
Income taxes - current	279,086	389,895
Income taxes - deferred	(2,193)	(7,246)
Total income taxes	276,892	382,648
Profit	458,981	632,586

# Non-consolidated statements of changes in equity

Fiscal year ended September 30, 2018

(Thousands of yen)

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Capital stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings				
				Retained earnings brought forward					
Balance at beginning of current period	281,000	276,000	276,000	807,994	807,994	(143,988)	1,221,006	—	1,221,006
Changes of items during period									
Profit				458,981	458,981		458,981		458,981
Purchase of treasury shares						(249,928)	(249,928)		(249,928)
Issuance of share acquisition rights								156	156
Total changes of items during period	—	—	—	458,981	458,981	(249,928)	209,053	156	209,209
Balance at end of current period	281,000	276,000	276,000	1,266,976	1,266,976	(393,916)	1,430,059	156	1,430,215

Fiscal year ended September 30, 2019

(Thousands of yen)

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Capital stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings				
				Retained earnings brought forward					
Balance at beginning of current period	281,000	276,000	276,000	1,266,976	1,266,976	(393,916)	1,430,059	156	1,430,215
Changes of items during period									
Profit				632,586	632,586		632,586		632,586
Total changes of items during period	—	—	—	632,586	632,586	—	632,586	—	632,586
Balance at end of current period	281,000	276,000	276,000	1,899,562	1,899,562	(393,916)	2,062,646	156	2,062,802

## Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2018	Fiscal year ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	735,874	1,015,235
Depreciation	13,873	16,874
Impairment loss	2,500	10,010
Increase (decrease) in allowance for doubtful accounts	(591)	—
Increase (decrease) in provision for bonuses	(6,504)	(4,063)
Interest and dividend income	(76)	(95)
Decrease (increase) in notes and accounts receivable - trade	(6,049)	1,467
Decrease (increase) in accounts receivable - other	(14,079)	10,653
Increase (decrease) in notes and accounts payable - trade	(10,307)	(12,954)
Increase (decrease) in accounts payable - other	30,407	(61,792)
Increase (decrease) in accrued consumption taxes	2,306	12
Increase (decrease) in advances received	(1,664)	(2,144)
Increase (decrease) in deposits received	(8,169)	2,579
Other, net	(34,131)	7,615
Subtotal	703,386	983,397
Interest and dividend income received	76	95
Income taxes paid	(241,730)	(313,881)
Net cash provided by (used in) operating activities	461,732	669,611
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,856)	(1,431)
Proceeds from sales of property, plant and equipment	—	80
Purchase of intangible assets	(3,442)	(26,909)
Purchase of shares of subsidiaries	—	(9,671)
Payments for leasehold and guarantee deposits	(3,559)	(2,200)
Proceeds from collection of leasehold and guarantee deposits	2,083	2,905
Payments of loans receivable from subsidiaries and associates	—	(7,500)
Payments for asset retirement obligations	—	(5,508)
Net cash provided by (used in) investing activities	(9,774)	(50,236)
Cash flows from financing activities		
Purchase of treasury shares	(249,928)	—
Proceeds from issuance of share acquisition rights	156	—
Net cash provided by (used in) financing activities	(249,772)	—
Net increase (decrease) in cash and cash equivalents	202,185	619,375
Cash and cash equivalents at beginning of period	1,459,631	1,661,816
Cash and cash equivalents at end of period	1,661,816	2,281,192